

Runnymede Borough Council

HOUSING AND COMMUNITY SERVICES COMMITTEE

Wednesday 12 January 2005 at 7.30 p.m.

in the Council Chamber

at the Civic Offices, Addlestone



Members of the Committee

Councillors P.J. Waddell (Chairman), H.W.V. Meares (Vice-Chairman), J.R. Ashmore, Ms D.V. Clarke, J.M. Edwards, Mrs. C.E. Gant, Ms R.E. Haylor, Miss M.N. Heath, Mrs Y.P. Lay and R Pate.

and all other Members for information

## A G E N D A

Notes:

- i) Any report on the Agenda involving confidential information (as defined by section 100A(3) of the Local Government Act 1972) must be discussed in private. Any report involving exempt information (as defined by Section 100I of the Local Government Act 1972), whether it appears in Part 1 or Part 2 below, may be discussed in private but only if the Committee so resolves.
- ii) The relevant 'background papers' are listed after each report in Part 1. Enquiries about any of the Agenda reports and background papers should be directed in the first instance to **Mr M L White, Committee Administrator, Department of Administration and Leisure, Civic Offices, Station Road, Addlestone (Tel. Direct Line: 01932 425623). (Email: malcolm.white@runnymede.gov.uk).**
- iii) Agendas and Minutes are available on a subscription basis. For details, please ring Mr. B.A. Fleckney on 01932 425620. Agendas and Minutes for all the Council's Committees may also be viewed on [www.runnymede.gov.uk](http://www.runnymede.gov.uk).
- iv) In the unlikely event of an alarm sounding, members of the public should leave the building immediately, either using the staircase leading from the public gallery or following other instructions as appropriate.

## **LIST OF MATTERS FOR CONSIDERATION**

### **PART I**

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### **PART II**

#### **Matters involving Exempt or Confidential Information in respect of which reports have not been made available for public inspection.**

- a) Exempt Information  
(No reports to be considered under this heading)
- b) Confidential Information  
(No reports to be considered under this heading)

## GLOSSARY OF TERMS AND ABBREVIATIONS

TERM	EXPLANATION
ADP	Approved Development Programme. This is the Housing Corporation's annual allocation for capital expenditure on Housing Association/Registered Social Landlord projects. The ADP is distributed to Housing Associations through the allocation of Social Housing Grant. (See HCSHG below).
ALMO	Arms Length Management Organisation. This is an organisation established specifically to manage Council stock. The properties remain Council owned and tenants retain their secure tenancies. This can provide opportunities for extra funds to meet the Decent Homes Standard if all government requirements are satisfied.
BME	Black and Minority Ethnic Groups. This is a collective name used by various bodies.
COMPACT	This is a requirement of Central Government. It entails developing an agreement between the Council and tenants or voluntary organisations about the way in which they will be consulted on the services they receive or deliver.
CPA	Comprehensive Performance Assessment. An external process to assess the quality of individual Council's Performance (set out in the Local Government White Paper 2001). It brings together evidence from a range of internal and external sources, in addition to an on site inspection, in order to arrive at an overall category.
DFG	Disabled Facilities Grant. This is a grant made available to disabled persons to provide adaptations to their property. Dependent on the type of work, it is a mandatory grant. The amount of grant awarded is subject to a test of resources of the disabled person.
DHCS	Director of Housing and Community Services.
DIYSO	Do It Yourself Shared Ownership Scheme. This scheme allows applicants with sufficient income to part purchase accommodation in the Borough. As the title suggests, the applicant is able to find their own accommodation for purchase. The scheme is run by Thames Valley Housing Association who purchase up to 50% of the property value. The tenant pays rent to the Housing Association for the share the Association retains.
EGAN	Sir John Egan chaired a Local Government Task Force, which produced a report entitled "Rethinking Construction" in 1998. The Task Force recommended that the construction industry should look to a partnering approach in future rather than the adversarial nature of contracts in the past.
ESP	Existing Satisfactory Property. This scheme involved working with a Housing Association to purchase low cost housing in the private sector. Originally the scheme involved the repurchase of ex-Right to Buy Council properties. However, the scheme was broadened to include any low cost housing in the Borough.
GOSE	The Government Office for the South East. This is the local office of the Office of the Deputy Prime Minister (formerly the Department of Transport, Local Government and the Regions) for the South East region of England. Its role includes development of the Regional Housing Strategy.
HCSHG	Housing Corporation Social Housing Grant. This is the main public subsidy paid to Housing Associations by Central Government, through the Housing Corporation to finance new homes. It can be used to pay for rented schemes as well as low cost home ownership schemes. (See ADP above).
HMO	House in Multiple Occupation. This is a property that under the Housing Act 1985 is defined as being "occupied by persons who do not form a single household". The definition used by Planning Authorities is slightly different in that they do not recognise a house to be an HMO unless there are 6 occupants.

HOUSING CORPORATION	This is the National Housing Agency for England. The Housing Corporation is a Government Agency and was created by the Housing Act 1964 to register, fund, promote and supervise the Housing Association (now Registered Social Landlord) movement.
HRA	Housing Revenue Account. This is a statutory account that sets out the expenditure and income arising from the provision of social housing by the Local Authority as a landlord. Expenditure in the HRA includes repairs and improvements, and the management of the Council's stock.
LASHG	Local Authority Social Housing Grant. These were Social Housing Grant payments which were initiated by a Local Authority but for which the cash was provided by the Housing Corporation. The scheme came to an end on 1 <sup>st</sup> April 2003. Transitional arrangements are in place but under these arrangements the funds, if approved, are paid direct to the Registered Social Landlord.
LDF	Local Development Framework. Government proposed replacement for the Local Plan.
LSP	Local Strategic Partnership – Leads on the Community Strategy.
ODPM	Office of the Deputy Prime Minister (Government Department).
PFI	Private Finance Initiative. This can provide an opportunity to raise extra funds for investment in housing stock. A number of issues would need to be addressed/considered. Several Councils are currently acting as pathfinders.
PPG3	Planning Policy Guidance. This is Guidance issued by the Secretary of State detailing National Planning Policy within existing legislation. There are many examples of Guidance and PPG3 is the one that is the most relevant to housing. This sets out the requirements relating to the provision of affordable housing.
RARP	Runnymede Accommodation Referral Panel. This group has been established to assess the accommodation requirements of people with mental health, learning disability and physical disabilities. The group considers each individual case and makes a recommendation as to the level of support required.  Representatives on the group include the following:  Officer from the Borough Council's Housing Department. Officer from the Community Support Team (Social Services). Officer from the Community Mental Health Team (Social Services/Health). Occupational Therapist.
RHB	Regional Housing Board. The RHB has been established by the Government to prepare and oversee the Regional Housing Strategy. The Strategy for the region will set out the approach to housing investment and give a clear framework for spending decisions. One RHB exists for the whole of the South East of England.
RSL	Registered Social Landlord. This is a Housing Association which is registered with the Housing Corporation. Registration entitles an association to bid for Social Housing Grant but requires that the association does not trade for profit. The association is established for the purpose of the provision, construction, improvement or management of social housing.
SAP	Standard Assessment Procedure. This is the Government's procedure for assessing the energy efficiency of a property.
SMART	How targets should be set if they are to be effective – Specific, Measurable, Achievable, Realistic, Timely.

SNHSG	The Special Needs Housing Strategy Group was established to look at the level of housing needed by people with special needs. This includes those with mental health problems, learning disabilities, physical disabilities, young people leaving care, victims of domestic violence, those with drug and alcohol problems, and older people. The group has representatives from a number of different agencies. The Chairman from each of the Local Special Needs Forums is also represented on the Special Needs Housing Strategy Group.
TCI	Total Cost Indicator. This is a system used by the Housing Corporation for assessing the maximum cost for new Registered Social Landlord dwellings. The TCI varies both in relation to the size of the dwelling and the region of the country in which it is to be constructed.
TPAS	Tenant Participation Advisory Service. The independent tenant advisers. Their role is to help tenants understand the complexities of the stock options and to audit the Council's statements and figures.
TLSG	Tenants' and Leaseholders Services Group. This group was formed in February 1999. The members of the group are Council Tenants and Leaseholders. They meet prior to each Housing and Community Services meeting to consider policy and management issues that impact on Tenants and Leaseholders.

1. NOTIFICATION OF CHANGES TO COMMITTEE MEMBERSHIP

2. MINUTES

To confirm and sign, as a correct record, the Minutes of the meeting of the Committee held on 3 November 2004.

3. APOLOGIES FOR ABSENCE

4. DECLARATIONS OF INTEREST

If Members have an interest in an item please record the interest on the form circulated with this Agenda and hand it to the Legal Representative or Committee Administrator at the start of the meeting. A supply of the form will also be available from the Committee Administrator at meetings.

Members who have previously declared interests which are recorded in the Minutes to be considered at this meeting need not repeat the declaration when attending the meeting. Members need take no further action unless the item in which they have an interest becomes the subject of debate, in which event the Member must leave the room if the interest is personal and prejudicial.

5. HOUSING ACT 2004 (DHCS)

1. Purpose of Report

1.1 **The purpose of this report is to advise Members of the enactment and content of the Housing Act 2004.**

2. Background Information

2.1 In September 2003 a report was presented to this Committee outlining the content of the Housing Bill. However, since the original consultation on the Bill a number of additional requirements have been added. The Act received Royal Assent on 18<sup>th</sup> November and the final Act introduced the following requirements:

i) Housing Health & Safety Rating System

A new Housing Health & Safety Rating System (HHSRS) will replace the current Housing Fitness Standard. The Government feels that this new system will help Local Authorities target properties in the worst condition within their area and particularly those occupied by the most vulnerable people. In addition to introducing

a new assessment framework the Act also introduces new enforcement measures and a requirement for Local Authorities to keep their housing contractors in their area under review.

This section of the Act will have significant implications for the Council's Private Sector Housing team and the Legal Section who will have to introduce new arrangements for the assessment and enforcement of housing conditions. The Government have produced guidance which is currently being assessed by Officers, and, a further report will follow on the detailed implications.

The Government have indicated that the new arrangements could come into effect as early as the Autumn of 2005.

ii) Licensing of Houses in Multiple Occupation

The Act introduces mandatory licensing for larger, higher risk HMO's and discretionary powers to licence smaller, multi occupied properties. Again, this will have implications for the Council's Private Sector Housing Team who will be required to implement a licensing system for larger properties. Discretionary licensing of other types of HMO's is unlikely to be justifiable.

iii) Selective Licensing of Private Landlords

In areas of low housing demand Local Authorities will be able to selectively licence private landlords. This is being introduced to help tackle the problems of anti-social behaviour within such areas. However, as Runnymede is not within a low demand area this section of the Act will not apply.

iv) Management Orders

The Act introduces the power for Local Authorities to issue Management Orders for private residential property, including HMO's. There are two types of Order that can be issued: an Interim Management Order or a Final Management Order. An Interim Management Order would be for a period of 12 months.

The Local Authority has a duty to make Management Orders in certain circumstances e.g. where an HMO is required to be licensed and has not achieved this. The implications of making an Order are complex and are being assessed.

Again, this requirement will have implications for the Private Sector Housing Team and the Legal Section.

v) Empty Dwelling Management Orders

The Act gives Local Authorities the power to make Empty Dwelling Management Orders when a property is unoccupied. Before an Order is issued authority to make the Order must be obtained from the Property Tribunal. The Tribunal will need to be satisfied that adequate measures have been taken to try and secure the occupation of the property before it authorises an Order.

The use of Empty Management Orders may provide a useful tool for tackling empty homes, however, Officers will need to assess the resource implications before recommending a policy in relation to this new power.

vi) Home Information Packs

Home information packs are to be introduced to bring together important information about a property that is to be sold. A pilot is to be run following which the packs will be introduced from January 2007.

This requirement will have a limited impact on Runnymede's Housing Service but may have to be taken into account on the rare occasions that properties are sold on the open market.

vii) Anti-Social Behaviour

In an effort to increase the measures available to Local Authorities to tackle anti-social behaviour, the Act extends the introductory tenancy period beyond the current 12 months. It also allows for a mutual exchange of tenants to be refused on the grounds of anti-social behaviour and prevents a tenant completing under Right to Buy where action has been taken for anti-social behaviour.

viii) Right to Buy

The Act extends the initial qualification for Right to Buy from 2 to 5 years. It also extends from 3 to 5 years the period during which discount must be repaid when a property is resold.

ix) Park/Mobile Homes

The Government established a Park Homes Working Party in 1998 in response to the views expressed by many residents of park homes who felt that they were being exploited by site owners. The Act introduces a range of measures to protect the occupiers of park homes. Runnymede has its own mobile home site at Heathervale and Officers are currently assessing the extent to which these new requirements will impact on Runnymede.

x) Overcrowding

The Act allows for the Secretary of State to make such provisions as it considers appropriate in connection with overcrowding. It is understood that the Government are proposing to consult on any proposed provision in December 2004, however, at the time of preparing this report no information was available.

Changes to the overcrowding definition will impact the enforcement role of Private Sector Housing. It may change the way in which applicants on the Housing Register are assessed and may also increase the number of applicants who could be considered homeless.

xi) Increased Powers to Regulate Registered Social Landlords

This part of the Act introduces a schedule of measures designed to increase the effectiveness of the Housing Corporation to regulate Registered Social Landlords. The Regulations allow the Housing Corporation to respond more swiftly and proportionately where an RSL is in difficulties and to bring audit and financial arrangements into line.

xii) Grants to Companies that are not Registered Social Landlords

The Act makes provision for the Housing Corporation to pay grants to companies, other than Registered Social Landlords, for housing purposes, in particular the production of new affordable housing. Commercial developers receiving grant would have to meet the same criteria as RSL's in relation to scheme standards and rents. However, this provision widens the opportunity for the provision of affordable housing. It is expected that developers will be able to bid for grant before the end of 2005.

Officers are currently assessing the implications of this new provision for Runnymede and will, of course, take account of it in the development of its affordable housing programme.

xiii) Extension of Disabled Facilities Grants

The Act extends the Disabled Facilities Grant to all those occupying caravans and houseboats as their only or main residence. This will have implications for the Private Sector Housing team who might be required to deal with additional applications.

xiv) Tenancy Deposit Schemes

The Act requires that the Government makes arrangements for safeguarding Tenancy Deposits paid in connection with shorthold tenancies. It is understood that the Government intends to publish provisions for making such safeguards and that the scheme will require secondary legislation.

It is not known at the current time the extent to which Local Authorities will be required to take part in advising tenants and landlords on this issue or enforcing any requirements of a scheme. Further information is being sought and Officers will report to Committee when more information is available.

xv) Duties on Local Authorities – Accommodation Needs of Gypsies and Travellers

The Act introduces a requirement for Local Authorities to carry out an assessment of the accommodation needs of gypsies and travellers residing or resorting in their district. This work is to be carried out when undertaking a review of housing needs in the district. It also requires that, having assessed the need, a strategy is produced to outline how the Authority intends to meet any need identified.

The Government intends to produce guidance on how to undertake an assessment of the housing needs of gypsies and travellers. The Housing Needs Survey currently being undertaken would not encompass special needs of this type.

The County Council's Executive has been reviewing on-site provision for travelling communities and the recently published draft Supporting People Study indicates that the Supporting People Commissioning body has commenced work on this issue. However, it is important that any findings are completed in draft for the Local Development Framework and if the County work is not finalised quickly it may be necessary to commission separate work in order to identify the needs of this group. Officers will report further to the Committee once the County position has been clarified and the guidance has been received from Government.

xvi) Energy Efficiency

The Act requires the Secretary of State to take reasonable steps to ensure that by 2010 the general level of energy efficiency of residential accommodation, in England, is increased by at least 20% compared with the general level of such energy efficiency in 2000. There are no direct provisions for Local Authorities, however, the requirement on Government is likely to cascade to Districts through assessments such as CPA.

The Council have already established energy efficiency targets in relation to its own housing stock and is working proactively with vulnerable homeowners to improve energy efficiency.

2.2 It has been very difficult to establish when each of the above provisions will come into force. Officers will endeavour to establish this and report these details verbally at the meeting.

3. Resource Implications

3.1 This is a significant piece of legislation and there are inevitably resource implications in relation to the introduction of the above measures. The initial resourcing issue relates to the assessment of the impact of these measures on current services. Although this will be absorbed by senior managers it inevitably adds to what is already a very significant workload within the Council.

3.2 As the individual requirements are implemented there will be a need for staff training in certain areas and changes to current procedures, including the upgrade of computer software. An amount of £10,000 has been included in the draft estimates for 2005/06, to resource some of the provisions within the Act. At the current time it is not known whether or not this amount will be adequate.

- 3.3 Officers will continue to assess the implications and will bring back reports to this Committee once the full impact has been determined.

**(FOR INFORMATION)**

Background Papers

None

6. STOCK OPTIONS APPRAISAL (DHCS)

1. Purpose of Report

1.1 **The purpose of this report is to:**

- i) **advise Members of the outcome of the first stage of the Stock Options Appraisal; and**
- ii) **outline the next steps for this project**

2. Background Information

2.1 The Government requires all Local Authorities with a housing stock to undertake an Option Appraisal and to submit this to the Government Office for the South East, (GOSE), for sign-off by no later than 31<sup>st</sup> July 2005. This requirement was initially set down in the Sustainable Communities Plan but was then followed up by more detailed guidance.

2.2 The Council must assess its position against four potential options. These are as follows:

- i) Retaining the housing stock
- ii) Setting up an Arms Length Management Company (ALMO).
- iii) Using a Private Finance Initiative (PFI) to facilitate improvements to the stock.
- iv) Transferring the housing stock to a Registered Social Landlord (LSVT).

2.3 Pennington Facility Management Consultants have been commissioned to undertake a baseline assessment of the current Housing Revenue Account Business Plan and to complete a detailed appraisal of the Council's position against each of the above options.

2.4 The Council is also required to ensure that stakeholders are involved throughout the stock appraisal process. The Tenant Participation Advisory Service (TPAS) have been commissioned to support tenants and leaseholders during this project and a Stock Options Tenant and Leaseholder Forum has been created.

3. Baseline Assessment and Stock Options

3.1 The report received from Pennington (Appendix 'A') is circulated separately with this Agenda to Members of the Committee only. A copy has also been placed in the Members' Room. Representatives on the Tenant and Leaseholders Forum have also received a copy.

3.2 Pennington have undertaken a thorough review of the information held within the current Business Plan. They have tested assumptions made about stock condition, the cost of future maintenance, income from rents and subsidies, overheads, void levels etc. before arriving at their findings.

3.3 Pennington have concluded from the baseline assessment that, subject to some very minor savings, the Council is able to meet the Decent Homes Standard and maintain the services outlined within the Housing Revenue Account Business Plan for a period of thirty years. This means therefore that stock retention is a possibility. However, it must be remembered that this assessment is based on the current programme of work within the Business Plan and does not take account of any new demands. The position could change following consultation with stakeholders. This is explained more fully below.

- 3.4 Government funding for PFI's and ALMO's is only available where a Local Authority is unable to meet the Decent Homes Standard. As Runnymede can meet the Decent Homes Standard, no additional money will be forthcoming from these options. There seems to be little to be gained, therefore, from pursuing these as whole stock options.
- 3.5 Although PFI is not a whole stock option it may be available for particular elements of the stock and Pennington have suggested that it could be considered as part of a mixed approach to meeting the investment needs of the whole stock and delivering on service quality and other priorities.
- 3.6 The report also suggests that LSVT remains a potential option for the Council. It, too, would achieve the Decent Homes Standard and would also deliver a capital receipt. However, it is not an option that the Council can decide to take on its own, as it has to be subject to a mandate from tenants via a ballot. If stock transfer was to be pursued, the Council would need to have regard to tenant/leaseholder views from the outset as without support from tenants to the proposal the upfront expenditure required would be at risk.
- 3.7 Pennington have made a number of recommendations for the next stages of the review. They have recommended:

- i) *“That small-scale interventions are now considered in more detail, the outcome of that consideration fed into this report, if appropriate, and certainly into the final report and a wide programme of consultation be undertaken.”*

Members will be aware that an appraisal of the sheltered schemes with shared facilities is underway. Separate options are also being pursued for Wapshott Road and Roakes Avenue.

- ii) *“Before a final decision is made it is recommended that the financial model be repopulated with the most up to date figures available and the impact of the options and results of consultation be reconsidered.”*

Officers will continue to provide Pennington with new information on subsidy determinations etc in order to ensure that the model reflects the current position.

- iii) *“To enable the final report to fully detail the implication of options and their value to the Council in relation to the future of the housing stock there is a need for the Council in consultation with stakeholders, and most particularly with its tenants, to determine the criteria against which the options are to be appraised.”*

Attached at Appendix 'B' is a draft criteria which contains a list of the factors that might be considered when approaching each of the options. The final factors will be agreed with the Tenant and Leaseholder Forum and the Member Working Groups. However, the Committee is invited to indicate whether or not it would wish to see additional factors or withdraw any that are in the draft.

- iv) *“It is suggested that the review of information within Appendix 1 (of the Pennington Report) be considered and its recommendations wherever practicable be implemented to support the baseline picture for the next report once consultation has taken place.”*

Appendix 1 of the Pennington report sets out a number of steps that the Council should consider to strengthen its position and ensure the ongoing viability of the Business Plan. Officers are currently evaluating these proposals and will bring forward reports as appropriate.

#### 4. Stakeholder Consultation and Involvement

- 4.1 Over the last few months many meetings have taken place with tenants and leaseholders to outline the Stock Options Appraisal process. It is estimated that over 300 tenants have attended meetings regarding this issue. At each of these meetings a representative from TPAS has acted as an independent tenant advisor giving information and explaining exactly why the Council is undertaking this work and the process that has to be followed.

4.2 TPAS have also facilitated monthly meetings of the Stock Options Tenant and Leaseholder Forum. This Forum, and the cross-party Member Working Group, were given a detailed presentation by Pennington of the outcome of the first stage of the project i.e. the completion of the baseline assessment and initial options appraisal.

#### 5. Next stages

5.1 The next stage of this project is to assess whether or not there are any additional services or demands that tenants or leaseholders have.

5.2 In November, TPAS sent a questionnaire to all tenants to determine whether or not further work was required above and beyond Decent Homes Standard. A copy of this questionnaire is available in the Members' Room.

5.3 Around 1,000 replies have been received to the questionnaire and the results are currently being analysed. Details of the findings from the survey will be reported to this meeting.

5.4 Once the survey results have been analysed Officers will measure the financial impact on the existing Business Plan of any additional items that have been requested. The report received from Pennington makes it clear that the Council is only able to retain the stock if it keeps very close to the current expenditure within the Plan. Therefore, if there is a need for significant additional expenditure then other stock options will need to be considered.

5.5 The Government Office for the South East have been monitoring the progress of this project. They require the Council to feedback the outcome of the Business Plan assessment and details of the survey results to tenants. They have also said that a "test of opinion" should be undertaken, whereby tenants are asked to indicate their preference in relation to different service levels and different stock options. This test of opinion will be sent out at the end of January 2005, following the financial assessment of any additional work needed. It will be preceded by further meetings with tenants at which feedback will be given on the consultations and the options explained again. These meetings will be held during January.

5.6 Throughout this process the Tenant and Leaseholders Stock Options Forum have been meeting regularly. The Member Working Group has also met and the Minutes of the October 2004 meeting are attached at Appendix 'C'. Further meetings of the two groups will take place in January.

5.7 A further report will be presented to this Committee in March. This will set out the findings from the remaining stages of the Stock Options Appraisal process and will recommend the final stock option.

#### 6. Financial Implications

6.1 As indicated in Pennington report.

#### 7. Policy Considerations

7.1 The Leader's Position Statement states that:

"Our own housing stock will be maintained and, when appropriate, improved or redeveloped, so that it continues to meet the Decent Homes Standard."

7.2 Achievement of the Decent Homes Standard is also one of the priorities within the Council's Housing Strategy.

#### 8. Conclusions

8.1 The Pennington report marks the end of the first stage of this complex process. Their report indicates that stock retention is feasible. However, their assessment is based on existing work programmes and projections for stock maintenance. It does not include any significant service improvements that might be sought by tenants via the Decent Homes Plus survey undertaken by TPAS.

- 8.2 The future needs of tenants and leaseholders will be fundamental in deciding the final stock option. If tenants and leaseholders demand improvements to their homes or to the service, and these improvements cannot be met from within existing resources, then other stock options such as LSVT will need to be considered.

**OFFICERS' RECOMMENDATION that –**

**the draft criteria for assessing the stock options (Appendix 'B') be approved subject to any amendments made by the Committee at the meeting.**

**(TO RESOLVE)**

Background Papers

DHCS and HOTS files.

7. TENANT SERVICE CHARGES (DHCS)

1. Purpose of Report

- 1.1 **The purpose of this report is to propose that tenant service charges be introduced from 1 April 2005.**

2. Background Information

- 2.1 The Government's rent policy is to harmonise rents for similar properties within the same area irrespective of whether they are managed by Local Authorities or Registered Social Landlords (RSL's). To achieve this aim the Government introduced their rent restructuring system, effective from April 2001. Rent restructuring is a system of calculating rents based on a formula that takes into account the ability to pay, the size of the property, and the value of the property. An example of how these rents are calculated is included in the item relating to the estimates.
- 2.2 In addition to their rent, tenants may also be required to pay service charges. Rents are generally taken to include charges associated with maintenance and general housing management. Service charges usually reflect additional services which may not be provided to every tenant, or which may be connected with communal facilities. Different tenants may receive different types of service reflecting their housing circumstances.
- 2.3 The Government have decided that local authorities can decide what they will make a service charge for within a broad framework. However, the Government expects local authorities to set reasonable and transparent charges which closely reflect the service provided to tenants.
- 2.4 Local authorities are expected to use their discretion to avoid situations in which anomalies are created. An example might be the additional cost of living in high rise flats. In these circumstances, it would not be appropriate to levy charges for services such as lifts as these are essential to high rise flats.
- 2.5 The introduction of service charges has previously not been recommended to allow for the move towards target rents, through the rent restructuring process, and the new charging arrangements relating to the Supporting People regime to be implemented in an orderly fashion. However, Officers consider that it is now appropriate to recommend the introduction of tenant service charges.
3. Report
- 3.1 It is proposed that service charges should cover the cost of providing caretaking, cleaning, ground maintenance, communal lighting and window cleaning to tenants. These services are provided exclusively to flat dwellers, and therefore service charges would not be applied to tenants living in houses, bungalows or small blocks of flats without communal areas.

- 3.2 To avoid the disproportionate administrative cost of calculating and applying small service charges a minimum charge of £1.00 a week is proposed. Therefore, where the cost of the service is less than £1.00 per week no service charge will be applied.
- 3.3 By applying a £1 minimum charge, relatively few properties will be subject to service charges. In almost every case this will be restricted to flats where, in addition to services such as grounds maintenance and communal lighting, there are either caretaking and/or cleaning services which bring the cost above the £1 per week level.
- 3.4 It is proposed that the charges will be introduced from 1 April 2005. The following table lists the properties where service charges will apply, and the annual income obtained.

Proposed Service Charges			
Address	Number of Tenanted Flats	Weekly Service Charge	Annual Income
Torin Court	20	£4.10	£4,300
Hampshire Court	14	£4.83	£3,500
Middlesex Court	62	£4.83	£15,600
Surrey Towers	94	£5.32	£26,000
Sussex Court	15	£4.73	£3,700
Beomonds	36	£4.91	£9,200
Darley Dene	38	£8.80	£17,400
Floral House	75	£6.26	£24,400
Grove Court	43	£6.55	£14,700
Heatherfields	29	£5.20	£7,800
Pinefields	36	£8.50	£15,900
			£142,500

- 3.5 It should be noted that because of the imminent development proposals both the Roakes Avenue and Bowes/Wapshott Road estates are not included on the schedule.

#### 4. Impact on Tenants

- 4.1 Government guidance is that the annual increase in rents should be no by more than RPI +0.5% + £2.00 a week because of rent restructuring. The Government also wish to limit rises in overall bills due to separate service charges.
- 4.2 The following example illustrates how the introduction of service charges would be applied to the rent of a typical dwelling:

##### Example

Current Rent = £70 per week

Formula Rent = £60 per week

Service Charge calculated as £5 per week, and is deducted from current rent.

Current Rent minus Service Charge (£70 - £5) = £65

Rent level is still greater than formula rent, so moves downwards towards formula rent level.

This is achieved by applying the RPI percentage increase, (which for illustration we estimate to be 2%), and increasing or decreasing the rent by up to £2 per week:

E.g. £65 X 2% = £66.30

- £2 = £64.30

The Service Charge is now added back onto the rent.

+ £5 per week Service Charge = £69.30

In the example the formula rent is less than the rent currently being charged so even though the service charge has been applied the tenant pays less each week. In an example where the rent currently paid is at or below formula rent levels then ultimately the service charge will be an additional amount to be paid over and above the rent element. However, such charges will be phased in so that no tenant faces an increase of more than £2 + RPI per week.

4.3 Property related service charges are eligible for Housing Benefit and therefore tenants in receipt of benefit will not be penalised by the new arrangement.

5. Resource Implications

5.1 The calculation of HRA subsidy does not take the income from service charges into account. This means that the income from service charges remains within the HRA to meet the cost of relevant services (i.e. it is not passed to the Government). There is also no allowance in the HRA subsidy calculation for the costs of such services to tenants. This means that currently the cost of these services is being borne by all tenants, even though the benefits are available only to a proportion of the tenants.

5.2 Whilst Officers have attempted to minimise the number of households that will have to pay a service charge, over 460 tenants will find themselves paying a charge in future.

5.3 It is too early to say what impact this will have on the number of enquiries received, and, the staff resources required to handle such enquiries. It is hoped that effective consultation and a transparent process of applying service charges will keep enquiries to a minimum, so that they can be managed within existing resources.

5.4 The estimated additional income generated has been included in the draft estimates for 2005/06.

5.5 The additional resources generated will enable the long-term financial viability of the Council's housing stock to be enhanced.

6. Tenant Consultation

6.1 Tenants have been advised that service charges are to be introduced in recent editions of the residents' magazine, "Streets Ahead". In addition, the Tenants and Leaseholders Services Group (TLSG) and local area groups have been advised of the proposed changes. Further consultation will take place, between now and April, to prepare tenants for the changes.

**OFFICERS' RECOMMENDATION that –**

- i) the above proposed tenant service charges set out in the table in this report be introduced with effect from April 2005;**
- ii) service charges are not to be levied where the cost of the relevant services is less than £1 per week; and**
- iii) services charges will not be applied to properties scheduled for demolition at Roakes Avenue and Bowes/Wapshott Roads.**

**(TO RESOLVE)**

Background Papers

None stated

8. REVENUE ESTIMATES FOR 2005/06 (DF)

1. Purpose of Report

1.1. **Members are asked to consider the draft Revenue Estimates for 2005/06.**

2. Report

2.1 A budget is the expression in financial terms of the Council's policies over the next year and is a statement of intention against which achievement can be compared. The main objectives of budgeting are:

- Satisfaction of statutory requirements
- Determining the amount which needs to be raised from Council Tax or rents
- Assisting in the planning and policy making process
- Policy implementation and control
- A means of measurement, and
- Strategic planning

2.2 The report of the Director of Finance is enclosed as Appendix 'D'. This Appendix is circulated separately with the Agenda. The Estimates are separated into the main service areas for which the Committee is responsible:

- i) Housing Revenue Account (Annex '1');
- ii) General Fund Housing Services (Annex '2');
- iii) Community Services (Annex '3'); and
- iv) Current and proposed fees and charges (Annex 4).

The Officers' Recommendation covers all the above service areas.

**OFFICERS' RECOMMENDATION that -**

- i) **the 2004/05 budget for works to adapt properties and provide additional facilities that provide benefits to disabled tenants be increased from £180,000 to £260,000 (this sum to be met from HRA reserves), and the Corporate Management Committee be requested to approve the change accordingly,**

**(TO RECOMMEND)**

- ii) **the draft Revenue Estimates for 2005/06 be approved as submitted and the Corporate Management Committee be requested to make provision accordingly; and**
- iii) **the proposed increases in rents and charges for 2005/06, as set out in Appendix 'D', be approved to be effective either from the first rent week of April 2005 or 1 April 2005 as appropriate.**

**(TO RESOLVE)**

Background Papers

1. Letter and enclosures from the ODPM dated 16 December 2004 (HRA Subsidy Determinations 2005/06).
2. Letter from ODPM dated 2 December 2004 on Supporting People Grant for 2005/06 (DF).
3. ODPM Press Release 2004/03138 dated 13 December 2004 on Homelessness Funding.

9. BOWES ROAD/WAPSHOTT ROAD ESTATE – FINANCIAL ASSISTANCE WITH HEATING COSTS (DHCS)

1. **Purpose of Report**

1.1 **The purpose of this report is to decide whether or not financial assistance be given to residents to assist with heating charges.**

2. **Background Information**

2.1 In November 2003, aware that the Bowes Road/Wapshott Road Estate was the only Council owned development without central heating, this Committee considered a report outlining options to provide assistance to residents. The options to install full central heating or storage heaters were rejected because of the proposed redevelopment, but rather than do nothing, the Committee approved the provision of "Dimplex" type electric radiators for residents who wanted them. The offer was that two additional heaters would be provided for use in unheated bedrooms. All households living in the flats were offered the heaters, and 36 families took up the offer.

2.2 At the November 2004 Committee Meeting a request was made that a report be brought to this Meeting to consider whether or not further assistance should be given to residents to help with running costs in recognition that the "Dimplex" type heaters are relatively expensive to operate.

3. **Report**

3.1 The following assumptions have been made in an attempt to estimate the costs of providing heating in the bedrooms. It is recognised that no two households are exactly the same and that the usage of the bedrooms will differ from property to property.

- i) Heating will be required for the months September to April inclusive. (Total of eight months).
- ii) The heaters will be used for a short period in the mornings and the evenings to take the chill off the room before going to bed and getting up. The assumption is that each heater will be on for 2 hours in the morning and 2 hours in the evening.
- iii) Electricity costs of approximately 8p per kilowatt hour (kwh).
- iv) Two heaters running for four hours = 8 kwh per day x 8p = 64p per day.
- v) Total Annual Cost is 64p (daily cost) multiplied by 242 days (8 month period September to April) = £154.88

3.2 As can be seen from the above example, it will cost approximately £150 per flat to run the heaters for four hours each day over the eight month period. The figure of £150 amounts to £2.88 per week over the entire year. This is an average calculation, and it is recognised that in colder periods the heating will be on for longer and in more clement weather during autumn and spring, the heating may not be required quite so much. It should also be acknowledged that tenants will have to meet the cost of running a gas fire or other appliance in their living room and the cost of heating their hot water.

3.3 It was previously envisaged that a rent reduction could be given to tenants to reflect any additional heating costs. However, providing the subsidy in the form of a rent reduction would penalise families on Housing Benefit as a reduction in rent would be reflected in a reduction in benefit. Also, if the Committee approves the proposed accelerated move to target rents (within item 8 Revenue Estimates for 2005/06), these units will have reached the rents recognised by the Government and would not be capable of further reduction. Any assistance will therefore have to be made by way of a separate payment.

3.4 There are 116 flats on the estate, including the properties in Coopers Close which are currently excluded from the redevelopment proposals. As indicated earlier in this report, 36 households took up the offer to have additional heating units. Records show that a further 30 properties already have central heating installed which leaves a balance of 50. The

Council does not know why these households declined the offer of additional heaters but it is possible that they had already made alternative arrangements for heating, or the bedrooms are unused or the tenants had concerns regarding running costs. If the Council is mindful to pay a subsidy for heating charges then it has a number of options.

- i) Option 1 - Pay the subsidy to all 116 households. Whilst no doubt welcomed by the tenants, this would create difficulties because 30 households already enjoying the benefits of central heating would obtain the subsidy, whereas no other household in the Borough with central heating would be receiving such a subsidy. The cost to the HRA of this option is £17,400.
- ii) Option 2 – Pay the subsidy to all of the households who do not have central heating; i.e. 86 households. The cost to the HRA of this option is £12,900. However, with this option a heating subsidy may be paid to households who have no additional heating costs.
- iii) Option 3 – Pay the subsidy to the 36 households who took up the offer of additional heating units. With this option there is a danger that households who chose not to have the heating units, because of concerns over running costs, may feel aggrieved when they learn that others are receiving financial help. This issue could be overcome by renewing the offer to provide heating units to those households who did not take them up earlier. The cost of assisting the 36 tenants would be £5,400 per annum and an additional £150 per annum for any who respond to the renewed offer. The estimated total cost of this option is around £10,000 a year.

#### 4. Financial Implications

- 4.1 The cost of any subsidy will fall on the HRA. Given the relatively modest sums involved, the cost can comfortably be met from HRA balances. However, the award of subsidy means that there will be an equivalent reduction in the resources available for improvement work to the housing stock in future years.
- 4.2 A supplementary estimate will need to be approved to finance this initiative.

#### 5. Legal Implications

- 5.1 The payment of such a subsidy is permissible under the Council's general Housing Act powers.

#### 6. Conclusions

- 6.1 Whilst tenants are normally responsible for their heating costs, it is recognised that these properties are now the only Council homes without some form of heating and insulation and that this puts an increased financial burden on the residents. The provision of insulation and more economic heating units is not an option owing to the proposed redevelopment and consequently, the Committee may wish to consider providing some form of subsidy to assist residents with running costs until their homes are demolished.

#### **OFFICERS' RECOMMENDATION that –**

- i) the Committee approves the principle of paying a subsidy of £150 per annum to those tenants who fall within option (iii) of paragraph 3.4. The payments to commence as soon as possible after the Committee's approval; and**
- ii) the Corporate Management Committee be requested to approve a supplementary estimate in the Housing Revenue Account in the sum of £10,000 to cover the cost of paying a subsidy of £150 per annum to the tenants who fall within option (iii) of paragraph 3.4 above.**
- iii) the draft estimates be amended accordingly.**

#### **(TO RESOLVE)**

## Background Papers

Relevant documents on DHCS file.

### 10. ENERGY EFFICIENCY INITIATIVES (DHCS)

#### 1. Purpose of Report

##### 1.1 The purpose of this report is to:

- i) **advise Members of the progress that has been made in introducing energy efficiency initiatives; and**
- ii) **request approval for the allocation of funds recently received for energy efficiency to assist vulnerable private sector households with energy efficiency improvements.**

#### 2. Background Information

- 2.1 Under the Home Energy Conservation Act (HECA) 1995 and The Sustainable Energy Bill 2003 all local authorities are required to take action to promote and improve the energy efficiency of homes in their area. Runnymede has a designated post holder to manage and promote energy conservation and fuel poverty initiatives; the post holders line manager has responsibility as HECA Officer for the Borough.
- 2.2 In 1996 an Energy Conservation Report was prepared, approved by Members and accepted by the Secretary of State. This set out a strategy and a reference base designed to respond to the specific requirements of the Home Energy Conservation Act 1995.
- 2.3 In November 2001, a Fuel Poverty Strategy was prepared by the HECA Officer and adopted by Members and following this a Borough wide energy efficiency survey was carried out in order to directly target those households most in need of assistance. Areas where fuel poverty existed were identified by postcode and Ward and targeted for promotion of energy efficiency grants that were available through the various agencies.
- 2.4 The Council is also expected to take a lead role in increasing the number of Decent Homes in the private sector. The Decent Homes Target was amended by the Government following the 2004 Spending Review and now reads:

“By 2010, bring all social housing into a decent condition with most of this improvement taking place in deprived areas, and for vulnerable households in the private sector, including families with children, increase the proportion who live in homes that are in decent condition.”

To achieve Decent Homes adequate heating and insulation must be provided.

##### 2.5 The Census of 2001 revealed that –

- 6.4% of all privately owned and privately rented properties within the Borough may be without central heating equating to 2,026 properties.
- 417 pensioner households within the private sector may be without central heating and 33 pensioners who are over 75 lack central heating.
- There are likely to be over 70 lone parent households with dependent children in the Borough without central heating.
- There are approximately 1,300 park/mobile homes and other temporary structure dwellings within Runnymede that lack thermal insulation and have an inherent low SAP rating.

##### 2.6 There are therefore a significant number of households living in both owner occupied and privately rented homes in the Borough are without central heating and thermal insulation. Whilst some of these will be through choice in other cases it is due to a lack of financial

resources. This, in turn, increases fuel poverty and has a significant impact on the health of these residents. These households include families with children as well as elderly households.

- 2.7 It is also known that on average there are an estimated 16% excess winter deaths within Runnymede equating to 656 persons, of which, 449 are aged 75 and over (Source Public Health Unit Woking PCT 2002/2003).
- 2.8 The Council's Energy Management Co-ordinator has undertaken a number of initiatives to promote the energy efficiency grants that are available to private homeowners under the Warm Front and Warm Front Plus Grant Schemes. Government grants up to the value of £2,500 may be available to some householders depending on their circumstances; these are managed by The Eaga Partnership (The Energy Action Grants Agency).
- 2.9 There is now available through Eaga a free Benefits Health Check Service that can identify those missing out on a qualifying passport benefit. For those households not eligible for a Warm Front grant, a discounted insulation scheme is offered with funding from The Energy Efficiency Commitment (EEC) Programme via all energy suppliers.
- 2.10 In October 2004, a targeted Warm Front mail-out to those residents on Council Tax and Housing Benefit within the Borough was sent out involving over 1,900 properties. A Borough wide mail-out to all private sector households offering discounted insulation initiatives commenced in September 2004 and will continue through to May 2005. Both these initiatives are at nil cost to the Council. Ongoing promotions have been held at various public events, outlining all schemes available to our residents and publicised through the local press and radio, and through The Runnymede Energy Efficiency Partnership Newsletter and the RBC web page. These initiatives will undoubtedly have helped many households but more direct targeting at individual vulnerable groups is also needed and assistance over and above these schemes is required to assist a wider number of households in need.
- 2.11 Energy Management in the Borough is a matter for the Economic Development Committee, but as this report affects a number of the Committee's functions it is being presented here prior to the meeting of the Economic Development Committee on the 15 January 2005.

### 3. Proposal

- 3.1 The Council has recently received an Energy Efficiency Commitment (EEC) grant of £25,862 from the British Gas "Here to Help" scheme managed by the Eaga Partnership. This funding was provided retrospectively following the completion of energy efficiency improvement work to the Council's own housing stock. Further funding applications have been made to the Eaga Partnership for additional work carried out to the Council's stock in subsequent years and if received this, together with the previous funding received will be windfall payments that have not been taken into account in the approved Financial Forecast.
- 3.2 The Council must use the funds received, to improve energy efficiency, and has the option of either spending these on the existing Council stock or using them to facilitate improvements in the private sector. Application of the funds in the private sector has the potential of levering in yet still more funding to help eradicate fuel poverty and would also be seen as a positive move in meeting the Government's target to ensure Decent Homes within the private sector. Achievement of this is also likely to be assessed in any subsequent inspection undertaken for CPA. The Council will have the opportunity of making further applications for funding in support of its own housing stock under the EEC2 scheme, which commences in April 2005.
- 3.3 It is proposed that the grant received of £25,862 be used to establish a capital budget for providing assistance to vulnerable households in the private sector to pay for the installation of certain energy efficiency measures. It is proposed that this assistance is offered on a first come first served basis from early in the new year. The eligibility criteria for the scheme is proposed as follows:-
  - i) Households living in privately rented or owner occupied housing, where they currently lack cavity wall insulation and/or loft insulation and

- ii) the household includes children, a pregnant woman, a disabled person or a person over 60 years of age and
  - iii) the Household is not currently eligible for similar assistance under the Warm Front Grant Scheme or the EEC discounted Insulation Scheme, but the total household income is still less than £18,000 per year.
- 3.4 The assistance offered will be to arrange and pay for the full cost of cavity wall insulation, and/or loft insulation and a hot water cylinder jacket up to a maximum of £1,500 per property.
- 3.5 The cost of the works are likely to be in the region of £500 - £700 per household. The likely number of households, therefore, that can be assisted through this initiative, and the number of homes improved, are in the region of 30 – 50. Whilst this is a small number this will generate considerable savings for these households in future years as their fuel costs reduce and some positive impact on their health is also achieved. An increase to the overall Borough energy rating will also be recognised.
- 3.6 Demand for this assistance will be closely monitored and measured so as to substantiate any further bids for funding.
- 3.7 Eaga has expressed an interest in running the scheme on behalf of the Borough. They are willing to take referrals, check eligibility and arrange for the works to be carried out. They will also assist clients in obtaining additional funding where necessary.
- 3.8 The Council's Energy Management Co-ordinator would promote the scheme, handle enquiries and make referrals to Eaga. This could be done within existing resources but if there is considerable interest, then some back up assistance may be needed from the Private Sector Housing Team.
- 3.9 Eaga would need to make a charge for their service. This would equate to a percentage fee of the cost of the works. This would be added to the total cost of the works which would then be invoiced to the Council. Officers are currently negotiating with Eaga and will be able to report verbally at the Committee meeting as to the percentage fee.
- 3.10 Officers would build safeguards into the agreement with Eaga to ensure that the scheme is administered efficiently and effectively, ensuring that no work is undertaken without Council approval and the budget for the scheme is not overspent.
- 3.11 The Energy Management Co-ordinator and Private Sector Housing Team would promote the scheme through local press, distribution of flyers and the Council website. Any costs of promotion would be kept to a minimum and would be covered by existing budgets.
4. Resource Implications
- 4.1 The grant received of £25,862 is available to spend and it is proposed that the scheme commences as early as possible in 2005.
- 4.2 A capital estimate is required to establish the Authority to spend on this scheme.
5. Risks
- 5.1 This will be a cash limited initiative and the scheme will be closed once funds are exhausted.
6. Policy Implications
- 6.1 The Leader's Position Statement commits to "advertise all available schemes to improve private housing through loans and grants with priority for those who are unable by reason of finance or health to improve their own properties."
7. Conclusions
- 7.1 The Council has an obligation to reduce energy consumption under the Home Energy Conservation Act 1995. It is also required to give consideration and support to vulnerable people living in homes within the private sector that do not meet the Decent Homes

Standard. The money received via the Eaga Partnership is available to progress initiatives to assist such households. Further opportunities are likely to emerge to assist people in the Council's housing stock and therefore it seems appropriate that, on this occasion, the funding should be used in the private sector.

**OFFICERS' RECOMMENDATION that –**

- i) the matter be referred to the Economic Development Committee with the request that the Corporate Management Committee be requested to approve a capital estimate in the sum of £25,862 to meet the cost of awarding assistance towards energy efficiency measures as set out in this report, to be financed from the grant received from the British Gas “Here to Help” scheme; and**
- ii) the grant be used to reduce fuel poverty and in line with the arrangements set out in Section 3.**

**(TO RESOLVE)**

Background Papers

None stated.

11. SUPPORTING PEOPLE STRATEGY (DHCS)

1. Purpose of Report

- 1.1 **The purpose of this report is to advise Members of the recently drafted 5 year Supporting People Strategy and seek any comment to include in a formal response from the Council.**

2. Background Information

- 2.1 In April 2003 the Government introduced the Supporting People Grant Regime. This replaced other revenue funding streams for supported housing including probation grants, Housing Corporation revenue funding and transitional Housing Benefit payments.
- 2.2 The body given overall responsibility for the Supporting People programme is Surrey County Council. They have established a Surrey Supporting People Team to administer the programme.
- 2.3 Although Surrey are the lead authority, the County is required to work closely with all the Boroughs and Districts and with Health and Probation. A Joint Management Board (JMB), made up of Supporting People Lead Officers from each of the partner agencies, including Runnymede, has been created. The JMB steers the Supporting People Team, assists in the development of the strategy and makes recommendations to the Commissioning Body, the main decision making body for Supporting People.
- 2.4 The Surrey Supporting People Commissioning Body is made up of Senior Officers and Members from Surrey and partner agencies. This Body ultimately commissions all the support services and oversees the administration of the grant.
- 2.5 The Surrey Supporting People budget is approx £20 million per year. It is a very important grant as it is key to ensuring that many vulnerable people are able to live independently within the community. The funding currently provides support to nearly 13,000 vulnerable adults. Sheltered Housing tenants are amongst those who receive the grant and are the largest group of recipients. People with learning disabilities are the second largest group.
- 2.6 The Surrey budget is reviewed every year and administering authorities are under great pressure to find savings within their budgets through reviewing existing schemes.
- 2.7 It was initially anticipated that there would be growth in the annual budgets to allow for inflation increases to existing providers and most importantly to support the development of new supported housing services to meet identified needs. However the Commissioning

Body has recently been told that the Government are proposing a 5% cut in grant each year for the next three years. The implications of this for service providers and service users are not yet clear. However, the Supporting People team and the Commissioning Body will need to look carefully at how to balance the budget between funding existing services and funding much needed new services. The Supporting People Strategy document will be crucial in providing the framework for these decisions.

### 3. Specific issues for Runnymede Borough Council

3.1 Runnymede has two specific reasons for being actively involved in the development of the Supporting People Strategy;

- i) It has services that are directly funded by Supporting People Grant. These include care and repair, sheltered housing and the community alarm service. The grant received for these services is estimated to be £253,000 for Community Services, £29,600 for Care and Repair and £7,600 for Resettlement Services, making a total of £290,200 in 2004/05. The new funding framework involves regular reviews of these services to ensure they are providing value for money and meeting need.
- ii) There is a need to increase the level of supported housing in the Borough to meet responsibilities introduced by new legislation (Homelessness Act 2003) and to meet the requirements of people with support needs on the Housing Register. The Council has a target within its Housing Strategy and Community Strategy to increase supported housing but this can only be achieved if new revenue funding is available to provide housing related support.

### 4. The Supporting People Strategy

4.1 A principal role of the Supporting People Commissioning Body is to agree a strategic plan for the provision of supported housing services across Surrey, and to ensure that this plan is delivered.

4.2 In Autumn 2002, the Supporting People Commissioning Body approved and submitted a Shadow Strategy to the ODPM. This was an initial assessment of the demand for supported housing across the County. It identified a need to increase provision for the following people:

- i) Women at risk of domestic violence.
- ii) Young people and care leavers.
- iii) People with multiple and complex needs.
- iv) Frail elderly people (including those with dementia).
- v) People with learning disabilities.

4.3 Since the Shadow Strategy was published a great deal of research has been undertaken to validate the above requirements and to see if there were any other areas of emerging need. This research has been taken into account in the formulation of the draft Supporting People Strategy. The Executive Summary of the Strategy is shown at Appendix 'E'. This new Strategy endorses the previous priorities and has identified the following additional demands:

- i) The need for floating support services for people with mental health problems.
- ii) An increased demand for supported housing for offenders.
- iii) Targeted provision for particular client groups (such as those with brain acquired injuries or Asperger's syndrome).

4.4 The new Strategy also sets out the following principles for underpinning expenditure in years 2 – 5 within the Strategy;

- i) Schemes already in the development pipeline, with a capital commitment of funds made and flagged up in the Shadow Strategy to be given top priority

- ii) Other schemes where development programmes underway as at January 2005, the provider identified, the scheme endorsed and capital funding committed.
- iii) Large providers of sheltered housing (especially local authorities and LSVT's) will be encouraged to re-model their older people services to meet strategic priorities and ensure value for money (outline plans must be endorsed by the Commissioning Body before they are progressed too far).
- iv) Pipeline bids for outreach services that were unsuccessful due to ODPM moratorium (for domestic violence and teenage pregnancy outreach services) to be implemented once schemes with capital commitments have been honoured.
- v) Savings achieved through withdrawal of SHMG from residential care services to be re-directed for the benefit of the same client group (primarily people with learning disability but also people with physical disability) if funds allow which meet agreed strategic priorities.
- vi) New services where a provider is not identified by January 2005 to be commissioned in accordance with the new procurement rules to be endorsed by the Commissioning Body prior to April 2005.
- vii) New Supporting People funding will not be recommended where existing clients are in receipt of adequate funding (for example Section 28A health funding) in services that are re-configured as supported living.
- viii) Supporting People forms part of the care and support continuum for different client groups in Surrey and is intended to complement other services and statutory funding streams.

4.5 The above principles were drafted before the Supporting People Commissioning Body had received details of their grant funding entitlement from central Government.

## 5. Consultation Process

5.1 All partners and other stakeholders are being consulted on the draft strategy. A number of consultation events have taken place prior to the first draft and other events and consultations will take place over the coming weeks. The Council is required to respond to the consultation on the draft Strategy by 14 January. The Supporting People Commissioning Body will approve the final draft of the Strategy on 31 January and submit to the Office of the Deputy Prime Minister in March. Between January and March all partners to the Strategy will be required to sign up to the content.

5.2 The Council's Supporting People lead officer, who is also chair of the JMB, has contributed to the strategy formulation and will continue to contribute to any redrafting of the strategy.

5.3 Officers would recommend that the following comments be made in response to the Strategy:

- a) It is important that the Supporting People Strategy clearly demonstrates the role that supported housing has in achieving the Government's agenda. The document makes many separate references to this but it is felt that this point needs to be made explicit in the executive summary. This is particularly important in view of the recent announcement regarding potential cuts to funding.
- b) It is therefore proposed that in the response to the consultation the Council suggests that the Strategy mentions that Supporting People services play a key role in addressing the following Government priorities -

Government Policy/Legislative Requirement	How Supporting People Services Meet This Requirement
Sustainable Communities Plan	Provides people with greater choice

	and prevents social exclusion.
National Health Service Plan	Prevents delayed discharge.
Mental Health National Service Framework	Prevents demand for acute services.
Valuing People	Provides greater choice and options for people with learning disabilities.
Homelessness Act 2003	Provides support to vulnerable people owed a duty under the act and prevents reliance on temporary accommodation.
Criminal Justice Act 2003	Enables more offenders to live with support within the community.

- c) The priority groups identified within the Strategy are listed at paras 4.2 and 4.3 above. The list includes those groups that have been recognised within the Council's own Housing Strategy and can be supported. However, it is also felt that services for homeless people should be given more priority/weighting, either as an underpinning principle, or as a separate client group. Homelessness remains a small, but significant, problem in Surrey. More support services, particularly to single homeless people and families in temporary accommodation are required and this needs to be given greater emphasis in the Strategy. It is also recommended that, as funds are limited, the Strategy should aim to help those within the priority groups who are currently living in the worst housing situations, this again would include the homeless.
- d) The Strategy proposes that existing providers should be supported and encouraged to take people with more complex needs. Officers often face difficulties securing housing for people who fall into the category and it is therefore intended to indicate in the response that the Council fully supports this proposal.
- e) As indicated in para 4.4 above the Strategy sets out eight principles for commissioning new services. It is proposed that the Council makes the following comments in relation to these principles:

#### Comment on the Eight Principles in The Strategy

- i) & ii) The Strategy suggests that pipeline schemes, and those currently in the development programme, should be funded. Capital resources will have been allocated to these schemes and many are in the process of being constructed. This approach should therefore be supported.

However, Runnymede does not have any supported housing schemes within the current pipeline but does have a need for additional units. There is also an uneven distribution of schemes across the County over the proposed 5 year programme, with some Boroughs having considerably more schemes than others. It is therefore proposed that in the Council's response the point is made that an even distribution of funding for new schemes is required across Surrey and the Boroughs/areas that have been less successful in the early years of the strategic plan should have their needs met in latter years.

It is also felt that the Council should suggest that there should be some flexibility over nominations to the new pipeline schemes, particularly where they have been funded entirely from Regional, rather than local, capital allocations.

- iii) The Council has a record of reviewing and remodelling existing services to meet new needs. One such example of this approach is Aldwyn Place in Englefield Green where an existing sheltered housing scheme was replaced with extra care housing.

Members will also be aware that the Council is currently reviewing the arrangements of two of its older sheltered housing schemes. As part of this review the views of the Supporting People Team are being sought and will be taken into account in the final assessment. However, the Council's approach to any remodelling of these two schemes will be influenced by the ability to retain the existing supporting people grant. The Strategy gives examples of Boroughs who are being allowed to retain

grant when remodelling services. It is proposed that the Council mentions in its response that it fully endorses this approach.

- iv) The Strategy proposes giving priority for grant to fund outreach services for domestic violence and teenage mothers. It is proposed that the Council supports the principle that more floating support services are needed but the client groups should not be restricted to those currently mentioned.
- v) The Strategy is proposing that funds be earmarked for learning difficulties and physical disability schemes that would assist clients who are living in schemes that would previously have been paid through Supported Housing Management Grant.

This arrangement is confusing and does not appear to be based on an assessment of need. It is therefore proposed that the Council respond to this proposal by stating that it is only felt appropriate to earmark Supporting People funds for allocation to these groups if specific schemes have been identified and the level of need and the numbers of people likely to take up the units have been quantified.

There are also a number of minor amendments that need to be made that are specific to schemes within Runnymede and the Council's lead officer will ensure that these are included in the response.

## 6. Financial implications

- 6.1 The Council may face cuts in the amount of Supporting People funding it receives from Surrey as a result of the County's reduction in grant. However, this will depend on whether any natural savings are achieved in other areas of the overall County Council Budget through closure/withdrawal of any existing services and the amount of any saving carried forward from previous years. The Commissioning Body will be meeting in the New Year to discuss how they respond to the Government's proposals and the implications of the proposed cut.
- 6.2 The draft estimates for 2005/06 are based on a 5% cut in grant for the sheltered dwelling and community alarm schemes, and a cash freeze for the Care and Repair and Resettlement Officer schemes.

## 7. Policy Considerations

- 7.1 The Community Strategy has identified a need to provide additional supported housing for people with mental health problems, young people, frail older people and people with learning disabilities.
- 7.2 The Housing Strategy has established a target to deliver 10 additional supported housing units per annum.

## 8. Conclusions

- 8.1 The Supporting People Strategy is an important document that will influence the future allocation of the supporting people grant. The Strategy that has been produced mirrors many of the needs of Runnymede and is comprehensive. However, in the light of potential reductions there are concerns that a number of these priorities will not be met. It is therefore important that the Council responds to the consultation process.

### **OFFICERS' RECOMMENDATION that –**

- i) Members endorse the proposed response to the consultation and indicate whether or not they wish to make any other comments; and**
- ii) the Director of Housing and Community Services be authorised to make drafting amendments, in consultation with the Chairman of the Committee, to reflect the requirements of this Council.**

### **(TO RESOLVE)**

## Background Papers

None

### 12. BEST VALUE REVIEW OF PRIVATE SECTOR HOUSING (DHCS)

#### 1. Purpose of Report

1.1 **The purpose of this report is to approve the deletion of Private Sector Housing from the Best Value Service Review Plan.**

#### 2. Background Information

2.1 During the last two years a number of changes have taken place within the Private Sector Housing section. Members will recall that the work of Private Sector Housing was previously within another department, headed by the Borough Environmental Services Officer. However, a review was undertaken in 2004 following which it was recommended that the service be transferred to Housing. The staff and responsibility for this service therefore came under the Housing and Community Services Directorate from the beginning of September 2004.

2.2 In the Regulatory Reform Order 2002, the Government announced a requirement for Local Authorities to compile Private Sector Renewal Strategies and to review arrangements for assisting private owners with the repair and maintenance of their properties. The Council responded by undertaking a Private Sector Stock Condition Survey and publishing a Private Sector Renewal Strategy entitled Runnymede Renewal. The Strategy included a review of the private sector housing conditions across Runnymede and set down a number of targets for improving Private Sector housing conditions. These targets have been incorporated within the Department's Service Plan.

2.3 In 2003, a further review of staffing arrangements was undertaken and resulted in changes to the staffing structure of the Private Sector Housing section.

2.4 The Runnymede Care & Repair service, which forms part of the Private Sector Housing function, was also subject to detailed review by the Surrey Supporting People team as it reviewed Supporting People grant. The service was assessed against a Quality Assessment Framework for Home Improvement Agencies. The service was found to offer value for money and to be operating satisfactorily. As with all Supporting People reviews, a service improvement plan has been established to ensure continuing improvement is made.

2.5 As indicated elsewhere on this agenda, a Housing Bill has recently been enacted and will have significant implications for the workload of the Private Sector Housing section.

#### 3. Report

3.1 As indicated above the Private Sector Housing section has undergone a number of reviews over a relatively short period of time. To undertake a further Best Value Review would require the earmarking of resources at a time when the section will need to concentrate on the delivery of the new requirements within the Housing Act and would add limited value.

3.2 Approval is therefore requested to cancel the requirement to undertake a Best Value Review for this service.

3.3 A new 4 year programme of Best Value Service Reviews is being prepared for consideration by the Corporate Management Committee in Feb/March 2005. These are likely to be a smaller number of significant cross cutting reviews with only 2 or 3 per annum, commencing in April 2005.

#### **OFFICERS' RECOMMENDATION that –**

**the requirement to undertake a Best Value Review for Private Sector Housing be cancelled.**

**(TO RESOLVE)**

Background Papers

None stated

13. PAINTING CONTRACT VARIATION (DHCS)

1. Purpose of Report

1.1 **The purpose of this report is to advise the Committee of a variation in excess of 5% in respect of a Painting Contract.**

2. Report

2.1 Standing Order C18.5 requires that a report be brought to Committee where the total cost of any contract exceeding £30,000 in value exceeds the approved contract sum by more than 5%.

2.2 One of this year's External Decoration Contracts was accepted for the original contract sum of £50,766. Due to the nature of this contract a number of variations were required to address pre-decoration repairs and consequently the final contract sum was increased to £54,037. These variations were in relation to additional works and represent real added value to the contract. The variations equate to an increase of 6.4% and thus requires the matter to be brought to this Committee.

2.3 As is standard practice with all contracts that exceed their contract sum, the Council's Internal Auditor has examined the contract file and is satisfied that the variations were both appropriate and properly accounted for.

**(FOR INFORMATION)**

Background Information

Relevant document on DHCS file

14. EXCLUSION OF PRESS AND PUBLIC

If Members are minded to consider any of the foregoing reports in private, it is the

**OFFICERS' RECOMMENDATION that -**

**where appropriate the press and public be excluded from the meeting during discussion of reports under Section 100A(4) of the Local Government Act 1972 on the grounds that the reports in question would be likely to involve disclosure of exempt information of the description specified in the appropriate paragraphs of Part I of Schedule 12A of the Act.**

**(TO RESOLVE)**

**PART II**

**Matters involving Exempt or Confidential Information in respect of which reports have not been made available for public inspection.**

a) Exempt Information

(No reports to be considered under this heading).

b) Confidential Information

(No reports to be considered under this heading).