

Runnymede Borough Council

HOUSING AND COMMUNITY SERVICES COMMITTEE

Wednesday 9 March 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.
- 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

Matters in respect of which reports have been made available for public inspection

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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 st 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 12 January 2005.

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. REGIONAL HOUSING STRATEGY (DHCS)

(Ref: Minutes of Housing and Community Services Committee, May 2004, page 1594, para. 912)

1. **Purpose of Report**

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

- i) **advise Members of the content of the Regional Housing Strategy;**
- ii) **agree a response to the consultation on the Strategy.**

2. Background Information

2.1 In March 2004, a report was presented to this Committee outlining the new arrangements for allocating housing resources through the Regional Housing Board. In May 2004 the Committee considered a Green Paper that had been published by the Regional Housing Board. The purpose of the Paper was to promote and debate housing issues across the region and to identify priorities to contain within the next Regional Housing Strategy. The Committee considered and approved a response to the Green Paper consultation and this was sent to the Government Office of the South East.

- 2.2 The Government Office of the South East has now published a draft Regional Housing Strategy on which it is inviting comments. A copy of the Executive Summary from the Strategy and the section within the Strategy regarding the Way Forward and the principles for underpinning funding is attached at Appendix 'A'. A full copy of the Strategy has been placed in the Members' Room.
3. Report
- 3.1 The Strategy is designed to set out the approach and priorities for the investment of housing for the next decade. Members will see from the Executive Summary that the Regional Housing Board consider that the following are the most important priorities to be addressed:
- i) To build more homes;
 - ii) To bring decent housing in reach of people on low incomes;
 - iii) To improve the quality of new housing and the existing housing stock.
- 3.2 These priorities mirror those that the Council has in its own Housing Strategy Statement.
- 3.3 In addition to setting out priorities the Strategy will also guide Government funding. This will initially be the funding that is available from 2006 – 2008. There is an estimated £530 million available over the period 2006 – 2008 for new affordable housing schemes.
- 3.4 In relation to future investment on new affordable housing the Strategy also proposes the following:
- i) That 65% of the funding available for building new accommodation will be aimed at the provision of social rented accommodation.
 - ii) That the funding will be provided in areas of high housing need and homelessness and where there are issues of regeneration and social exclusion.
 - iii) 20% of funding for new affordable housing will be invested in the growth areas.
 - iv) There will be investment in rural areas where there is a high housing need.
 - v) There will continue to be funding for key workers as defined by the Government, but the Strategy proposes broadening the definition to include other essential workers. It is intended that local strategic partnerships will have a role in determining the broader definition.
 - vi) It is proposed that developments are built at higher densities and that funding will only be given to schemes that have a density of at least 40 dwellings per hectare.
 - vii) Schemes of more than 30 units will only be funded once they have had an assessment of their design by a Regional Design Panel.
 - viii) All homes that are funded will have to meet the 'Very Good' Eco Homes Rating. This is the British Research Establishment's Rating for energy efficiency measures.
 - ix) All homes funded should be capable of being adapted for a range of purposes allowing flexibility throughout the lifetime of the property.
- 3.5 Section 5.4 of the Strategy sets out the geographical focus for funding. As indicated above 20% of the funding for affordable housing will go to the growth areas i.e. Ashford, Milton Keynes and the Thames Gateway. It is proposed that the remaining 80% of funding will be allocated according to affordability and homelessness criteria, including numbers in temporary accommodation.
- 3.6 Within the Strategy an assessment has been undertaken of affordability and homelessness issues across the region and it is proposed that 60% of the remaining funding will go to areas with the greatest affordability and homelessness problems and 20% to the remaining

authorities. Runnymede, and the majority of Surrey (excluding Reigate & Banstead) have been assessed as being in a low priority area.

- 3.7 The net result of the proposed funding criteria is that schemes in Runnymede are likely to attract very little of the funding that is available for affordable housing for the next 2 years. It is also possible that this distribution criteria will be used in subsequent years beyond 2008 and could even form the basis of funding for the next decade. It is therefore intended that the response from Runnymede should argue for an increase in the percentage of funds for the area.

4. Regional Housing Strategy Recommendations

- 4.1 The Report makes a number of recommendations for the Government, all partner agencies, Registered Social Landlords, the building industry and Local Government. There is just one recommendation for Local Government and this is as follows:

"to develop innovative private sector renewal schemes with Registered Social Landlords and other partners to help vulnerable people to maintain their independence and remain in their own homes."

- 4.2 However, the strategy also proposes that only 10 authorities will be allocated funds to tackle private sector renewal. Runnymede will not be one of these authorities.

5. Sub Markets

- 5.1 The report emphasises that the delivery of new housing is important and states that market focus will have a big impact. It proposes that Authorities work together to provide housing across a sub market or region, and has initially grouped Runnymede in the sub region with Bracknell Forest, Slough, South Bucks, Spelthorne and Windsor and Maidenhead. It is expected that all homes developed with Housing Corporation funding in a sub market will be open to nominations from all the authorities in the sub market.

6. Approach to the Consultation

- 6.1 The Regional Housing Board have asked that the response to the consultation is set out on a specific pro-forma. A copy of the proforma is attached at Appendix 'B'. Officers have set out in Appendix 'C' the proposed response. Members are asked to consider the contents of this Appendix and to authorise this as the basis of the Council's response to the consultation, or to suggest amendments.

7. Financial Implications

- 7.1 The supply of funding from the Regional Housing Board via the Housing Corporation is important to the delivery of affordable housing in Runnymede. Although the Council has some local funding this is insufficient to maintain the size of programme that is required. It is therefore important that Runnymede secures adequate funding from the Regional Housing Board for schemes within the Borough.

8. Policy Issues

- 8.1 The Leader's Position Statement states that "We will find cost effective ways with strategic partners to meet our affordable housing target of 750 homes over 5 years".
- 8.2 The three main priorities identified within the Housing Strategy are to provide more affordable housing, ensure social housing meets the Decent Homes Standard and improve unfit property in the private sector. The provision of more affordable housing is also a key element within the Community Strategy and the Homelessness Strategy.

9. Conclusion

- 9.1 The Regional Housing Strategy will play an important role in determining the distribution of funding for Housing across the South East. As currently written the Strategy seems to suggest that the Boroughs within the County are likely to receive a reduced level of funding over the next 2 years. This situation may also continue into the next decade if the current

distribution formula is accepted as a guiding principle for the life of the Strategy. It is therefore important that Runnymede responds to this consultation exercise.

OFFICERS' RECOMMENDATION that –

the comments in the paper at Appendix 'C' be approved as the basis of the proposed response to the consultation.

(TO RESOLVE)

Background Papers

None stated

6. SUSTAINABLE COMMUNITIES HOMES FOR ALL (DHCS)

1. Purpose of Report

1.1 **The purpose of this report is to advise Members of papers that have recently been published by the Government concerning sustainable communities.**

2. Background Information

2.1 In January of this year, the Government produced a paper entitled Sustainable Communities Homes for All. This was a five-year plan issued by the ODPM setting out its proposals for housing and other services. A separate paper was also issued specifically for the South East. These papers were issued in addition to the South East Regional Housing Strategy (item 5 on this agenda).

3. Report

3.1 A full copy of the two documents has been placed in the Members' Room. The documents contain a lot of useful information regarding trends in Housing. They also set out the Government's plans for Housing and proposals for change between now and 2010. A list of proposals contained within the documents is set down within Appendix 'D'. Undoubtedly a number of these proposals will have implications for Runnymede. However it is too soon to assess the full extent of any proposals. No formal response has been requested at this stage to these documents and therefore Members are simply asked to note the content.

(FOR INFORMATION)

Background Papers

None stated

7. AFFORDABLE HOUSING PROGRAMME (DHCS)

(Ref: Minutes of Housing and Community Services Committee, September 2004, page 217, para. 165)

1. Purpose of Report

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

i) **update Members on the progress towards the Affordable Housing Target;**

ii) **notify Members of bidding opportunities for further funds;**

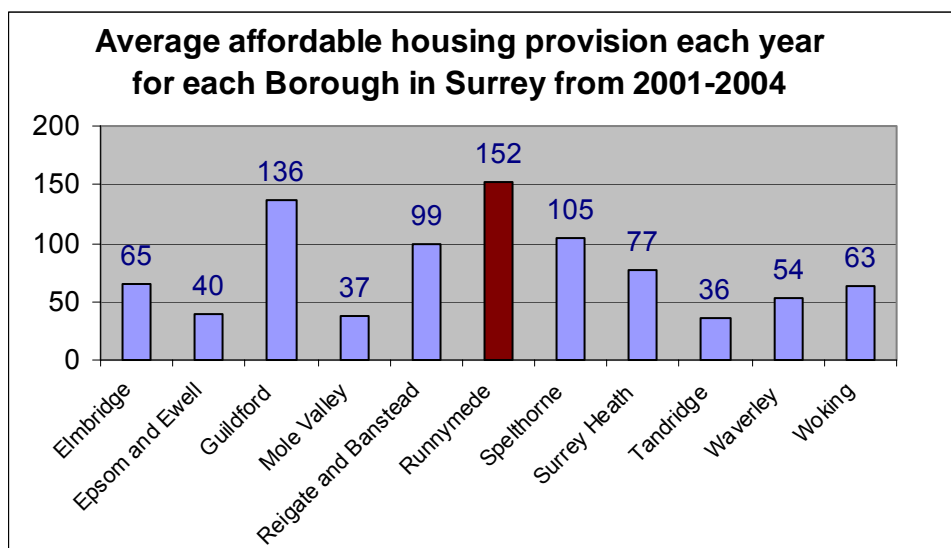
2. Background Information

2.1 The Council established a target to provide 750 new affordable housing units in 2001. The target was to be achieved over a 5 year period from 2001 to 2006 and was based on the results of the Housing Needs Survey undertaken in 2000/01.

3. Performance Against the Affordable Housing Targets

3.1 Attached at Appendix 'E' is a table setting out the progress made. It can be noted from the table that the Council has now provided 491 units against the 750 total. There are also 83 units under construction and a number of potential schemes being considered.

3.2 The Council has to provide details annually of the schemes that have been completed and properties acquired to the Office of the Deputy Prime Minister. These details are submitted for every Authority in the country. Officers have undertaken a benchmarking exercise to establish this Council's performance against others in Surrey. The graph below sets out the average annual provision for each of the Surrey Districts over the last 3 years and Members will be pleased to note that Runnymede's performance remains very good in comparison to others.



N.B: The figures in the graph are for all provision including any replacement units in each Borough.

4. Funding for New Schemes

New Funding Opportunities

4.1 Since April 2003, all Social Housing Grant for new housing is provided through the Housing Corporation. It is therefore important that the Council maintains contact with the Housing Corporation to establish opportunities for funding and to stress the importance of additional affordable housing provision within Runnymede.

4.2 A meeting was held in December with the Area Manager at the Housing Corporation and the schemes that the Council currently wishes to progress were outlined to her. It was suggested that chances of succeeding in obtaining grant for individual schemes would be increased if the Council were also able to make a contribution. The Manager also notified Officers that there are two new funding opportunities for Registered Social Landlords:

- i) A Forward Allocation Pool has been established by the Housing Corporation whereby Registered Social Landlords can register schemes that they are certain can be delivered. These schemes can be registered at any time and the Housing Corporation will undertake a fortnightly assessment to see which schemes they can progress.
- ii) There will be a further bidding round for all RSL's in July of this year. However the outcome of this bidding round will not be known until December 2005.

Registered Social Landlords with schemes in Runnymede that have not yet secured grant will be encouraged to make bids using these new arrangements.

- 4.3 Although it is helpful that new bidding opportunities are available it should be noted that if the proposals within the draft Regional Housing Strategy are implemented (see item 5 on this agenda) the funds that are likely to be available from 2006 - 2008, for Runnymede, may be very limited.

Supported Capital Expectation Allocation 2005/06

- 4.4 In December 2004 Officers received notification from the ODPM that a Housing Capital Allocation for 2005/06 of £726,000 had been awarded in the form of Supported Capital Expectation (SCE). The Council was required to indicate whether they wished this allocation to be passed to the Housing Corporation for use on affordable housing in Runnymede. There are significant benefits in transferring the funds to the Housing Corporation and Runnymede also opted for this approach in 2004/05.
- 4.5 The Council were requested by the Housing Corporation in January 2005 to indicate which schemes they wish to have the Supported Capital Expenditure (SCE) funds applied to. A decision had to be made by the 25 February 2005 and the schemes that were put forward had to be those that would start on site by 28 February 2006.
- 4.6 Two schemes have been put forward for the SCE funding. These are the schemes at Waspe Farm and Vicarage Road. Approvals had been given at previous meetings of this Committee to fund these schemes from the Council's Housing Capital Programme. The use of the SCE funds will therefore reduce the level of commitment needed from the Council. There will now be no local funding required for Waspe Farm and a reduced contribution of £123,000 for Vicarage Road.

Second Homes Discount

- 4.7 The Corporate Management Committee has received a number of reports on the policy of reducing the Council Tax discount for second homes from 50% to 10%. At its meeting on 3 February 2005 the Corporate Management Committee resolved to reduce the discount to 10% and apply the proceeds towards affordable housing. The additional revenues are shared between the precepting authorities. The estimated additional revenues generated in 2005/06 are:

Table: Additional revenues from reduced discount		
	Band D Tax £	Second home discount reduced from 50% to 10% £
Runnymede	117.99	16,800
Surrey County Council	920.70	131,200
Surrey Police	154.26	22,000
Total	1192.95	170,000

- 4.8 The Council is still seeking agreement with Surrey County Council with a view to its share of this income being transferred to Runnymede to spend on affordable housing. Surrey Police have already refused to transfer its share, citing legal impediments.
- 4.9 Although the extra £16,800 likely to be available is a modest sum, it will be used along with other local resources towards the affordable housing programme.

Funding for Housing Schemes

- 4.10 The following table sets out the latest available forecast of finance available for the new affordable housing element of the housing capital programme:

Table - Estimated total local funds available for the new affordable housing programme				
Source of Finance	2004/05	2005/06	2006/07	2007/08
Supported Capital Expenditure allocation	£000 699	£000 726	£000 726	£000 726
Second Homes - Council Tax	-	17	17	17
Use of general capital receipts	1,000	500	500	500
Developers Contributions	654	-	-	-
Sums not pooled				
• SOCH transitional offsets	863	574	286	-
• Other Capital receipts not pooled (kept locally)	506	3,337	337	337
Total Funds available	3,722	5,154	1,866	1,580

- 4.11 Under the Prudential Capital Finance System a proportion of capital receipts must be paid over to the Government. This is called "pooling" of receipts. The Council must pay over 75% of the receipts from sales of Council dwellings under the Right-to-Buy arrangements. The requirement to pay sums over is being phased in over 3 years (the "transitional offset" arrangement) but the sums not pooled must be used on new schemes. For other housing capital receipts, the Council has the choice of paying a proportion over to the Government pool, or retaining the receipt to use on housing schemes. Clearly, it is beneficial to retain these receipts locally.
- 4.12 The funds available from capital receipts are of course dependent on sales being achieved in line with forecasts. In particular, the table above assumes that the sale of the Roakes Avenue estate is completed in the 2005/06 financial year.
- 4.13 The following table shows the current approved and ongoing commitments in the housing capital programme:

Table - Current approved and ongoing commitments in the housing capital programme				
Scheme	2004/05	2005/06	2006/07	2007/08
	£000	£000	£000	£000
DIYSO/Homebuy	500	500	500	500
Use of SCE Allocations	699	726	726	726
<u>New Schemes</u>				
• Vicarage Road	-	123	-	-
<u>HRA Commitments</u>				
Wapshott Road planning fees (Agenda item 9)	-	297	-	-
Total Committed	1,199	1,646	1,226	1,226

- 4.14 Funds not used in a particular financial year can be carried over to the next year, except for the SCE Allocation which has to be used in the financial year for which it is granted. Therefore, the balance of funding available in 2004/05 of £2.523m (ie £3.722m less £1,199m) can also be carried forward to 2005/06.
- 4.15 The following agenda items on the Roakes Avenue and Wapshott/Bowes Road development make proposals for the use of a significant proportion of these funds.
5. Council Policy
- 5.1 The Leader's Position Statement states that "We will find cost effective ways with strategic partners to meet our affordable housing target of 750 homes over 5 years".

5.2 The provision of additional affordable housing is one of the three main priorities identified within the Housing Strategy it is also a key element within the Community Strategy and the Homelessness Strategy.

6. Conclusion

6.1 A great deal is being done to progress various schemes to deliver affordable housing within Runnymede. The availability of grant for the future is still uncertain but advantage is being taken of every opportunity and progress can be made on existing schemes using funds within the Council's Housing Capital Programme.

OFFICERS' RECOMMENDATION that –

the Committee endorse the disposition of the SCE allocation of £726,000 to the Waspe Farm scheme (£530,000) and Vicarage Road scheme (£196,000).

(TO RESOLVE)

Background Papers

The Director of Housing and Community Services file on Affordable Housing and specific files on individual schemes.

8. ROAKES AVENUE ESTATE (DHCS)

1. Purpose of Report

1.1 The purpose of this report is to:

- i) obtain approval for the proposed arrangements for marketing and disposal of the site at Roakes Avenue;
- ii) obtain approval for a new capital estimate to finance the affordable housing element of the replacement scheme at Roakes Avenue.

2. Background Information

2.1 The Roakes Avenue estate consists of 83 units (63 flats and 20 houses). These properties are pre-cast concrete Bison system built units and they do not currently meet the Decent Homes Standard. Although it would be possible to undertake work to the units to comply with the Decent Homes Standard, it was concluded, some time ago that this would be uneconomic, given their construction. The Council has therefore embarked on a scheme to provide new housing for the residents of Roakes Avenue on the adjacent site at Painesfield.

2.2 The Painesfield development is now well under way. The scheme is being developed in conjunction with Apex Housing Group and will provide a total of 58 units i.e. 30 houses, 27 flats and a bungalow. The new units will be a significant improvement on the existing Roakes Avenue properties as they will have modern kitchens and bathrooms and will incorporate energy efficiency measures designed to ensure lower fuel consumption.

2.3 The units at Painesfield are scheduled to be completed by March 2006, at which time the remaining tenants will be transferred to their new homes and the site will become vacant.

2.4 A capital estimate of £1.5 million was approved in March 2004 for the repurchase of 7 dwellings previously sold under Right to Buy. This budget included a sum of £482,000 to enable the occupiers to purchase equivalent replacement properties. These amounts are held as charges on the replacement property and are repayable to the Council on the future sale of the property. All 7 properties have now been repurchased at a total cost of £1,521,000.

2.5 A capital estimate of £75,000 was approved in September 2001 for fees, including the tenant's consultant, for this project and the Wapshott/Bowes Road estate development.

- 2.6 In 2003 Apex Housing Group made a bid to the Housing Corporation for funding for new housing on the Roakes Avenue site. They were notified in March 2003 that they had secured £1,895,802 in Transitional Local Authority Social Housing Grant (LASHG) for the provision of 27 units. At this time the Housing Corporation imposed two conditions relating to the payment of any outstanding LASHG grant applications. One of these conditions was that planning consent should be obtained for the scheme and another was that the Registered Social Landlord (in this case Apex Housing Group) should draw down the initial tranche of grant for the scheme within a set timescale.
- 2.7 An outline Planning Application for the development of the whole estate was submitted and approved by Planning Committee on 18 June 2003. The application was for the construction of 106 units (a mix of both private and affordable housing).
- 2.8 Also in June 2003, the Housing and Community Services, and Economic Development Committees approved the disposal of the garage area of the site to Apex Housing Group. This step was taken in an attempt to retain the LASHG funding. Attached at Appendix 'F' is a plan of the Roakes Avenue site and the area that has been sold to Apex Housing Group is hatched.
- 2.9 The Housing Corporation subsequently insisted that to retain the LASHG, construction work must start on site by January 2005. The possibility of starting work on part of the site was considered, but unfortunately proved to be impracticable. Officers also visited the Housing Corporation to speak to senior managers, and invited Officers from the Housing Corporation to see the site, with a view to persuading them to allow the retention of the grant. However the grant was subsequently withdrawn. Officers at the Housing Corporation did however indicate that Apex Housing Group could make another application for grant.

3. Report

- 3.1 In order to commence the redevelopment of the Roakes Avenue estate immediately after the existing tenants have been rehoused it is now necessary to commence plans to market the site. However to do this the Council needs to decide upon the extent and type of affordable housing to be provided. This is an important decision both in terms of providing additional affordable housing and of the financial impact of the options available.
- 3.2 To replace all of the existing units at Roakes Avenue, including those repurchased, the Council must provide 25 units on the existing site. Any additional units provided (over and above the 25) on the site will count towards the Council's affordable housing target and will provide accommodation for applicants on the Housing Register. Members will recognise that an increase in the number of affordable housing units will inevitably reduce the value of the land and the capital receipt that is obtained. Officers have therefore set out below the two principal options. These are followed by an estimate of the impact of each option on the site valuation:

- i) The provision of 25% affordable housing.

This approach would mean the provision of 27 units, a net increase of 2 units. Such a small increase would be difficult to justify as it ignores the Council's stated policy objective to increase the provision of affordable housing in the Borough. It is also contrary to the approved Surrey Structure Plan which supports the provision of 40% of units on sites as affordable housing.

- ii) The provision of 40% affordable housing.

This approach is recommended as it is in line with the Surrey Structure Plan and (assuming the development of 106 units) it would provide 42 units of affordable housing and a net increase of 17 units towards the Council's affordable housing target.

4. Potential Site Values

- 4.1 The value of the land to be sold will depend on a range of factors and is difficult to predict with any certainty. However the table below sets out some potential receipts for the 2 scenarios outlined above.

Sale of Roakes Avenue Estate - potential capital receipt		
Percentage of Affordable Housing	25%	40%
Estimated capital receipt	£6,650,000	£6,000,000
Proportion to be spent on housing (see paragraph 6.6)	£3,325,000	£3,000,000

The capital receipt to be received is only one aspect of the financial appraisal. The level of grant available for the scheme will affect the overall cost of the scheme to the Council. This is dealt with below.

5. Tenure and Type of Provision

- 5.1 The greatest demand amongst those in housing need on the Housing Register is for affordable rented accommodation. The Council already has some shared ownership and intermediate rented schemes within its current affordable housing programme. It is therefore recommended that the affordable housing provision on this site should be rented units.
- 5.2 The scheme for 25% affordable housing provision assumes a mix of 9 houses and 18 flats. In the 40% option the mix would be 15 houses and 27 flats. If more houses were provided instead of flats this would reduce the value of the site and, therefore, the potential of the scheme to provide finance for the wider housing capital programme.
- 5.3 It should also be noted that if the 40% option is combined with the provision at Painsfield there will be a total of 45 houses and 54 flats. This is a substantial improvement on the current provision, on the Roakes Avenue estate of 20 houses and 63 flats.
- 5.4 The Council's Housing Strategy identifies the need for additional supported housing for a range of people who are vulnerable. It has not been possible to provide any new supported housing schemes over recent years because of the lack of available sites and the difficulties in securing revenue funding. If it is possible to secure revenue funding from the Supporting People Grant then it is recommended that there should be a small (6 unit) supported housing scheme within the affordable housing provision.

6. Financial Implications

- 6.1 Apex Housing Group have estimated that the grant required for the rented units on this estate would be £1,895,802 for 27 units (25%) and £2,797,000 for 42 units (40%). It is proposed that initially the Council should support Apex Housing Group in making a new bid to the Housing Corporation for these funds.
- 6.2 Officers at the Housing Corporation have said that any bid for grant would be enhanced if the Council were to contribute an element of its own funding. It is also known that bids are more likely to succeed if the grant rate per unit is £50,000 or less. The table below illustrates the suggested level of local funding and Housing Corporation funding sought:

Table – Grant requirement and cost per unit at Roakes Avenue		
	25% Affordable	40% Affordable
Number of units	27	42
Total Grant Requirement	£ 1,895,802	£ 2,797,000
Suggested Local Funding	545,802	700,000
Housing Corporation Funding Sought	1,350,000	2,097,000
<u>Cost Per Unit</u>		
Total grant requirement	70,215	66,595
Housing Corporation requirement	50,000	49,928

- 6.3 The levels of funding needed for the 40% scheme are more attractive in terms of lower overall grant cost per unit and are therefore more likely to attract Housing Corporation grant. To bring the Housing Corporation grant requirement to below £50,000 a unit it is therefore proposed that an amount of £700,000 be committed towards the bid from the Council's Housing Capital Programme.
- 6.4 If the bid to the Housing Corporation is unsuccessful then the Council will need to consider whether it makes further funds available from the Housing Capital Programme. The extent of funding that could be made available will depend on other commitments including any further funding of the Wapshott Road estate project.
- 6.5 It is proposed that the bid is made by Apex Housing Group to the Housing Corporation and that a further report is brought to Committee in the event that it is unsuccessful.
- 6.6 The Council's housing and general fund forecasts currently assume a sale price of £5.5 million for the remaining part of the Roakes Avenue site. The estimated sale price is now estimated at £6 million (based on a 40% affordable housing provision at the site).
- 6.7 The housing capital programme assumes that 50% of the sale price will be used to finance new affordable housing schemes rather than be passed to the Government pool. The 50% contribution available for housing projects is therefore £3,000,000. There are two calls now identified for this sum:

	£
Funding of Wapshott Road redevelopment (Agenda item 9)	1,500,000
Contribution to Roakes Avenue development	<u>700,000</u>
	<u>2,200,000</u>

Therefore, a sum of £800,000 would remain available for further local funding at Roakes Avenue or on other housing schemes.

7. Policy Implications

- 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." The Council's Housing Strategy statement also states that "the Council will ensure that the housing that it owns or that is owned by a Registered Social Landlord, meets the Government's Decent Homes Standard."

8. Conclusions

- 8.1 The development of the Painesfield site is now well advanced and therefore the Council needs to start planning for the future use of the Roakes Avenue estate. The marketing of the site will be the first step towards any redevelopment and needs to take place soon if the redevelopment is to follow the vacation of the site in early 2006. The provision of 40% of the units as affordable housing will ensure adequate affordable housing provision, whilst maintaining a balanced community. To increase the possibility of securing grant and thereby providing the type of housing most needed it will however be necessary to make a contribution to the scheme.

OFFICERS' RECOMMENDATION that -

- i) the Committee declares the land at Roakes Avenue as surplus and the Economic Development Committee be asked to approve the disposal of the land;**
- ii) the site be marketed on the basis that 40% of the site will be affordable housing;**
- iii) a bid be made by Apex Housing Group to the Housing Corporation for funding, and**
- iv) a capital estimate of £700,000 be approved from within the Council's Housing Capital Programme as the local funding contribution towards the new housing element of the Roakes Avenue scheme.**

(TO RESOLVE)

Background Papers

Director of Housing and Community Services' Roakes Avenue file.

9. WAPSHOTT ROAD ESTATE REDEVELOPMENT PROPOSAL (DHCS)
(Ref: Minutes of Housing and Community Services Committee, November 2004, page 396, para. 763)

1. Purpose of Report

1.1 The purpose of this report is to:

- i) advise Members of the current position in relation to the redevelopment;**
- ii) obtain approval to progress the next stages of the scheme;**
- iii) obtain approval for a capital estimate to enable the purchase of units and the payment of Home Loss.**

2. Background Information

- 2.1 The Housing and Community Services Committee has received a number of reports regarding the Council's proposals in respect of the Bowes Road/Wapshott Road/Cornwall Way estate. The most recent report regarding the development was in November 2004.
- 2.2 The properties on this estate are of Precast Reinforced Concrete (PRC) construction and do not meet the Decent Homes Standard. The Council, working in partnership with Apex Housing Group, have developed proposals to demolish 104 flats in the 2 and 3 storey blocks and 4 houses and to replace them with a mixed development of both social and private housing. An alternative to demolition would have been refurbishment but this Committee concluded some time ago that, in view of the costs involved, and the limited lifespan of these properties, redevelopment was the best long-term solution.

2.3 The Committee was informed in November 2004, that Apex Housing Group had submitted a comprehensive scheme for planning consent and that consultation was taking place. During December an exhibition was held at the Hythe Social Centre for all residents of the estate and other householders in the immediate area. A number of comments were received from residents during the consultation process and Apex have endeavoured to respond to as many of the concerns and issues as possible. This has led to some changes to the plans including the removal of some of the units. The final plans are now in the process of being submitted by the architects. There will be a further written consultation on the changes proposed and comments are also awaited from the Environment Agency. Once these have been obtained, and the final consultation completed, the Planning Committee will consider the application.

3. The Scheme

3.1 The final development proposal is for a total of 173 units comprising both flats and houses. A number of the units within the scheme will need to be made available for outright ownership in order to cross subsidise the new provision. However it is intended that 102 replacement homes will be provided for the existing tenants on the estate.

3.2 There will be a mix of property types. The scheme will comprise:

6 x 4 bed houses
35 x 3 bed houses
13 x 2 bed houses
36 x 2 bed flats
83 x 1 bed flats

3.3 There will be a number of substantial benefits for residents as a result of this scheme:

- i) All of the units will be built to Housing Corporation, Lifetime Homes and Eco Homes "Good" standards. They will also meet all of the Decent Homes criteria and Apex Housing Group will aim to achieve "Secured by Design' accreditation.
- ii) Apex Housing Group have developed a traffic management plan for the estate and are proposing that the redevelopment includes traffic calming measures. This should assist in reducing problems in the locality with motorists taking short cuts through the estate.
- iii) Car parking arrangements will also be substantially improved. Many existing residents currently have to park on the narrow streets. The scheme proposes a net increase of 145 off street parking spaces.
- iv) A comprehensive flood risk assessment has been undertaken and a flood management plan produced. All of the new properties will be built above the estimated flood levels.
- v) Considerable emphasis has been given to the appearance of the estate. The design has also been formulated to compliment the remaining properties on the estate. The replacement units will be constructed to a high architectural standard and tree planting and landscaping will be provided to enhance the development.

4. Forward Planning

4.1 There are a number of time constraints on this scheme:

- i) The Council has to ensure that the properties on this estate are replaced with new homes that meet the Decent Homes Standard, by 2010.
- ii) Tenants have also expressed some frustration regarding the length of time that this project has taken to come to fruition.
- iii) The proposed scheme is likely to take several years to complete.

It is therefore important that if planning consent is granted, all necessary measures are in place to move forward with the development as soon as possible.

4.2 A number of further steps need to be taken to progress the scheme these include:

- i) The financial assessment of the scheme;
- ii) The establishment of a phasing and decanting programme;
- iii) The approval to dispose of the land to Apex Housing Group;
- iv) The appointment of contractors to undertake the development;

Financial Assessment

4.2.1 The housing capital programme is currently based on the assumption that the estate can be redeveloped at a net nil cost to the Council. However, it was not possible to undertake a detailed financial assessment until the content of the planning application had been established.

4.2.2 Now that this stage has been reached, Apex Housing Group are in the process of calculating the total cost of the scheme. There are a number of issues to take into account, including the following:

- i) The cost of building the new units including the cost of flood management and flood mitigation measures;
- ii) The likely income from sales;
- iii) The cost of traffic calming measures;
- iv) The preserved Right to Buy implications;
- v) Any additional resourcing requirements such as tenant liaison requirements during the project;
- vi) The financial implications that spring from the phasing of the scheme;

4.2.3 As indicated above a number of private units are needed in order to finance the scheme. Originally it was intended that over a 100 additional units would be provided. However Members will recall (from the November Committee) that the proposed redevelopment of Coopers Close was omitted because of concerns relating to flood levels in this area. It has also been necessary to remove further units, and the number of additional units has now reduced to 65. This will of course impact on the financial assessment.

4.2.4 Once the financial appraisal is received from Apex Housing Group it will be necessary for the information to be scrutinised by the Council to ensure that the costs contained within it are accurate and reasonable. The Valuer to the Council will undertake this assessment in consultation with the Director of Housing and Community Services and the Director of Finance.

4.2.5 In addition to the construction costs of the scheme it is now apparent that the overall scheme will involve some items of expenditure that will fall directly to the Council. These will include the home loss payments to be given to tenants and the cost of repurchasing properties bought by previous tenants under the right to buy.

4.2.6 There are 5 flats on the estate that have been sold under the Right to Buy that will have to be repurchased. In addition, a previously owned house in Bowes Road will also need to be bought back. A similar situation arose at Roakes Avenue estate where the owners were assisted to purchase a similar property to the one they currently occupied in the private sector. An amount equivalent to the shortfall between the sale price of their property and the price of a replacement was registered as a charge on the property and is to be repaid in the event that the property is sold at some later date. Initially however, it is estimated that an

amount of £1,100,000 will be needed to purchase these properties, of which £250,000 is estimated to be recoverable.

- 4.2.7 It will be important to the progress of the scheme that arrangements are made as soon as possible to repurchase the units that have been sold. It is therefore recommended that the Borough Valuer be given authority to commence negotiations with the owners concerned. Any units that are repurchased ahead of the development will be used temporarily to decant residents on the estate.

4.3 Phasing and Decanting

- 4.3.1 The Council is unable to rehouse all of the tenants prior to commencing the development. It will therefore be necessary for the scheme to be completed in phases. It may also be necessary for tenants to have temporary moves whilst the work is undertaken. A number of properties have been held vacant on the estate for this purpose.

- 4.3.2 A phasing and decanting programme is currently being developed and if planning consent is obtained decanting will commence. Any tenant who is asked to move as part of the redevelopment will be entitled to a statutory Home Loss payment of £3,400. It is proposed that tenants who are asked to move more than once will, in addition to their home loss payment, receive a payment towards their reasonable removal and connection charges on their return move. It is estimated that the total cost of Home Loss and removals will be £340,000.

- 4.3.3 It is intended that Home Loss Payments will be paid at the time that each phase of the scheme commences and therefore expenditure for the aspect of the scheme will be incurred over a period of years. At this stage authority is only requested to commence decanting and payment of home loss for those tenants in the initial stages of the scheme.

4.4 Appointment of Contractors

- 4.4.1 Apex Housing Group will commence arrangements to obtain a contractor for the work as soon as the Council formally instructs them to proceed with the development. The procurement will be subject to OJEC requirements and the need for proper appraisal and agreement of submissions and it will therefore take some time to complete.
- 4.4.2 To avoid the delay of reporting the outcome of the financial appraisal to the June Committee, it is proposed that, in the event that the project can proceed without any cost to the Council, (other than the costs of repurchase and Home Loss mentioned above) the Director of Housing & Community Services, in consultation with the Chairman, be given authority to instruct Apex to proceed with the scheme. In the event that additional resources are required to undertake the scheme an item will be brought before this Committee.

4.5 Disposal of Land

- 4.5.1 The Council will need to approve the transfer in title of the land to Apex Housing Group in order for the scheme to proceed. It is therefore recommended that, in the event that planning consent is obtained, this Committee declares the land required for the development as surplus and that the Economic Development Committee be asked to arrange disposal of the land to Apex Housing Group on a phased basis.

4.6 Alternative Options

- 4.6.1 If planning consent is denied the Council will need to give further consideration to the future arrangements for these properties. The Council could, over a period of time, transfer the existing tenants to other accommodation and dispose of the current dwellings/land on the open market. This is the scenario that is given in the Stock Options Appraisal assessment, but is the worst case scenario. Officers would work with Apex Housing Group to see if there are any other alternatives. However, these will need to be cost neutral, and must also be capable of being delivered by 2010.

4.7 Tenant Consultation

4.7.1 Officers have continued to meet with representatives from the tenants' group to discuss the scheme. Tenants were also invited to the exhibition that was held at the Hythe Centre and their comments have been taken on board during the revisions of the scheme.

5. Financial Implications

5.1 At its meetings in July 2003 and March 2004 the Committee agreed to underwrite the architects', planning fees and flood risk assessment fees incurred by Apex on this current scheme. In the event that the planning application is refused the Council will be required to pay Apex Housing Group an amount of up to £297,763 (including VAT) for the abortive fees. This expenditure would be met from the housing capital programme.

5.2 The housing capital programme is currently based on the assumption that the estate could be redeveloped at net nil cost to the Council. This assumed that the proceeds of the sale of private dwellings on the new estate would be sufficient to cover all costs of developing the new social housing.

5.3 The present scheme will still substantially meet these criteria, and it is hoped that Apex will not require a dowry. It may even be possible that the scheme will still provide some surplus. However, this is not certain and at this stage additional costs of £1,500,000 have been identified that will have to be met from within the housing capital programme. These are set out below:

	£
Repurchase of dwellings	850,000
Recoverable charge to allow owners to purchase new properties	250,000
Home Loss payments (100 x £3,400)	340,000
Legal costs, fees and sundries	<u>60,000</u>
Total capital budget sought	<u>1,500,000</u>

5.4 It is possible to accommodate the £1,500,000 within the future housing capital programme – the use of the otherwise poolable proportion of the proceeds from the Roakes Avenue site will be sufficient alone to meet these – but it does mean that there will be equivalent reduced resources for new affordable dwellings.

5.5 It is unlikely that Government grant will be allocated to this scheme and therefore local funding is the only available method of financing the scheme.

6. Policy Implications

6.1 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." The Council's Housing Strategy statement also states that "the Council will ensure that the housing that it owns or that is owned by a Registered Social Landlord, meets the Government's Decent Homes Standard."

7. Conclusions

7.1. A detailed proposal for this estate has now been compiled and is in the process of being considered by the Planning Department. In the event that the scheme is approved then a number of steps will need to be taken to progress the scheme. This report does not seek to prejudge the decision of the Planning Committee but simply seeks to set in place any required approvals so that the scheme can proceed as quickly as possible if Planning Consent is granted. In the event that the Planning Consent is denied then a further report will be brought to this Committee.

7.2 The scheme is expected to remain financially viable. However, the lower density means that full cross subsidisation of all the costs of carrying out the redevelopment may not be possible. At present Officers consider that the Council will need to finance £1.5 million of scheme costs (of which £250,000 will eventually be returned).

OFFICERS' RECOMMENDATION that –

- i) in the event that Planning Consent is given, and the financial appraisal of the scheme does not lead to a requirement for an additional contribution from the Council, the Director of Housing and Community Services, in consultation with the Chairman, be authorised to instruct Apex Housing Group to commence the redevelopment;**
- ii) in the event that Planning Consent is given for the redevelopment scheme the Director of Housing and Community Services be authorised to commence the decanting of tenants and the payment of Home Loss to those tenants in the first phase of the scheme and any tenant who is required to make two moves will also be paid an allowance towards reasonable moving costs for their second move;**
- iii) a capital estimate of £1,500,000 be approved from within the Housing Capital Programme to repurchase those properties sold under the Right to Buy and to meet the costs of Home Loss payments;**
- iv) the Borough Valuer be given authority to commence negotiations to repurchase the units; and**
- v) in the event that Planning Consent is given, the Economic Development Committee be asked to approve the phased disposal of the land to Apex Housing Group.**

(TO RESOLVE)

Background Papers

None stated

10. STOCK OPTIONS APPRAISAL (DHCS)
(Ref; Minutes of Housing and Community Services Committee, January 2005, page 593, para 447)

1. Purpose of Report

- 1.1 The purpose of this report is to apprise Members of recent developments in the Stock Options process.**

2. Background Information

- 2.1 Members will recall that at the January meeting of this Committee a report outlining the outcome of the first stage of the Stock Options process was considered.
- 2.2 The report confirmed that subject to some savings, the initial base line assessment undertaken by the Council's consultants had concluded that the Council was able to meet the Decent Homes Standard. A verbal report was provided, confirming the results of an earlier survey of tenants to establish what additional services tenants might wish to see. The findings of this survey were that tenants had identified a number of additional services that they may like to receive, but that the costs of these services could not be met by the Housing Revenue Account Business Plan. These additional services, (sometimes referred to as Decent Homes Plus), have an estimated cost of £12 million over the life of the Business Plan. Tenants have been asked in a "test of opinion" whether or not they would be prepared to consider stock transfer as a means of obtaining this higher level of service provision.
- 2.3 The "test of opinion" together with an accompanying newsletter was despatched to tenants in the middle of February and the results of the survey should be available by the date of the Housing and Community Services Committee meeting, when a verbal report will be provided.
- 2.4 A special meeting of the Housing & Community Services Committee has been scheduled for 19 April to enable all of the findings of the Stock Options issue to be considered and a recommendation approved for consideration by full Council. The final report must be submitted to the Government Office of the South East by July 2005.

3. Conclusions

- 3.1 The lengthy consultation with tenants has now come to an end and has culminated in residents being asked to choose between the two remaining options from the original four. The option of Arms Length Management (ALMO) and Private Finance Initiative (PFI) have been discarded as being unsuitable as whole stock options for Runnymede leaving tenants with the choice of Stock Retention, where the Council would guarantee meeting the Decent Homes Standard, and a transfer to a Registered Social Landlord, (RSL), in the hope of obtaining additional services.
- 3.2 The process has been overseen by an Independent Tenant Advisor, and the Tenant Participation Advisory Service, (TPAS), and a Stock Options Forum consisting of tenants and leaseholders has also met regularly, and has over the past year developed an extensive knowledge of the Stock Options process.

(FOR INFORMATION)

Background Papers

None stated

11. SERVICE PLAN 2004/5 QUARTERLY PERFORMANCE (DHCS)
(Ref: Minutes of Housing and Community Services Committee, May 2004, page 1597, para. 916)

1. Purpose of Report

- 1.1 **The purpose of this report is to update Members on progress with the Housing and Community Services Service Plan.**

2. Background Information

- 2.1 For some time Service Plans have been compiled for each Committee detailing the objectives and targets from the following sources:

- i) The Leader's Position Statement
- ii) The Housing Strategy
- iii) The Housing Revenue Account Business Plan
- iv) The Homelessness Strategy
- v) Runnymede Renewal (Private Sector Renewal Strategy)
- vi) Best Value Continuous Improvement Plans
- vii) The Community Strategy

3. Report

- 3.1 The Service Plan at Appendix 'G' has been updated to show progress against each of the targets within the Plan. Where targets have been achieved and reported to previous Committee meetings these have been removed.
- 3.2 Members are asked to note the progress within the Plan and are invited to comment on any aspects of performance.

4. Policy

- 4.1 Service Plans assist the Council to fulfil two of its strategic objectives:

- i) Achieve quality services;

ii) Achieve continuous improvement.

4.2 "We will further develop the Performance Management Framework, to build in continuous improvement to Service Plans, rationalise targets and further integrate into departmental management." (Leader's Position Statement 2004/05).

(FOR INFORMATION)

Background Papers

Various Project files for each target

12. DISPOSAL OF PROPERTY AT STROUDE ROAD, EGHAM (DHCS)

1. Purpose of Report

1.1 **The purpose of this report is to seek authority to dispose of property at 379 Stroude Road, Egham.**

2. Background Information

2.1 The Council currently owns the property at the above address. The dwelling is an extremely large 3-bedroom detached house and has an approximate value of £400,000. A plan is attached at Appendix ' H'.

2.2 The dwelling has recently become vacant and the inspection of the premises has revealed that at least £40,000 of repairs are required before it can be relet.

2.3 The repairs that are required include the provision of a damp proof course, refitting both bathroom and kitchen, the rebuilding of the front porch, the removal of one and the repair of another chimney stack (with associated roof repairs), repointing of external brickwork, the demolition and rebuilding of the lean-to extension, extensive alteration to the staircase to provide a ¼ landing and various other minor repairs.

3. Report

3.1 There is no doubt that there would be interest in this property from people on the Housing Register. However this property is unusual in terms of its size and location and it is felt that on this occasion the Committee should be given the opportunity to consider other options for the premises.

3.2 If the Council were to sell this particular property it could use the funds to finance the purchase of two to three other properties for inclusion within the Council's own stock. Alternatively it could use the funds to provide even more properties by working in partnership with a Registered Social Landlord (RSL). The RSL would be able to borrow additional funds securing more resources to provide additional units.

3.3 Officers have discussed with the Planning Department the possibility of redeveloping the site. However it is understood that the dwelling is in the Green Belt and therefore development potential is restricted.

3.4 In these circumstances it would seem appropriate on this occasion to dispose of this particular property and to use all of the funds for the provision of additional affordable housing.

4. Financial Implications

4.1 Under the prudential capital finance system a proportion of certain housing capital receipts is to be paid over to the Government. This is called "pooling" of receipts.

4.2 The pooling rate for dwelling sales is 75%. The Council is free to retain and use the remaining 25% as it sees fit. For sales of Council dwellings under Right to Buy this proportion must be paid over to the Government (subject to transitional arrangements). For

sales of other dwellings the Council can retain the 75% if it is used on affordable housing and regeneration projects.

4.3 The Council can therefore retain the 75% (£300,000) from the sale of 379 Stroude Road to be used on affordable housing schemes. By adding the 25% that is not subject to pooling, the full value of the sale proceeds (£400,000) can be used to support new housing schemes.

4.4 The sale of this property was not anticipated in the Financial Forecast and therefore the use of the full £400,000 has a neutral impact on the Council's overall financial plans.

5. Council Policy

5.1 The Leader's Position Statement, Housing Strategy and Community Strategy all have a stated aim to increase the provision of affordable housing in the Borough.

6. Conclusions

6.1 The disposal of this property provides the opportunity to make a substantial investment in new affordable homes. Because of the ability to draw in Government grants and use borrowing, the use of these funds to acquire units of accommodation in partnership with a Registered Social Landlord is the most effective way of providing the most extra units of accommodation.

OFFICERS' RECOMMENDATION that –

i) the property at 379 Stroude Road, Egham be declared as surplus to requirements;

ii) the Economic Development Committee be requested to dispose of the property and that 100% of the funds received from the sale of the property be allocated to the Housing Capital Programme for the provision of affordable housing; and

iii) the Council works in partnership with a Registered Social Landlord to provide additional units of accommodation with the funds received from the sale.

(TO RESOLVE)

Background Papers

DHCS files

13. DAY CENTRE TRANSPORT (DHCS)

1. Purpose of Report

1.1 **The purpose of this report is to authorise a virement of budget provision to enable the extension of the current Day Centre transport contract.**

2. Background Information

2.1 The Council currently operates a Day Centre transport service from each of the 5 Day Centres. There are 2 buses for each Centre and these are owned by the Council but are staffed and operated on Runnymede's behalf by Woking Community Transport who have a contract for the service. The budget for the contract for 2005/06 is £184,000.

2.2 In July 2004 an extensive review was undertaken of Community Services for older people and this included the Day Centre transport service. The review concluded that the service should continue and should be provided separately from the Dial-a-Ride service. It also highlighted the need to keep the current arrangements flexible as the existing provision of Day Centres may change over the coming years.

- 2.3 The Best Value report recommended that consideration be given to bringing the service back in-house. This was because it was felt that this would ensure the flexibility to respond to changing demands.
- 2.4 The in-house option is being evaluated by Officers and a further report will be brought to Members in due course. However it has not been possible to conclude this in time for the expiry of the existing contract. Discussions have therefore taken place with Woking Community Transport regarding the extension of the existing contract. Initially Woking Community Transport agreed to extend the contract without any additional charge to July 2005. However as the Day Centre issues still remain unresolved it is necessary to extend the contract beyond July.

3. Report

- 3.1 Officers recently met with Woking Community Transport (WCT) to request that they continue the current contract for a further year. They have replied to the Council stating that they would be happy to extend the contract for a year but have said that, following a financial appraisal of their service, they are making a loss of £40,000 per year on the service. They say that this situation has been brought about over a period of time by circumstances that could not have reasonably been predicted and include additional costs linked to the increased fuel prices, servicing, motor insurance, pensions and other costs that have accelerated beyond the rate of inflation.
- 3.2 WCT have said that they are committed to providing an ongoing service for Runnymede and have confirmed that at their Executive meeting they agreed that they should not impose the full £40,000 loss. They are however asking for an increase to the current contract sum for the next financial year of an additional £27,000. They have been asked to provide a full breakdown of this figure indicating clearly what items are contained within it.
- 3.3 Officers have scrutinised the existing budgets for Community Services to establish savings in 2004/05 that can be carried forward to 2005/06 to pay for the above additional expenditure. Savings have been identified from the Day Centre Special Provision budget, Community Alarm Equipment Maintenance budget, and the Community Services Training budget. However, these savings are opportunistic and can therefore only be made for this year. There is no prospect that they can be repeated in future years.
- 3.4 It is therefore recommended that the current contract be extended for a further year. This will provide time for Officers to fully evaluate the in-house proposal and to also consider whether or not there is any benefit to partnering arrangements with neighbouring boroughs. In the event that neither option provides savings over the existing arrangements then the contract will be relet from April 2006, by which time the Council should have some certainty regarding future levels of Day Centre provision.

4. Conclusions

- 4.1 There are a number of uncertainties regarding the current level of Day Centre provision and because of this it has not been possible at the current time to let a new contract for the service. Woking Community Transport have indicated that they would wish to continue with the service but require the Council to cover an element of their additional costs. The additional expenditure required in 2005/06 can be met from savings made from budgets in 2004/05. It is therefore proposed that the existing contract should be continued for 1 year and that during this period of time partnering and in-house opportunities are further explored.

OFFICERS' RECOMMENDATION that –

the Corporate Management Committee be requested to approve a virement of £27,000 from savings made in various budgets within Community Services in the 2004/05 financial year, to finance the additional cost in 2005/06 of the Day Centre transport service.

(TO RESOLVE)

Background Papers

None stated

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).