

Runnymede Borough Council

HOUSING AND COMMUNITY SERVICES COMMITTEE

Wednesday, 23 July 2003 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), E.G. Barrett, J. Broadhead, Mrs. P.I. Broadhead, Ms. D.V. Clarke, Mrs. C.E. Gant, C. Knight, A.M. Moore and Mrs. J. Norman.

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 **Miss M. Bootes, Committee Section, Department of Administration and Leisure, Civic Offices, Station Road, Addlestone (Tel. Direct Line: 01932 425623). (Email: molly.bootes@runnymede.gov.uk).**
- iii) Agendas and Minutes are available on a subscription basis. For details, please ring Mr. B.A. Fleckney on 01932 425620.
- 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.

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GLOSSARY OF TERMS

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.
COMPACT	This is a recent 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.
DFG	Disabled Facilities Grant – This is a grant made available to disabled persons to provide adaptations to their property. Dependant 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.
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 of the past.
ESP	Existing Satisfactory Property. This scheme involved working with the 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). 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.
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 st April 2003. Transitional arrangements are in place but under these arrangements the funds, if approved, are paid direct to the Registered Social Landlord.
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.
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.
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.
TSG	Tenants' 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 11 June 2003.

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. RUNNYMEDE RENEWAL (DHCS)

(Ref: Minutes of Housing and Community Services Committee, June 2003, page 73, para. 76)

1. **Purpose of Report**

1.1 **The purpose of this report is to seek approval for the Private Sector Renewal Strategy, "Runnymede Renewal", as attached at Appendix 'A'.**

2. Background Information

2.1 The Regulatory Reform (Housing Assistance) Order 2002 repeals the existing framework of home improvement grants from 18 July 2003 and provides Local Authorities with a wider range of powers to give assistance. In order to provide new assistance after 18 July 2003, Local Authorities must have a Private Sector Renewal Strategy in place setting out how these powers will be used. Whilst there is no legal requirement to have the new Strategy in place by 18 July, it is expected that all Local Authorities will have introduced one by this date, or within a short time of it, to ensure that assistance continues to be available.

2.2 Local Authorities also have statutory duties to review the condition of the private sector housing stock and to develop appropriate policies to deal with deficiencies, including schemes of financial assistance.

2.3 A Borough wide Private Sector Stock Condition Survey was carried out in January 2003 by Fordham Research and the main findings of this survey were reported to the Housing and Community Services Committee in June 2003. A full copy of the survey is available in the Members' Room. The Runnymede Renewal Strategy has been developed in response to these findings.

2.4 There are a number of other Council functions and statutory duties which address private sector stock condition such as action taken in respect of empty properties, Houses in Multiple Occupation (HMOs) standards and energy efficiency. The Private Sector Renewal Strategy seeks to bring these various elements together in a single strategy document.

2.5 The aims and objectives of the Strategy were considered and approved at the June meeting of the Housing and Community Services Committee.

2.6 The financial assistance scheme, which is the main element of the Strategy developed in response to the Regulatory Reform Order, was considered and approved by the Corporate Management Committee at its meeting on 3 July 2003.

3. Report

3.1 The Private Sector Renewal Strategy, "Runnymede Renewal", and action plan is attached at Appendix 'A'. The key actions within the Strategy to bring to Members' attention are:

- i) Revisions to the Empty Property Strategy (page 12);
- ii) Improved advice and assistance (page 10);
- iii) Action on HMOs and student accommodation (page 17).

The Housing Bill 2003

3.2 The Housing Bill sets out a number of proposals for legislative change in relation to private sector stock condition and enforcement. Some reference to the Government's proposals has been included in the Runnymede Renewal Strategy.

3.3 The Bill, as it is currently drafted, would require the Council to make further changes to private sector housing services, policies and strategy. A report will, therefore, be brought to the September 2003 meeting of the Housing and Community Services Committee detailing the Government's proposals and Officers will set out the possible implications for Runnymede.

Timescale

3.4 It is proposed that the Runnymede Renewal Strategy will take effect from 1 September 2003. A period of approximately two months is required for implementation of the new financial assistance scheme. This will allow for the drafting and distribution of leaflets, drawing up of new procedures and changes to computer software.

3.5 It may be necessary to make minor amendments to the Strategy before it is finally adopted. It is, therefore, proposed that the Director of Housing and Community Services be authorised to make minor changes, if required.

3.6 Corporately binding policy for the exercise of a function would normally need to be recommended to Full Council following approval by the Service Committee. However, this would lead to a further delay in the date for adopting the Runnymede Renewal Strategy. Consequently, on 11 June this Committee agreed to recommend that Full Council give the Housing and Community Services Committee delegated authority to approve all matters relating to the Private Sector Renewal Strategy at its meeting on 23 July 2003. The Officer's recommendation below assumes that Full Council agreed this recommendation at its meeting on 17 July. Any contrary decision will be reported to this meeting.

4. Council Policy

4.1 The Private Sector Renewal Strategy has been developed to progress the policy priorities set out in the Leader's Position Statement for 2003/04. In this document the Leader sets out the Council's intention to "improve the condition of all housing with particular emphasis on properties in multiple occupation". The Statement then lists the following priorities;

- i) "We shall seek to bring back into use, empty privately owned houses where this can be negotiated with owners or where, through neglect, properties degrade the environment. Where owners leave properties empty and neglected without good reason, we shall consider the use of Compulsory Purchase powers to take ownership and bring properties back into housing use."
- ii) "Where houses are rented out in poor condition, we shall use the powers available to us to bring about improvements."
- iii) "We will work with Royal Holloway, University of London, to seek to achieve a minimum standard for rented student accommodation with particular regard to Houses in Multiple Occupation."

(Leader's Position Statement 2003/04, page 9, "Runnymede Renewal").

5. Resource Implications

Capital budget implications

- 5.1 The capital expenditure implications of the financial assistance scheme have already been considered and approved by the Corporate Management Committee at its meeting on 3 July 2003. There are no other capital implications emerging from the Strategy at the present time.

Revenue budget implications

- 5.2 As set out in the action plan, some of the actions can be accommodated within the existing staff establishment. However, it should be acknowledged that this will continue to place staff resources under some pressure. Some of the actions relating to HMOs can only be met with increased staffing resources. The proposals in the Housing Bill with regard to changes to housing enforcement standards and licensing schemes will have further resource implications. A report will, therefore, be brought to this Committee in September 2003 setting out the implications of the proposals contained in the Housing Bill. It is likely that a modest increase in resources for the Private Sector Housing function will be required.

6. Environmental Implications

- 6.1 Dealing with empty or run down private dwellings, albeit small in number, will significantly improve the local environment.
- 6.2 Tackling energy efficiency and fuel poverty in private homes will contribute to the reduction of both energy consumption and fuel poverty in the Borough.

7. Crime and Disorder Considerations

- 7.1 Empty run down properties are targets for crime including anti-social behaviour, graffiti and vandalism. Dealing with such properties will, therefore, have a positive impact in preventing minor crime and incidents of anti-social behaviour.
- 7.2 Assistance with private sector home repairs and improvements can include improved home security which contributes to the reduction of crime. The Runnymede Care and Repair service is working with the Runnymede Crime and Disorder Partnership to assist elderly residents who have been victims of 'distraction burglary' in order to minimise repeat crimes.
- 7.3 Private landlords have the ability to influence the behaviour of their tenants and the Council is looking to provide landlords with further advice and support to enable them to reduce and tackle incidents of anti-social behaviour.

OFFICERS' RECOMMENDATION that –

- i) the Runnymede Renewal Strategy, as set out at Appendix 'A', be approved and adopted from 1 September 2003; and**
- ii) the Director of Housing and Community Services be authorised to make minor amendments to the Strategy prior to its implementation on 1 September 2003.**

(TO RESOLVE)

Background Papers

Relevant papers on Head of Housing Needs and Strategy's Runnymede Private Sector Stock Condition survey 2003 file.

6. HOMELESSNESS STRATEGY (DHCS)
(Ref: Minutes of Housing and Community Services Committee, June 2003, page 75, para. 77)

1. **Purpose of Report**

1.1 **The purpose of this report is to seek approval for the Homelessness Strategy as attached at Appendix 'B'.**

2. Background Information

- 2.1 The Homelessness Act 2002 introduced a requirement to carry out a Review of Homelessness in the Borough and to develop a Homelessness Strategy by 31 July 2003.
- 2.2 The Homelessness Directorate of the Office of the Deputy Prime Minister (ODPM) has requested that a copy of the Council's Strategy be provided for information and to confirm that the Council's legal duty has been fulfilled. No formal feedback or "rating" is expected from the ODPM.
- 2.3 The Council has worked jointly with Spelthorne Borough Council on the Homelessness Review. Both Councils used funding from the ODPM to commission specialist consultants, PPCR (Public Participation, Consultation and Research), to undertake the Review.
- 2.4 The Review findings were reported to the Housing and Community Services Committee at its meeting on 11 June 2003. A full copy of the PPCR Review Report is available in the Members' Room.

3. The Homelessness Strategy

- 3.1 A Strategy document and action plan has been drafted and is attached at Appendix 'B'.
- 3.2 The aims of the Strategy, which are set out in section 2, were approved by the Housing and Community Services Committee at its June meeting.
- 3.3 The Strategy contains a number of actions to address the findings of the Review. The action plan incorporates some matters that have already been approved by Members or have been drawn from other Council strategies and plans. For example, the proposed improvements to temporary accommodation include the undertaking of a feasibility study of Ashdene and St. Judes hostels in Englefield Green which was approved at the June meeting of the Housing and Community Services Committee. The establishment of a temporary post of Private Sector Resettlement Officer, to be funded by the ODPM, was also approved at that meeting.

Housing Advice Services

- 3.4 The Strategy sets out plans to consider some expansion and development of the housing advice functions. It is proposed that the structure of services within the Housing Needs Section is reviewed to enable Homelessness and Housing Needs Register assessments to be further separated from housing advice. In this way the housing advice function can be developed around two main areas, housing options advice and private sector housing advice (tenancy relations, security of tenure etc.).
- 3.5 The development of the housing advice function would support the Strategy aims by reducing or delaying homelessness and also improving the help and support available to those who do become homeless.
- 3.6 It is proposed that the development of the Council's housing advice function would be undertaken in close consultation with the Citizens Advice Bureau, who provide independent housing advice, and also with the Community Legal Service Partnership.
- 3.7 A further report on the proposed housing advice structure will be brought back to this Committee in September 2003.

Customer Care and Customer Involvement

- 3.8 The Strategy also sets out plans to significantly improve the way that customers are dealt with. The Homelessness Review identified that some clients and other agencies perceived the service to be reactive rather than pro-active and too focused on "gatekeeping". Whilst this is in part due to limited staff resources and, therefore, the need to concentrate on statutory assessments, it is felt that standards of customer care can be re-focused. It is proposed that funding carried over from the previous ODPM grant for the 2002/03 financial year be used for this element of the action plan.
- 3.9 The Homelessness Strategy must be submitted to the Government by the end of July 2003. In normal circumstances, any corporately binding policy for the exercise of a Council function needs to be recommended to Full Council following approval by the Service Committee. However, the next meeting of Full Council following this Committee is not until 16 October. In order that the Strategy can be submitted by the Government's deadline, at its June meeting this Committee agreed to recommend that Full Council give the Housing and Community Services Committee delegated authority to approve all matters relating to the Homelessness Strategy at its meeting on 23 July 2003. The Officer's recommendation below assumes that Full Council agreed this recommendation at its meeting on 17 July. Any contrary decision will be reported to this meeting.
- 3.10 It may be necessary to make minor amendments to the final Strategy document before it is sent to the ODPM. It is, therefore, requested that the Director of Housing and Community Services be authorised to make minor changes to the Strategy, if required.
4. Council Policy
- 4.1 The draft Homelessness Strategy reflects the content of the Council Leader's Position Statement and the priorities in the Housing Strategy.
5. Resource Implications
- 5.1 The budgets for dealing with homelessness are split between the Housing Revenue Account (HRA) and the General Fund. The costs and income from running Reception Centres and the mobile home site at Heathervale (part of which is set aside as temporary accommodation) form part of the HRA. All other homelessness functions (advice, bed and breakfast, strategy, rent deposits, etc) are met by the General Fund (see page 40/41 of the 2003/04 budget book).
- 5.2 The General Fund estimate (£108,600 in 2003/04) includes provision for the use of bed and breakfast accommodation, short-term property leases and rental deposits. In recent years these provisions have not been required. Neighbouring authorities have markedly different experiences. For instance, the budgets allocated by Spelthorne (£681,000) and Surrey Heath (£281,000) for 2003/04 emphasise how costly homelessness can be if Council operated temporary accommodation is not available and efforts are not made to minimise homelessness.
- 5.3 The Homelessness Strategy proposes that the Council consider increasing the resources allocated to the housing advice service and to support for people in temporary housing. It has not been possible to formulate proposals prior to this meeting and, therefore, the Strategy refers to giving 'consideration' to changes. A full report setting out the proposals and the financial implications will be presented to the Housing and Community Services and Corporate Management Committees in September.

OFFICERS' RECOMMENDATION that –

- i) the Homelessness Strategy, as set out at Appendix 'B', be approved; and**
- ii) the Director of Housing and Community Services be authorised to make minor amendments and alterations to the Strategy, prior to its submission to the ODPM by 31 July 2003.**

(TO RESOLVE)

Background Papers

Relevant Papers on Head of Housing Needs and Strategy's files on the Report of the Review of Homelessness by PPCR.

7. DRAFT REGIONAL HOUSING STRATEGY (DHCS)

1. Purpose of Report

1.1 **The purpose of this report is to advise Members of the contents of the recently published draft Regional Housing Strategy.**

2. Background Information

2.1 The Government have recently published a document entitled "Sustainable Communities: Building for the Future" which announced that housing strategy development and key funding decisions would now be made through Regional Housing Boards. The Regional Housing Boards are to prepare and oversee a Regional Housing Strategy which sets out the region's approach to housing investment.

2.2 Members of the Regional Housing Board are charged with the responsibility for compiling a Regional Housing Strategy and submitting this to Ministers by the end of July 2003 in order that plans can be made for allocating resources from April 2004. This will be an interim Strategy and the Regional Housing Board will have to compile a longer term Strategy during the following year.

3. Report

3.1 Attached at Appendix 'C' is the draft Strategy which was recently published by the Regional Housing Board. Because of the short timescale for submitting this Strategy to the Minister, comments on the draft were requested by 11 July. Consequently, Officers were required to respond on behalf of the Council. A copy of this response, which has been sent to the Government Office for the South East, is attached at Appendix 'D'.

3.2 The main issues within the report are as follows:

Strategy Focus

3.3 The Strategy states where it is proposed that funds will be allocated and for which priorities. It is proposed that 30% of the funding will be allocated to growth areas i.e. Thames Gateway, Milton Keynes/Elsbury Vale and Ashford.

3.4 There are proposals to allocate funding to other "key strategic growth points". These are listed on page 4 of the Strategy but do not include Runnymede. Rural settlements are also to receive funding and there will be resources to assist with urban renaissance and regeneration in areas such as Southampton, Brighton, Portsmouth and Hastings.

3.5 It is proposed that Local Authorities with particular affordability and homelessness problems will also be identified for funding. This may provide the opportunity for Runnymede to obtain funds. However, it is proposed that Councils will have to show "a clear commitment to cross boundary housing solutions and demonstrable use of the planning system to maximise affordable housing" if they are to receive funding.

3.6 The Strategy gives overall priorities to the following groups:

- i) Key workers
- ii) Homelessness
- iii) Prospective Homeowners
- iv) Additional care and support
- v) Other priority need

- vi) Black and minority ethnic groups

It is suggested within the draft Strategy that various weightings are allocated to each of the above.

3.7 Runnymede Officers' response to the above proposals is set out at Appendix 'D'.

4. Financial Implications

4.1 The proposed Strategy contains a section relating to funding. The main points made in this section are that:

- i) A new single regional housing pot will be established.
- ii) During 2003/04, 70% of the housing investment programme allocations will continue to be allocated to Local Authorities. The remaining 30% will be retained by the Regional Housing Board for allocation. The Strategy is based on an allocation method in the form of basic credit approvals (i.e. borrowing power), although it is hoped that a more straightforward grant regime will be introduced.

4.2 The most significant share of the housing resources will be allocated through the Approved Development Programme (ADP) managed by the Housing Corporation. It is proposed that the amount to be allocated to the ADP will increase significantly over that for previous years. This is to compensate for the loss of Local Authority Social Housing Grant (LASHG) funds.

4.3 It is unlikely that the new arrangements will provide an equal level of funding to that previously provided under LASHG. The document suggests that "local authorities will want to consider if any unfunded LASHG projects should be taken forward in their area" and implies that Councils may need to look to local funds.

4.4 The response given by Runnymede Officers to the proposed funding arrangements is also detailed in Appendix 'D'.

5. Conclusions

5.1 The emphasis placed on affordability issues within the Strategy should ensure that Runnymede retains some priority for future funding from the new arrangements. However, it is clear that the new funding mechanisms will not be as flexible or extensive as the previous arrangements that existed under the LASHG system.

(FOR INFORMATION)

Background Papers

Relevant papers on the Director of Housing and Community Services' file on the Draft Regional Housing Strategy.

8. KING'S LANE HOUSING DEVELOPMENT - LETTINGS PLAN (DHCS)

1. Purpose of Report

1.1 **The purpose of this report is to seek Members' consent to the proposed arrangements for the allocation of new units at the King's Lane housing development, Englefield Green.**

2. Background Information

2.1 Section 167(2E) of the Housing Act 1996 enables housing authorities to allocate accommodation to people of a particular description (local lettings policies).

2.2 In January of this year the Council adopted a new scheme for the allocation of housing which proposed that a local lettings plan should be considered for schemes with over 10 units of

accommodation. The lettings plan would aim to achieve a balance of households taking account of employment status and family profiles.

2.3 It is anticipated that the new development provided by Peerless Housing Group at King's Lane, Englefield Green, will be ready for occupation in October of this year. It is, therefore, necessary to consider the proposed lettings plan for this scheme. The scheme will provide 8 one bedroom and 5 two bedroom units of accommodation. The Council will have nomination rights to 100% of the initial lettings.

3. Report

3.1 When this scheme was designed it was on the basis that the one bedroom units would be offered in the first instance to tenants living on the surrounding estate who wished to move to smaller accommodation and free up family homes. It is, therefore, proposed that the initial lettings of the smaller units will be made on this basis.

3.2 The remaining vacancies will be allocated on the following basis:

i) One bedroom units

These units will be allocated to single people and couples with a mixture of age profiles.

No more than 2 of the units will be allocated to single people with additional support needs.

ii) Two bedroom units

As these units are flats, the two bedroom vacancies will be allocated to applicants with one child.

At least 2 of the 2 bedroom units will be allocated to people who are in employment.

3.3 The Council retains the right to nominate applicants to 75% of any future lettings for this development and these will be made in accordance with the banding system within the current Allocation Scheme.

4. Legal Implications

4.1 When operating local lettings policies, housing authorities will need to ensure that overall reasonable preference for allocations is given to applicants in the reasonable preference categories; and that local lettings policies do not discriminate, directly or indirectly, on racial or other equality grounds.

OFFICERS' RECOMMENDATION that –

the proposed lettings scheme for the new development at King's Lane, Englefield Green be approved, as outlined in paragraphs 3.1 and 3.2 above.

(TO RESOLVE)

Background Papers

Relevant papers on Director of Housing and Community Services' files for King's Lane Scheme and Allocations policy.

9. BOWES ROAD/WAPSHOTT ROAD ESTATE REDEVELOPMENT (DHCS)
(Ref: Minutes of Housing and Community Services Committee, June 2003, page 82, para. 84)

1. Purpose of Report

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

- i) **advise this Committee of the Environment Agency's requirements in respect of any new building on the site; and**
- ii) **to seek authority to underwrite Apex Housing Group's fees should the planning application for the scheme not be successful.**

2. Background Information

- 2.1 In order to address the problems of Council owned precast reinforced concrete (PRC) properties in the Egham Hythe area, a partnership has been formed with the Apex Housing Group. As a Registered Social Landlord (RSL) Apex are able to raise private finance and, working in partnership with the Council, Apex propose to demolish the two and three storey blocks of flats on the estate. The existing properties are well served with large gardens, garages and a redundant play area. It is proposed to utilise this space to provide additional dwellings, some of which will be sold. Not only will this provide for a mixed development, which is preferable to one of a single tenure, but the surpluses generated by the sales will help to meet the costs of re-providing the demolished flats.
- 2.2 Unfortunately, Egham Hythe is predominantly within the Thames flood plain and as flooding occurred in this area earlier in the year, the Council has been concerned that the Environment Agency could reject any proposed redevelopment of this site.

3. Current Position

- 3.1 After pressing the Environment Agency (EA) for some time, a meeting was arranged with the EA in May. At the beginning of June a letter was received from the Agency setting out the various measures they would expect to see in any redevelopment.
- 3.2 The Environment Agency have stipulated that they would wish to see the following four principles applied to any redevelopment:-
 - i) Safe egress and access to be provided;
 - ii) Thresholds of properties will need to be above modelled flood levels;
 - iii) Voiding will be required underneath the properties; and
 - iv) For any increase in the footprint area of the buildings, compensation will need to be provided.
- 3.3 Apex have been advised of these requirements, and believe that they can redesign the proposed redevelopment to meet these principles.
- 3.4 The consultant architect working with Apex provided the original proposals on a "no scheme no fee" basis, and this is common practice. However, to redesign the estate to meet the requirements of the Environment Agency would involve a fee of £215,000. Both Apex and their architects have already invested considerable time and resources over the past 18 months and, as Apex are a not for profit organisation, there is a limit to what they can continue to absorb in respect of costs. If the scheme is to proceed, then the architect's fees will be absorbed into the scheme costs. However, if for whatever reason, the scheme is not successful, then Apex have asked that the Council underwrite the architect's additional fee of £215,000.
- 3.5 Apex have also requested that the Council underwrite the planning fee, estimated to be £48,000, should the scheme not proceed. It should be remembered that part of the planning fee is to be paid to the Council and would be an income to this Authority.
- 3.6 In addition, there is the cost of preparing a flood risk assessment which will be required by the Environment Agency. This will be undertaken by specialist consultants, and is estimated to cost £12,000. Once again, Apex are requesting that the Council agrees to meet these fees should the scheme not proceed.

- 3.7 A timetable for the redesign is being formulated and will be reported verbally to the Committee.
4. Financial Implications
- 4.1 The Council is being asked to underwrite the planning, flood risk assessment, and architect's fees which total £275,000. Of this sum £48,000 will form an income to the Council as fees paid in respect of planning. This leaves a figure of £227,000 which will be at risk if the redesigned scheme for the Bowes Road/Wapshott Road estate does not proceed.
- 4.2 In the event that these fees need to be paid to the Apex Housing Group, a new Capital Estimate will need to be approved.
- 4.3 The combined fees are a significant sum (£275,000) and, although Apex are optimistic that a redesign can accommodate the EA's requirements, there is no guarantee that the scheme will be approved.
- 4.4 A more cautious approach would be to only consider like for like replacement of existing flats, for which the EA's approval could realistically be anticipated.
- 4.5 In such a scenario, not only would the fees be considerably less, but with little danger of the scheme being rejected, the fees would be absorbed into the overall scheme costs.
- 4.6 With no additional properties being built, there would be no opportunity to subsidise the new affordable housing. Consequently, Apex would only be able to borrow to the limit supported by the rental stream. As rents are restricted by the Government's Rent Restructuring Scheme, which applies to RSL's as well as Local Authorities, there will be a shortfall of approximately £4.8 million which the Council would have to meet.
- 4.7 Another alternative would be to abandon the idea of redevelopment, and consider refurbishing the flats on a phased basis. The Council has never favoured this approach, as the costs are considerable and, at best, the life expectancy of refurbished flats would only be 30 years. Working on figures produced by Apex's architects, refurbishment costs could be as much as £5 million.
- 4.8 The Council could decide to explore the benefits that may come from the new Prudential Borrowing arrangement or the Private Finance Initiative. However, this would delay a resolution of the problems on this estate still further.
- 4.9 These properties will now be the only ones in the Council's stock that have not been provided with central heating and double glazing. The units have very poor thermal qualities and tenants are extremely keen to see a scheme finalised as soon as possible.
5. Conclusion
- 5.1 Although to progress the current scheme will place sums at risk, the amounts involved will not be as significant as those that might arise if the Council had to embark on refurbishment or straight reprovion. It is therefore considered appropriate to underwrite the amount requested in order to proceed with the current scheme.

OFFICERS' RECOMMENDATION that –

- i) the reasonable planning, flood risk assessment and architects fees incurred by Apex Housing Group be underwritten by the Council should the planning application for the scheme not be successful; and**
- ii) the Corporate Management Committee be requested to note that a capital estimate of £275,000 will be required for the purpose of underwriting Apex Housing Group's planning, flood risk assessment and architect's fees, in the event that the Bowes Road/Wapshott Road estate redevelopment does not proceed.**

(TO RESOLVE)

Background Papers

Relevant papers on Director of Housing and Community Services', and Head of Tenant Services' files for Wapshott Road.

10. STOCK OPTIONS APPRAISAL (DHCS)
(Ref: Minutes of Housing and Community Services Committee, June 2003, page 77, para. 79)

1. Purpose of Report

- 1.1 The purpose of this report is to advise Members of recently published guidelines in respect of Stock Options Appraisal and the likely implications for this Council.**

2. Background Information

- 2.1 At the June meeting of the Housing and Community Services Committee, Members agreed to appoint consultants to undertake a Stock Options Appraisal of this Council's housing stock. The Corporate Management Committee subsequently approved a supplementary estimate in the sum of £15,000 to enable this work to be undertaken.
- 2.2 Since the June Committee, a guidance paper on Stock Options Appraisal has been received from the Office of the Deputy Prime Minister (ODPM). A copy of this paper is attached at Appendix 'E'. It is clear from the guidance that the ODPM requires Local Authorities to undertake far more than a financial appraisal.

3. Report

- 3.1 The publication of the ODPM guidance demonstrates that more is required than simply employing consultants. In particular, Independent Tenant Advisers need to be appointed at the beginning of the whole process to ensure that tenants play an active part in the appraisal. It is also necessary to develop Consultation Strategies and Tenant Empowerment Strategies as part of the Stock Options process.
- 3.2 Not only is it clear that the £15,000 approved at the last meeting will be insufficient to meet the cost of the process, but it is also apparent that Officers' original estimate that the process could be completed by the end of the year is now unrealistic.
- 3.3 Officers will submit a report to this Committee later in the year providing further details, together with costings and a realistic timetable, in respect of the new stock options process.

(FOR INFORMATION)

Background Papers

None

11. APPOINTMENTS TO HOUSING AND COMMUNITY SERVICES RELATED GROUPS (DAL)

In his capacity as Chairman of the Housing and Community Services Committee, the former Chairman, Councillor D.P. Easton served as a Member representative on the following two bodies. Both these Groups meet during the daytime at the Civic Offices, Addlestone.

i) The Community Transport Group

This is a monitoring group comprising representatives from the main funders of the Runnymede Dial-a-Ride service. These include Runnymede Borough Council, Surrey County Council Social Services and Passenger Transport Group and the North Surrey Primary Care Trust. There are also representatives from local organisations with an interest in community transport (e.g. Age Concern Runnymede). The Community Transport Group meets four times a year in order to review the current operation of the Dial-a-Ride service

and to plan and agree any changes to future service provision. The next meeting of this Group is scheduled for 21 October 2003.

ii) Benefits Quality Review Group

The Housing and Community Services Committee approved the formation of a Benefits Quality Review Group at its meeting on 11 September 2002. This group was established for the following reasons:

- It would enable the administration of benefits to be more actively reviewed by Members;
- It would provide a valuable focus and preparation for the Best Value Review of the Revenues and Benefits service in 2003/04; and
- It would score positively in the Comprehensive Performance Assessment (CPA) of the Council which takes place in December 2003.

It was originally envisaged that the Chairman and Vice-Chairman of this Committee would sit on the Benefits Quality Review Group along with appropriate Officers and a representative of the Citizens Advice Bureau (CAB). The Group has already met once in December 2002 when the meeting was attended by Councillor Easton. From now on it is proposed that the Review Group meets four times a year. Officers are seeking to appoint two members of the Housing and Community Services Committee to this Group who would be able to attend daytime meetings. In view of the complexity of the issues involved, these Members would also need to be available to meet informally with the Assistant Borough Treasurer (Revenues) to be apprised of relevant background information and any new policy developments.

Due to daytime work commitments, the current Chairman is unable to attend the meetings of the above-mentioned bodies. The Committee is therefore asked to appoint Members of the Housing and Community Services Committee to these groups as set out below:

OFFICERS' RECOMMENDATION that -

- i) a Member of the Housing and Community Services Committee be appointed to serve on the Community Transport Group in the Municipal Year 2003/04; and**
- ii) two Members of the Housing and Community Services Committee be appointed to serve on the Benefits Quality Review Group in the Municipal Year 2003/04.**

(TO RESOLVE)

Background Papers

None

12. EXCLUSION OF PRESS AND PUBLIC

OFFICERS' RECOMMENDATION that -

the press and public be excluded from the meeting during discussion of the following 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) | <u>Exempt Information</u> | <u>Paras</u> |
|-----|--|--------------|
| 13. | ACCESS RIGHTS - COMPULSORY PURCHASE ORDER | 8, 9 and 13 |
| 14. | RUNNYMEDE SHARED OWNERSHIP LEASE | 3, 4 and 7 |
| b) | <u>Confidential Information</u> | |
| | (No reports to be considered under this heading) | |