

Runnymede Borough Council

HOUSING AND COMMUNITY SERVICES COMMITTEE

Wednesday 15 June 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, Mrs P.I. Broadhead, Ms. D.V. Clarke, 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

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(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. FIRE PRECAUTIONS

The Chairman will read the Fire Precautions which set out the procedures to be followed in the event of fire or other emergency.

2. NOTIFICATION OF CHANGES TO COMMITTEE MEMBERSHIP

3. MINUTES

To confirm and sign, as a correct record, the Minutes of the meetings of the Committee held on 19 April and 12 May 2005. The Minutes of both meetings are attached at Appendix 'A' and 'B' respectively.

4. APOLOGIES FOR ABSENCE

5. 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.

6. HOUSING NEEDS SURVEY (DHCS)

1. **Purpose of Report**

1.1 **The purpose of this report is to advise Members of the outcome of the recent Housing Needs Survey.**

2. Background Information

2.1 For some years the Government has encouraged Councils to undertake Housing Needs Surveys in order to quantify the level of demand for affordable housing in an area.

2.2 The completion of a Housing Needs Survey is important as it is a fundamental element in determining the affordable housing policy within the Local Development Framework (LDF). The final LDF will have to be adopted by 2007 and will have to indicate the affordable housing

need over the period to 2016. However, it is now also necessary to develop guidance for the period to 2026 to reflect the advice emerging from the South East Plan.

- 2.3 The survey is also an important element of the Council's Housing Strategy. The current Strategy covers the period to 2006 and it will now have to be reviewed.
- 2.4 This Council last commissioned a survey in 2000 and the projections were given over a 5 year period from 2001 to 2006. It was necessary to arrange a survey that established housing need beyond 2006 and in September 2004 this Committee therefore authorised the commissioning of a further Housing Needs Survey.
- 2.5 The Office of the Deputy Prime Minister published a detailed guide in July 2000 on the approach to be taken in assessing housing needs. The South East Regional Assembly has also published a good practice guide. Both of these publications have been used to inform the needs assessment process.

3. Tender process

- 3.1 A specification for the Housing Needs Survey was drawn up by Officers using the ODPM's good practice guide. Consultants were then invited to tender for the work and a shortlist of 3 was made. Officers interviewed each of the three consultants and assessed them against criteria which had been based on the specification. Following a detailed assessment of the various proposals put forward by the three consultants, Fordham Research Limited (Fordham) were selected to undertake the Council's survey.

4. Report

- 4.1 The survey and research is now complete and attached, at Appendix 'C', is a summary report produced by Fordham. A full copy of the report has been placed in the Members Room.
- 4.2 The survey involved interviewing 755 residents and analysing 1089 survey forms received from a postal survey. A total of 1,844 responses were made and this is considered to be adequate to provide statistically robust data at both Borough level and in 6 sub areas.
- 4.3 In addition to undertaking household surveys, Fordham have also carried out interviews with key stakeholders and local estate agents. Secondary data has also been used to validate and support findings.
- 4.4 The stages that have been followed for the study are as follows:
 - i) An assessment of the backlog of housing need;
 - ii) An assessment of the extent of newly arising need;
 - iii) A review of the supply of affordable units;
 - iv) An assessment of the overall affordable housing requirement.
- 4.5 The report concludes that there is a shortfall of affordable housing and a net affordable housing requirement of 522 units per annum. The way in which this has been calculated is set out in the Basic Needs Assessment Model on page 6 of the summary.
- 4.6 A similar model was used in the 2000 survey and by comparing the two it can be seen that that there is some reduction in the backlog of existing need but an increase in the newly arising need. There has also been a reduction in the supply of units available to meet need.

Basic Needs Assessment Model		
	Annual requirement	
	2000	2005
Annual requirement needed to reduce backlog	51	19
<i>Plus</i>		
Newly arising need	352	689
<i>Minus</i>		
Supply of affordable housing	253	186
<i>Equals</i>		
Overall shortfall of supply	150	522

- 4.7 The growth in the newly arising need is the most significant change. It is predicted that there will be a much higher number of existing households falling into need and significantly higher levels of in-migration.

Basic Needs Assessment Model		
	Annual requirement	
	2000	2005
Existing households falling into need	83	212
In migrant households who are unable to afford market housing	145	383

- 4.8 The report also indicates that in Runnymede the only forms of housing that are affordable to those who are in housing need are those provided with some form of public subsidy i.e. social rent, intermediate rented and shared ownership units. Furthermore, it indicates that only a very small proportion of households in housing need will be satisfied by intermediate housing options and that new build shared ownership are at the margins of affordability. It is clear that market housing (i.e. that for outright sale) is not affordable to any of those identified by the survey as being in housing need.

5. Affordable Housing Policy

- 5.1 Having completed the survey the Council must now consider the policy implications.
- 5.2 As indicated above the Housing Needs Assessment will influence the affordable housing policy within the Local Development Framework. In particular, it will influence the amount of affordable housing to be delivered on sites and the size of sites on which affordable housing will be required (site threshold).
- 5.3 Under current Planning Policy, affordable housing is only required on sites of 25 or more units or on sites larger than one hectare. However, it is very rare for such large sites to become available.
- 5.4 A total of 507 units have been delivered against the current affordable housing target. However, the majority of these have been through the acquisition of existing properties using schemes such as Do It Yourself Shared Ownership and the Key Worker Living Programme. Of the 11 affordable housing schemes built since 2001 only 4 were provided on private sites.
- 5.5 This situation is not unique to Runnymede and the Regional Housing Strategy highlights that, despite the fact that the level of new homes built is increasing, the proportion of new affordable housing that is provided has reduced. Social housing accounted for 20% of house building in 1995-1996 and this had reduced to just 12% by 2002-03. It does, however, press for greater percentage of affordable housing provision on sites.
- 5.6 In the past, the Council has been able to make up for the lack of opportunity to provide housing on private sites by providing units on its own land. However, the opportunities for doing this are now very limited and therefore the delivery of affordable housing on private sites will be a crucial factor in meeting the shortfall of affordable housing identified by the survey.
- 5.7 Government advice (circular 6/98 and PPPG (2000) allows for affordable housing provision on smaller sites at lower thresholds of 15 units or more and 0.5 of a hectare. Fordham have recommended that "given the amount of additional housing required, it would seem reasonable to assume that the Council would want to secure affordable housing on all sites regardless of size".
- 5.8 Fordham Research Ltd have also highlighted that the Council could justify a higher percentage of affordable housing. The current requirement is for a minimum of 25%. The Surrey Structure Plan requires provision of 40%. Targets for affordable housing can range between 30% and 50% on sites. Fordham have advised the use of a standard percentage across the Borough as this is more easily understood by developers and have said that the Council will need to decide on the actual percentage of affordable housing having regard to the evidence now obtained concerning the level of need.

5.9 The above issues are matters for the Planning Committee to consider and a draft Affordable Housing Policy will be considered by that Committee in July.

6. Affordable Housing Target

6.1 The Council must also now review its affordable housing target in the light of the information received.

6.2 In setting any new target the housing numbers required by the Government for the district are an important factor. The emerging South East Plan has not yet stipulated housing numbers at a District level but has indicated levels for the region as a whole. The Surrey Structure Plan does however have a requirement for 2,030 new properties (135 per annum) to be provided during the period from 2001 – 2016.

6.3 Based on the current Surrey Structure Plan requirement it would not be possible to meet the overall shortfall of affordable housing units of 522 per annum through the production of new affordable housing alone. This is because the affordable housing figure is higher than the level of all new housing units that are likely to be built. A range of other measures will therefore be needed. Fordham have suggested using empty homes schemes and initiatives for reducing under occupation, however these are already used to a great extent and the potential to deliver more through such schemes is limited.

6.4 When setting a new target it should also be noted that, whereas Runnymede has in the past aimed to meet the entire shortfall identified by the Housing Needs Assessment, other Boroughs have not taken this approach and have set targets that are below the shortfall identified from their surveys. The table below sets out the position in other Boroughs.

ANNUAL AFFORDABLE HOUSING NEED ACROSS OTHER LAs IN SURREY				
Borough	Annual Affordable Housing Shortfall	Year of HNS	Affordable Housing target per annum	Period set for target
Guildford	722	2003	190	1.4.03 – May 08 (Local Election)
Mole Valley	693	2004	109	1.4.05 – 31.3.08
Reigate & Banstead	543	2002	Year 1 – 200 Year 2 = 150 Year 3 – 150	1.4.03 – 31.3.06
Spelthorne	725	2001	115	1.4.03 – 31.3.06
Surrey Heath	453	2003	100	2005-2010
Tandridge	231	2002	41	1.4.01 – 31.3.06
Woking	455	2001	100	1.4.01 – 31.3.06
Elmbridge	891	2001	Unavailable	
Epsom & Ewell	395	2004	Unavailable	
Waverley	673	2003	Unavailable	

6.5 There is a need to take into account a range of issues before establishing a new target. The current affordable housing target of 150 units per annum does not expire until June of 2006

and it is therefore proposed that this target remains for the time being and that a new target is developed as part of a review of the current Housing Strategy. It is also proposed that when setting the new target it should have regard to the following:

- i) The level of need identified by the survey
- ii) The level of house building over the next 5 years
- iii) The potential to use other measures to make existing stock affordable.
- iv) The level of funding that is likely to be available from the Regional Housing Board and the opportunities for obtaining funding from other sources.

7. Presentation of Findings

- 7.1 The specification that was set for this work requires Fordham to give a presentation of the results to Members and Officers. It will be important to understand the detail and the range of findings before any policy is developed using this research. A separate meeting has therefore been arranged in June at which Members of both the Housing and Community Services and Planning Committees will be given a presentation by Fordham on their findings. The Community Strategy Housing and Transport Task Group are also keen to know the details of the survey and it is therefore proposed that they will also be asked to attend the meeting with Fordham.

8. Financial Implications

- 8.1 The report at item 7 on this agenda gives details of the capital funds that might be available to Runnymede over the next 4 years. From this it can be seen that the local funds available to the Council are limited. Therefore, we will be heavily dependent on grant from the Housing Corporation to finance additional affordable housing in the Borough.

9. Conclusions

- 9.1 The research that has been completed has demonstrated that there continues to be a clear need for additional affordable housing in the Borough.
- 9.2 Securing provision on private sites will be key to addressing the need for affordable housing and the proposed review of the Affordable Housing Policy will be an important element in increasing supply. However, new supply alone will not deliver the units required and other measures, involving use of the existing stock, will also be required.
- 9.3 A new affordable housing target will need to be established but this should be part of a more detailed review of the Council's current Housing Strategy and an analysis of available resources.

(FOR INFORMATION)

Background Papers

DHCS File on Housing Need Assessment

7. HOUSING CAPITAL PROGRAMME - NEW AFFORDABLE HOUSING (DF)

1. Purpose of Report

1.1 The purpose of this report is to:

- i) **explain developments in Government funding policy for new affordable housing and the main sources of funding now available;**
- ii) **update the part of the Housing Capital Programme that relates to new affordable housing; and**
- iii) **recommend that the Council top-up the "Capital Allowance" to enable housing capital receipts to be retained locally for housing purposes rather than being paid into the Government pool.**

2. Background Information

2.1 The Housing Capital Programme is divided into the following main parts;

- Major repairs and improvements to Council housing stock - the "Housing Improvement Programme";
- Private sector housing renewal, includes improvement grants ("Runnymede Renewal"); and
- New affordable housing ("Homes First").

This report focuses on the financial arrangements for the provision of new affordable housing.

2.2 On 5 February 2003, the Deputy Prime Minister published the Government's policies for housing in "Sustainable communities: building for the future" (the "Communities Plan"). The Government programme comprises a number of changes to the policy framework and delivery mechanisms to tackle housing problems. These include a significant revision of the way in which resources for housing investment are allocated to Local Authorities and Registered Social Landlords (RSLs).

2.3 Under these new arrangements the previously separate funding streams for local authorities and RSLs were combined into a single funding stream - the Regional Housing Pot. A new regional dimension was added to the allocation process whereby regions provide advice to Ministers on the use of funds within their region to tackle agreed strategic housing priorities. Actual decisions on allocations remain with the Office of the Deputy Prime Minister (ODPM) to ensure that the overall investment programme supports key national objectives. The resources for new affordable housing continue to be channelled through the Housing Corporation.

2.4 The Local Authority Social Housing Grant (LASHG) regime was abolished with effect from 1 April 2003. At the time of the abolition of LASHG, the immediate concern of Officers was to place Runnymede in the most favourable position. This involved encouraging RSLs to bid for funds under the transitional LASHG arrangements introduced by the Government to support schemes in the Capital Programme. Transitional LASHG was awarded for 4 schemes in the Borough - Painesfield, Roakes Avenue, Barker Road and Kings Lane - as well as residual funding for schemes that commenced in previous years.

2.5 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 housing 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.

2.6 Since the late 1980s almost all new social housing has been provided by RSLs. In addition, Local Authorities were given the option of transferring their own stock to RSLs. One of the main reasons for this is that RSLs, being in the private sector, can raise private finance for new schemes and for investing in stock transferred from local authorities outside the constraints of the Public Expenditure Control and the Public Sector Borrowing Requirement.

2.7 Members will be aware that the Council has set itself a target of enabling the provision of 750 new affordable housing units over the period from 2001 to 2006. Regular reports have been made to this Committee on the Council's progress in meeting this target.

3. Sources of Finance for Affordable Housing in Runnymede

3.1 The sources of capital funds for new affordable housing schemes are:

- Bids to the Regional Housing Board
- Direct allocation from the Regional Housing Pot
- Other Government schemes
- Second Homes council tax discount
- Developers contributions through the planning system
- Locally generated housing capital receipts

3.2 Officers are considering whether prudential borrowing offers a further source of finance for affordable housing. The term "Prudential Borrowing" refers to the new freedom given to Local Authorities from 1 April 2004 to borrow as much as they think they can afford to finance and repay. The key to any assessment of Prudential Borrowing is affordability. At present the Council is debt free. It does not have, and has not budgeted for, any financing costs in its accounts. There is limited flexibility within the HRA for borrowing costs (recognised in the HRA Business Plan) but this is earmarked for enabling the cost of necessary major repair and improvement works to be spread over a number of accounting years. Given the constraints on the Council's finances, there is little prospect for any flexibility within the General Fund for new borrowing. Officers are also considering whether the PFI (private finance initiative) offers a future source of finance. Reports will be made to this Committee on any option available using prudential borrowing or PFI in due course.

3.3 The funding sources in 3.1 are explained further in the following paragraphs.

Bids to the Regional Housing Board

3.4 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.

3.5 A meeting was held in December 2004 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.

3.6 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 the funds that are likely to be available from 2006 - 2008, for Runnymede, may be very limited.

3.7 Bids to the Regional Housing Board (RHB) will remain a significant source of finance for affordable housing in Runnymede. Bids have usually been made by RSL's, and the government is encouraging developers to also bid for new housing schemes.

3.8 Appendix 'D' provides a schedule of the schemes in the current Housing Capital Programme that are subject to bids to the RHB. In order to have the greatest chance of success, these schemes have to be aimed at the regional housing priorities. The main priorities for the South East region were reported to this Committee in January 2004. The regional priorities that are most relevant to Runnymede are the provision of accommodation for the homeless and key workers. RSLs have, therefore, framed their

bids to meet these needs. Members will also see that some of the schemes that appear in Appendix 'D' are highly speculative in nature at this point in time.

Direct allocation from the Regional Housing Pot - Supported Capital Expectation Allocation

- 3.9 Part of the funding for local authorities comes as a direct allocation from the Regional Housing Pot. For 2005/06, as the case in 2004/05, the allocation is not in the form of a cash grant, but instead distributed as support for an equivalent amount of borrowing (called "Supported Capital Expenditure") that forms part of the general Government grant distribution formula. This method of distributing grant has disadvantages for local authorities like Runnymede and, therefore, the Government has allowed these authorities to elect for the grant to be paid to the Housing Corporation to invest in housing in their areas. Officers opted for this approach in Runnymede.
- 3.10 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 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.
- 3.11 The schemes at Waspe Farm and Vicarage Road have been put forward for the SCE funding. 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 £112,900 for Vicarage Road.
- 3.12 In future years it is hoped that the Government's support for local housing schemes will be made to Local Authorities by way of a simple cash grant. This would give the Council the same flexibility but in a far simpler way.

Other Government Housing Schemes

- 3.13 In the past the Council has been successful in attracting funds from specific Government schemes (e.g. key worker and starter home initiative schemes). There are also funds available from the "Recycled Capital Grant Fund" that allows RSLs to retain a proportion of the proceeds from sales of their DIYSO stock for use in Runnymede.

Second Homes Discount

- 3.14 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 set out in Table 1:

Table 1: 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	1,192.95	170,000

- 3.15 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.
- 3.16 Although the extra estimated £16,800 is a modest sum, it will supplement the other local resources available for the affordable housing programme.

Developers' Contributions

- 3.17 The Council has available some contributions received from developers that must be applied towards new housing projects. These are set out in the table below:

Planning approval	Total	Used	Available
	£	£	£
Whitehall Lane (Boshers Allotments)	180,000	114,173	65,827
Church Road, Egham	40,000	40,000	0
St Annes Site, Stroude Road	475,000	0	475,000
Total Developers' Contributions	695,000	154,173	540,827

- 3.18 It is proposed to use the remaining available contributions to support new housing schemes in 2005/06.
- 3.19 These contributions were received some years ago and resulted from the developers making a financial contribution rather than providing on-site affordable housing at these sites. This option was later discontinued as the opportunities for providing housing on other sites at an equivalent cost was simply not possible.
- 3.20 The Communities Plan sets out the Government's intention for the planning system to play a key part in the delivery of new affordable housing and housing policy in general. Reports will be brought to this Committee and the Planning Committee to address the policy issues and seek out opportunities as the Government proposals develop.

Funding from local housing capital receipts

- 3.21 Members have been made aware through a number of reports to this Committee and the Corporate Management Committee of the Government's arrangements for pooling housing capital receipts. In summary the arrangements work as follows:
- Right To Buy (RTB) Receipts: 75% of RTB receipts must be paid to the Pool. There is no option to keep them and spend them on housing. EXCEPT, as a transitional measure for debt free Authorities, for the 2004/05, 2005/06 and 2006/07 financial years those Authorities can keep a proportion of the receipts that they would otherwise pass to the Pool to spend on housing.
 - Other Housing receipts: 75% of receipts from sales of other dwellings and 50% of receipts from housing land sales are also payable to the Pool. However, these receipts do not have to be paid to the Pool as long as the Council resolves to spend them on housing or regeneration projects.
- 3.22 The resources generated by not passing capital receipts over to the government pool in 2004/05 and those estimated to be available over the next three years are set out in the following table:

Source	2004/05	2005/06	2006/07	2007/08
	Actual	Estimate	Estimate	Estimate
	£000	£000	£000	£000
Right to Buy receipts	1,229	557	278	0
Other housing receipts	279	3,262	262	262
Total amount available locally	1,508	3,819	540	262

- 3.23 The receipts not passed over to the pool in 2004/05 are available for spending in future years. It is emphasized that receipts for 2005/06 and future years are not assured. The RTB receipts are based on an average of 15 sales being achieved each year. Other

housing capital receipts are dependent on a certain level of staircasing being achieved from the Council's DIYSO stock holding and land sales (in particular, the sale of the Roakes Avenue site in 2005/06).

3.24 Since April 2003 the Housing Capital Programme has also allowed for an annual sum of £500,000 of local capital receipts to be used towards new affordable housing. This sum is broadly equivalent to the 25% proportion of RTB and DIYSO receipts that do not in any case have to be passed to the Government Pool. The Council has the discretion not to spend these receipts without incurring any penalties from the Government. No schemes have been financed from this provision in either 2003/04 or 2004/05. The provisions have therefore been rolled forward and, together with the new £500,000 for 2005/06, to give a total now available of £1,500,000.

4. New Affordable Housing - Capital Programme for 2005/06

4.1 The funds available for new affordable housing in Runnymede in 2005/06 comprise of funds that are allocated by the Government and locally available monies. The sums distributed by the Government comprise:

- Grant ring fenced by the Housing Corporation of £726,000 (see paragraph 3.10)
- Successful bids to the Regional Housing Board
- Other Government schemes (if available)

4.2 The sums that are held locally comprise:

- Capital receipts that would otherwise be paid to the Government Pool (Table 3)
- Second Homes discount (paragraph 3.14)
- Use of other Capital receipts of £1.5 million, this being £500,000 (paragraph 3.24) for each of the 2003/04, 2004/05 and 2005/06 financial years.
- Developers' contributions in hand of £540,827 (Table 2).

4.3 The following table sets out the latest available forecast of local finance available for the new affordable housing programme:

Table 4 - Estimated total local funds available for the new affordable housing programme				
Source of Finance	2005/06	2006/07	2007/08	2008/09
	£000	£000	£000	£000
Second Homes - Council Tax	17	17	17	17
General capital receipts	1,500	500	500	500
Developers Contributions	541	-	-	-
Sums not pooled				
• From 2004/05	1,508	-	-	-
• Other Capital receipts	3,262	262	262	262
• SOCH transitional offsets	557	278	-	-
Total local funds available	7,385	1,057	779	779

4.4 The Council therefore has the prospect of having a significant sum of local funds for new affordable housing by March 2006. However, the capital receipts in Table 4 are, of course, dependent on sales being achieved in line with forecasts. In particular, the Table 4 assumes that the sale of the Roakes Avenue estate is completed in the 2005/06 financial year.

4.5 Table 5 shows the current approved and ongoing commitments in the housing capital programme:

Table 5 - Current approved and ongoing commitments in the housing capital programme				
Scheme	2005/06	2006/07	2007/08	2008/09
	£000	£000	£000	£000
DIYSO/Homebuy	500	150	500	500
Assisted private purchase scheme	40	40	40	40
<u>Approved Schemes</u>				
Vicarage Road	113	-	-	-
Wapshott Road repurchases	1,240	110	110	40
Waspe Farm, Egham	-	700	-	-
Roakes Avenue, Chertsey	-	700	-	-
Chertsey Bridge Wharf	-	-	450	-
<u>Potential Commitments</u>				
Wapshott Road redevelopment	-	1,900	1,950	-
Total	1,893	3,600	3,050	580

- 4.6 Funds not used in a particular financial year can be carried over to the next year. Table 6 summarises the use of local funds over the following 4 years.

Table 6 – Summary of use local funds				
	2005/06	2006/07	2007/08	2008/09
	£000	£000	£000	£000
Funds at start of the year	3,041	5,492	2,949	678
New receipts	4,344	1,057	779	779
Expenditure in the year	(1,893)	(3,600)	(3,050)	(580)
Funds at the end of the year	5,492	2,949	678	877

- 4.7 The inclusion of the £3.85m for the Wapshott Road estate redevelopment assumes that Housing Corporation funding is not available. If Government funding is granted the equivalent sum will, of course, become available to fund other local schemes. However, there is also the possibility that local funds will be needed to finance the Roakes Avenue scheme if the application for SHG is unsuccessful; any proposals for the improvement of the Pinefields and Beomonds sheltered housing schemes, and the improvements to Reception Centres. Officers therefore recommend caution in terms of further committing funds to new schemes.
- 4.8 Therefore, the amount of funds available locally for new affordable housing will be dependant on bids for both the Roakes Avenue and Wapshott Road schemes being successful. If the bids are not successful, in whole or in part, making good the deficit will be the first call on local housing resources. The figures in Tables 5 and 6 illustrate the impact that an unsuccessful bid for the Wapshott Road scheme alone will have on available resources.
- 4.9 The programme for 2005/06 includes £150,000 for DIYSO/Homebuy purchases and £40,000 for the assisted private purchase scheme. The budget for the DIYSO/Homebuy scheme has previously been set at £500,000 per annum. However, Officers consider that a smaller budget of £150,000 is more appropriate given the number of new build social housing units completions in 2005/06. It is also felt that DIYSO allocation should be limited to those applicants with a high housing need. A formal recommendation to approve these capital estimates for 2005/06 is set out at the end of this report.
5. New Affordable Housing Capital Programme for 2006/07 onwards
- 5.1 The Housing Capital Programme is continuously updated in the light of the results of bids to the Housing Corporation and forecasts of local capital receipts. Members will be aware that the programme shown for future years include estimates that may need significant revision.
- 5.2 The mix of funding in future years will continue to form part of the Housing Strategy and HRA Business Planning processes, and will link in with the Council's overall financial strategy. Spending priorities may need to be changed to deal with local needs as

necessary (e.g. the Wapshott Road development), and the results of the new affordable housing target that will be produced following the forthcoming Housing Needs Appraisal process.

- 5.3 The way that the Government's policies under the Communities Plan develop will also impact on the resources available locally.

6. Capital Allowance

- 6.1 The Capital Allowance is the mechanism introduced by the capital finance regulations to control the use of capital resources that authorities may choose not to pay over to the Government pool.

- 6.2 The Council approved an initial capital allowance of £1,750,000 at its meeting in April 2004. The regulations require the capital allowance to be increased by expenditure on new affordable housing, and to be reduced by the amount of capital receipts not passed over to the Government pool. The Council is able to increase the capital allowance, at any time, by making a further resolution to spend on affordable housing or regeneration schemes. The importance of the capital allowance is that it must be sufficient to cater for the reductions required for receipts that the Council wishes to retain. If there is an insufficient balance in the capital allowance, the poolable part of the capital receipt cannot be retained locally and must be passed over to the Government.

- 6.3 Table 7 sets out the movement in the capital allowance in 2004/05:

	£
Initial resolution	1,750,000
Relevant expenditure in 2004/05	153,760
Used to reduce receipts pooled	
For RTB transitional arrangements	(1,229,642)
For other housing capital receipts	(477,500)
Available capital allowance at 31 March 2005	196,618

- 6.4 It is now necessary to make a further resolution to increase the capital allowance to ensure that the maximum sum of capital receipts are retained locally rather than paid to the Government pool. The large receipt for the sale of the Roakes Avenue site is scheduled for the 2005/06 financial year. It is therefore prudent to make provision for the poolable proportion of this receipt, as well as other receipts in 2005/06. It is therefore recommended that the capital allowance be topped up by £4.5m.

7. Council Policy

- 7.1 The Council's Strategic Plan identifies access to affordable and decent housing as a key objective.

- 7.2 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.

8. Legal Implications

- 8.1 The rules for the pooling of housing capital receipts are set out in the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 and the Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2004.

9. Conclusions and Summary

- 9.1 Officers will continue to look for opportunities to maximize the funds available for new affordable housing schemes in Runnymede. This will include encouraging our RSL partners to bid for Government funds wherever possible.

- 9.2 By the end of 2005/06 there is estimated to be nearly £5.5m of local funds available for local schemes. However, there are a number of potential commitments (e.g. Wapshott

Road redevelopment) that may require use of a significant part of these resources in the future. Furthermore, this estimate is dependant on capital receipts being delivered as forecast. A cautious approach to committing sums to new schemes is recommended until there is greater certainty over the funding of the potential commitments.

- 9.3 Affordable Housing provision for the future is also a real issue. Although Runnymede has made capital provisions up to 2008, these are dependant on local funds being made available from capital asset sales. Given the financial constraints on the General Fund there is also the possibility that the £500,000 contribution from general capital receipts will need to be withheld. The developments that are currently being supported are potentially dependant on the Council giving considerable financial assistance to RSL's. The Regional Housing Strategy does not see Runnymede as a priority area and seems likely that grants from the Housing Corporation will become increasingly difficult to achieve. It appears that the long term position is that the limited local funds available in the Runnymede area will not be sufficient to provide anything other than a very modest amount of new affordable homes.
- 9.4 Reports will be made to this Committee as the Government's policies for housing develop and as funding decisions are made by the Regional Housing Board.

OFFICERS' RECOMMENDATION that –

the Corporate Management Committee be requested to approve:

- i) an increase in the Capital Allowance be increased by £4,500,000 to ensure that the maximum sum of housing capital receipts are retained locally rather than passed to the government pool,**
- ii) a capital estimate of £150,000 for the purpose of making grants to RSLs in respect of the purchase of properties for Homebuy and DIYSO in 2005/06, and**
- iii) a capital estimate of £40,000 for the purpose of making grants to tenants under the assisted private purchase scheme in 2005/06,**

(TO RESOLVE)

Background Papers

1. Letter from SE Regional Housing Board dated 15 December 2004 on Housing Capital Allocations 2005/06.
2. Letter from Housing Corporation dated 26 March 2004 on the 2004-2006 affordable housing programme.
3. Letter from Housing Corporation dated 20 January 2005 on the transfer of the 2005/06 SCE to the Housing Corporation,
4. Guidance published by the OPPM on the Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2004 SI No 2004/534.
5. "Sustainable communities: building for the future" ("the Communities Plan") published by the ODPM on 5 February 2003.

8. AFFORDABLE HOUSING PROGRAMME (DHCS)

1. Purpose of Report

1. The purpose of this report is to:

- i) update Members on the progress towards the Affordable Housing Target;**
- ii) to revise the current procedures for dealing with the selection of RSL's for new schemes.**

2. Background Information

2.1 In 2001 the Council established a target to provide 750 new affordable housing units over a 5-year period.

3. Performance Against the Affordable Housing Target

3.1 Attached at Appendix 'E' is a table setting out the progress made against the target. It can be seen from the table that the Council has now provided 507 units against the total. 2 new units at Cerotus Place have been completed since the last Committee as well as a number of purchases under the Key Worker Living Programme.

3.2 In addition to the units already provided there are 91 units under construction. There are also a number of potential schemes being considered. These are also set out at Appendix 'E'.

4. Selection of Registered Social Landlords

4.1 For the last five years the Council has operated a policy whereby the selection of a Registered Social Landlord (RSL) partner for new affordable schemes of over 20 units has been determined following a competitive process. RSLs from a preferred list were asked to bid for schemes and were selected according to the level of Local Authority Social Housing Grant that they would require from the Council.

4.2 Local Authority Social Housing Grant was abolished in April 2003 and the majority of large schemes are now financed through Social Housing Grant allocated direct to those RSL's selected by the Housing Corporation.

4.3 There are of course many RSLs operating nationally who would be interested in developing within Runnymede. The Council has, however, always been keen to ensure that Registered Social Landlords, from the current preferred list, are chosen for schemes within the Borough. The benefits of this are that the Council has a smaller number of RSL's to oversee and can work closely with them to ensure the services provided are in line with local requirements.

4.4 The Council's current preferred Registered Social Landlords for new affordable housing provision are:

A2 Housing Group (formerly Apex Housing Group and Airways Housing Association)

Thames Valley Housing Association

Chichester Diocesan Housing Association (formerly Hyde Housing Association)

Peerless Housing Group (formerly Surrey Heath Housing Association)

4.5 A slightly different approach to selecting an RSL is taken for supported housing schemes. This is because many of the larger RSLs do not provide supported housing and there is a tendency in this field for RSLs to specialise in providing certain types of supported housing. The Council has in the past provided supported housing with these specialist providers and has completed schemes with Surrey Community Development Trust, Rosemary Simmons Memorial Housing Association and the English Churches Housing Group.

4.6 Private land often becomes available for sale without any prior notice, and, developers who are considering the purchase of such land will often contact the Council to enquire about the affordable housing requirements before they submit a bid. They wish to know very quickly which RSL is to be used for the affordable housing element in order that they can contact them and obtain details of the cost. There is seldom sufficient time to arrange a competition amongst RSLs and developers frequently select their own RSL partner from the preferred list.

4.7 As there is no longer a need to assess the LASHG needed for a scheme it is proposed that the requirement to hold a competition amongst RSL for schemes of over 20 units be abandoned and that the developer be allowed to select an RSL from the preferred list.

4.8 It is also proposed that the preferred list of RSLs should be reviewed on a regular basis by Officers. The review will take account of the published detailed assessments of the RSLs performance undertaken by the Housing Corporation and the Audit Commission. The review

process will also give consideration to including additional RSLs, that are performing well elsewhere and have good ratings, and excluding any that have not obtained satisfactory ratings.

5. Policy Implications

5.1 The following objective within the Council's Strategic Plan is relevant to this particular item:

"To provide a range of affordable housing for those in housing need, including those with support needs."

5.2 The 3 main priorities identified within the Housing Strategy are to provide more affordable housing, ensure that social housing meets the Decent Homes Standard and to 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.

6. Financial Issues

6.1 The financial issues relating to the delivery of the affordable housing programme are detailed in the report on the Housing Capital Programme at item 7 on this agenda.

7. Conclusions

7.1 Progress continues to be made towards the affordable housing target.

7.2 The previous requirement to hold a competition amongst RSL partners for schemes is no longer relevant within the revised funding arrangements and should be abandoned.

OFFICERS' RECOMMENDATION that –

- i) Members note the progress towards the Affordable Housing Target;**
- ii) the requirement to hold a competition amongst RSLs for large schemes be abandoned and developers be required to choose RSLs from a preferred list; and**
- iii) Officers be authorised to undertake a regular review of the Registered Social Landlords for inclusion in the preferred list.**

(TO RESOLVE)

Background Papers

None stated

9. WAPSHOTT ROAD/BOWES ROAD ESTATE (DHCS)

1. Purpose of Report

1.1 The purpose of this report is to:

- i) advise Members on the outcome of the recent Financial Appraisal;**
- ii) consider the use of capital funds from within the Housing Capital Programme in the event that the scheme does not receive grant from the Housing Corporation.**

2. Background Information

2.1 The Housing and Community Services Committee has received a number of reports on the proposals for the Bowes Road/Wapshott Road/Cornwall Way Estate. The most recent report was made in March 2005 when the details of the development were given.

- 2.2 The current proposal is to replace the existing 104 flats and 4 houses with 173 new units of accommodation. These will be a mix of houses and flats. It was proposed that 71 of the units would be sold to raise funds to pay for the cost of the new properties needed for existing tenants.
- 2.3 Previous reports made to this Committee have indicated that the cost of the development are likely to be substantial and that the receipts from private sales may not be adequate to cover all of the build costs including flood alleviation measures.
- 2.4 At the meeting of this Committee in March 2005, authority was given to proceed with the development. This was on the condition that planning consent was given and the financial appraisal of the scheme did not require any further contributions from the Council. A capital estimate of £1,500,000 was also approved to meet the cost of repurchasing properties sold on the estate under right to buy, and the cost of Home Loss payments to tenants.

3. The Report – Financial Appraisal

- 3.1 A2 Housing Group (previously Apex Housing Group) has now completed their assessment of the capital costs of the proposed scheme. Assuming that the development starts in October of this year and is completed over 3 phases the cost of constructing the units is expected to be as follows:

	£
Build costs	19,540,000
Project management and other fees (at 15%)	<u>2,931,000</u>
Total Project Cost	<u>£22,471,000</u>

- 3.2 A significant proportion of the build costs relate to flood mitigation measures. A2 Housing Group has estimated the total cost of these to be £3,471,000. This includes expenditure for the following works:

	£
Raising ground levels	28,000
Providing retaining walls for raised ground levels	141,000
Additional cost of using proprietary permeable system	139,000
Additional cost of constructing the building on stilts with foundations and permeable void below suspended slab.	2,687,000
Provision of access steps to front and rear of dwellings	<u>476,000</u>
Total estimated cost of flood mitigation measures	<u>£3,471,000</u>

- 3.3 The income that will be generated for the scheme will come from two sources, the receipts from sales and a loan to be raised by A2 Housing Group.
- 3.4 The receipts from sales cannot be assured as they will be dependant on market conditions at the time of sale. However, A2 Housing Group are predicting the following values for the units to be sold -

£150,000 for a 1 bedroom flat
£180,000 for a 2 bedroom flat
£200,000 for a 2 bedroom house
£250,000 for a 3 bedroom house
£300,000 for a 4 bedroom house.

- 3.5 The lending facilities offered by financial institutions to RSL's mean that the loan that A2 Housing Group will raise will need to be repaid over a maximum 30 year period. Loan repayment will be met from the rents received from tenants. The Government's rent formula has been used to determine the level of rents to be charged. On this basis the maximum amount of borrowing that can be met from rent income is estimated as £3.671m.
- 3.6 A2 Housing Group have demonstrated to Officers that the receipts from 71 private units and the 30 year loan based on the rents from the remaining units would be insufficient to fully finance the scheme.
- 3.7 There are currently only 89 properties on the estate occupied by tenants and A2 were therefore asked to model the scheme assuming 84 properties were sold. However, even with an increased level of sales there is still a shortfall:-

Expenditure

Total Project Cost £22,471,000

Financed by:

Receipts from 84 sales £14,950,000

Loan income £ 3,671,000

Total income £18,621,000

Shortfall £3,850,000

3.8 As indicated above a significant proportion of the shortfall is linked to the additional costs of flood mitigation. Build costs have also increased since the last estimate of development costs.

3.9 The Council's Valuer and other Officers have scrutinised the costs provided by A2 to establish whether or not the financial assumptions that have been made are reasonable. The initial view is that there may be some scope for an increase in sales values and reductions in some elements of expenditure, but it is not felt that these will reduce the shortfall significantly. Officers will continue to negotiate with A2 over the detailed financial elements of the scheme and will, of course, include any improvement in the final agreement that is reached.

4 Options

4.1 The financial appraisal identifies a substantial shortfall that must be addressed if the scheme is to proceed.

4.2 A2 Housing Group have advised that they would be able to apply to the Housing Corporation for Social Housing Grant towards the scheme if the Council were to sell them a cleared site, i.e. free of buildings. The Council would need to arrange for the demolition of the buildings but this could be done under licence by A2 Housing Group. In order to make the scheme viable the Council would also be required to transfer the cleared site at nil value, or at a value equal to the cost of demolition.

4.3 Outline discussion have taken place with the Housing Corporation who have said that a bid for grant can be made to their Forward Allocation Pool. This pool is open to RSLs who have schemes that have arisen between bidding rounds.

4.4 A2 Housing group have therefore submitted an application for grant of £5,100,000. The bid will allow the original 102 units to be built as affordable housing and 71 for private sale. The outcome of this bid will not be known until the end of June but A2 Housing Group have indicated that if the bid receives 'Reserved' status in June then they will enter into an agreement to proceed with the scheme.

4.5 In the event that A2 are unsuccessful then the Council needs to consider committing funds from the Housing Capital Programme to meet the £3,850,000 shortfall. Current projections indicate that there would be sufficient funds to meet this shortfall but this would mean a severe reduction in the amount of capital available to provide new affordable housing. The full impact of including the shortfall for Wapshott is given in item 7 on this agenda.

4.6 In the past the Committee has been keen to proceed as quickly as possible with this scheme and has put in place authorities that allow action to be taken in the event that Planning Permission is granted. The Committee is therefore asked to consider whether it wishes to grant approval for expenditure of £3,850,000 to be made from the Housing Capital Programme in the event that the bid for Social Housing Grant is unsuccessful.

5. Policy Considerations

5.1 The Council's Strategic Plan gives the following objectives for the housing service to :

- i) Provide a range of affordable housing for those in housing need, including those with support needs;
- ii) Ensure that private and social housing is fit and of an acceptable standard;
- iii) Provide good quality services to the Council's tenants. Actively promote the role of formally constituted tenant groups in the management and improvement of its housing stock;
- iv) Ensure that homelessness is kept to a minimum and that homeless people are given appropriate assistance;
- v) Develop safe and sustainable communities where people want to live;
- vi) Provide services fairly to all sections of the community.

5.2 The last Housing Strategy Statement that was compiled in 2003 listed the housing priorities in the following order:

- i) The provision of more affordable homes including supported housing and housing for essential workers;
- ii) Ensure that housing owned by the Council and a Registered Social Landlord meets the Government's Decent Home Standard.
- iii) Identify private unfit property and seek to improve it with particular emphasis on houses in multiple occupation and empty properties.

5.3 The above priorities were set having regard to the financial position that the Council faced in 2003. There have clearly been a number of changes to the arrangements for funding of capital housing schemes since the strategy was compiled.

6. Conclusions

6.1 At the last meeting of this Committee approval was given to instruct A2 Housing Group to commence the redevelopment of this estate if planning consent was given and the financial appraisal of the scheme did not lead to a requirement for an additional contribution from the Council. The appraisal has revealed a substantial funding shortfall that will need to be met. A large proportion of the additional cost is linked to the cost of flood mitigation measures.

6.2 A grant application has been made to the Housing Corporation by A2 Housing Group but if this is unsuccessful, and the Council wishes to continue with the proposed scheme, the shortfall of £3,850,000 will need to be found from elsewhere. Projections show that this sum can be met from the Housing Capital Programme but there will be an equivalent reduction in the funds available to provide new affordable housing.

6.3 The Committee is asked to consider authorising the allocation of £3,850,000 from the Housing Capital Programme to allow the scheme to proceed if planning consent is obtained but social housing grant is not forthcoming.

OFFICERS' RECOMMENDATION that –

if the application to the Housing Corporation for Social Housing Grant for the Wapshott Road/Bowes Road scheme is unsuccessful (in whole or in part), the Corporate Management Committee be requested to approve a capital estimate for an appropriate sum (not to exceed £3,850,000) to meet the scheme shortfall, to be financed from existing provisions in the Housing Capital Programme.

(TO RESOLVE)

Background Papers

A2 Financial Appraisal

10. HOME IMPROVEMENT AGENCY SERVICES (DHCS)

1. Purpose of Report

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

- i) inform Members of steps being taken towards closer joint working arrangements between Runnymede, Woking and Surrey Heath over Home Improvement Agency services;**
- ii) advise Members of funding opportunities from Surrey County Council's Adult and Community Care Services in relation to Home Improvement Agency Services and assistance with disabled adaptations.**

2. Background Information

- 2.1 Runnymede Care and Repair is a service provided by the Borough Council which is part funded and commissioned by Surrey County Council's Supporting People (SP) Team. Prior to April 2003, this funding came by way of a direct Government grant. The service is a 'Home Improvement Agency' and must operate within prescribed rules to qualify for SP funding.
- 2.2 The service was set up in April 2000, and, has two members of staff who are managed by the Private Sector Housing Manager (Assistance). The service provides advice and services that enable elderly and disabled residents, mostly homeowners, to repair, improve or adapt their homes. This enables them to remain at home, return from hospital or otherwise resolve their housing needs. Most clients, but not all, are assisted to apply for grants under the Council's Financial Assistance Scheme (Disabled Facilities Grants, Minor Works and Major Work Grants and Loans).

Background to Joint Working Issues

- 2.3 The Office of the Deputy Prime Minister (ODPM) and Foundations (the national co-ordinating body for all Home Improvement Agencies) undertook a review of Home Improvement Agencies (HIA's) in 2002/03. This review concluded that, whilst providing valuable services, better value for money could be achieved by small agencies linking up to form larger agencies covering more than one local authority area.
- 2.4 The Surrey Supporting People Team, who have responsibility for part funding and commissioning of HIA services in Surrey have encouraged HIA's in Surrey to consider closer joint working, both to improve geographical coverage across the County and to achieve better value for money.
- 2.5 Officers reported to the Housing and Community Services Committee in November 2004, that some preliminary discussions on closer joint working had taken place with Surrey Heath (who do not have a recognised Agency) and Woking (who have an Agency run by the Council known as Woking Homelink).
- 2.6 As the first stage in closer joint working, this Committee agreed to Runnymede entering into an agreement with Woking Borough Council over the provision of a handyman service. In effect, Runnymede has used £5,000 "windfall" funding (explained later in the report) received from Surrey Adult and Community Care to buy a handyman service for one day a week. This is to be reviewed annually. Early indications are that this service has provided a valued and cost effective enhancement to the Council's Care and Repair service.
- 2.7 Officers have continued to meet with Woking and Surrey Heath (supported by a local representative from Foundations) to explore further steps towards closer joint working.

Background to Funding Opportunities from Surrey Adult and Community Care

- 2.8 As well as Supporting People funding, HIA's can be funded from other sources such as Social Services and Health Authorities. This recognises the nature of service they provide and the impact this has on health and disability services. Clients also make a contribution through the payment of fees levied by the Council, based on the costs of any work undertaken and their financial circumstances.
- 2.9 There are 8 different Agencies in Surrey covering 9 Boroughs. In Surrey, there has been a somewhat inconsistent approach to HIA funding, with some agencies being funded through Surrey Adult and Community Care (part of what was known as social services) and some

not. Although all recognised agencies in Surrey do receive some SP funding, the amount of funding also varies between Agencies.

- 2.10 Until recently, Runnymede's Care and Repair service had not received any Adult and Community Care funding, other than a contribution to the original start up costs. However the Officers responsible for this area of funding undertook a review in 2002/03. An initial contribution of £5,000 was given to Runnymede's Agency in 2003/04, with an indication of more to come, pending a further review. This was used to fund the handyman service referred to above. This review of Adults and Community Care (ACC) current funding also coincided with a new Government grant known as "Access and Systems Capacity Grant". This new funding was channelled through Social Services authorities to assist in funding services which prevented inappropriate hospital admissions or speeded-up beneficial hospital discharges. Some of this was earmarked for contributions to HIA services and this has enabled Surrey County Council ACC to supplement their previous funding of HIA's.
- 2.11 Surrey Adult and Community Care services have also been working on ways to improve services to assist disabled people who require adaptations to their homes. These services encompass services provided by Surrey ACC, mainly through Occupational Therapists and services provided by Borough and District Council Grant Officers and Home Improvement Agencies (and Housing Departments in the case of Council tenants). This coincided with guidance from the ODPM issued in 2004.
- 2.12 Adult and Community Care have therefore been looking to link their review of HIA funding with improving services generally to residents requiring help with disabled adaptations.

3. Report

Joint Working Issues

- 3.1 In the joint working discussions that have taken place to date, various options have been considered, including merging activity to form a single agency. Although this may be a long term outcome, for the time being the three Boroughs are looking towards closer joint working arrangements. Officers have identified several steps that will reduce costs and will achieve improved outcomes or other benefits.
- 3.2 The joint working initiatives so far proposed are:
- i) The provision of a casework and home visiting service being provided in Surrey Heath by Woking Homelink, using funding from ACC.
 - ii) The adoption of a single service specification for HIA services across the three Boroughs;
 - iii) The merging of the 2 individual "Advisory Groups" that exist to oversee/steer the existing HIA's;
 - iv) The "Trading" of specialist HIA staff resources between the three Boroughs where significant benefits in doing so can be achieved;
 - v) Joint advertising and promotion of HIA services.
- 3.3 As previously reported, Runnymede has already bought into Woking's Handyman service for one day per week. Opportunities for further "trading" between Runnymede, Woking and Surrey Heath have been discussed, particularly in regard to technical personnel for the organisation and supervision of building work. No firm proposals have been made, but a need is recognised – particularly to cover sickness or holiday absences across the three Boroughs.

Funding Opportunities with Surrey Adult and Community Care

- 3.4 Senior Officers from Surrey Adult and Community Care have met with Runnymede Officers to discuss ways to enhance services to disabled residents requiring adaptations and to confirm their support for the existing work of Runnymede Care and Repair. Similar meetings have taken place with all Boroughs and Districts in Surrey.

- 3.5 Surrey ACC has now offered funding to Runnymede amounting to £42,376. This funding has not been included in any Runnymede revenue budgets and therefore represents new resources for 2005/06. Further funding into 2006/07 and beyond has not been confirmed but some levels of continued funding may be likely.
- 3.6 In return for this funding, ACC are looking to enter into partnership agreements (similar to Service Level agreements) with Runnymede. There are two proposed agreements. Firstly, funding and a Partnership Agreement for a "Core" service which is essentially the service currently carried out by Runnymede Care and Repair and, secondly, funding and a partnership Agreement for an enhanced "Adaptation Support Service".
- 3.7 The second of these proposed agreements would require some additional services being provided by Care and Repair staff. It would involve staff in carrying out visits to all disabled residents requiring significant adaptations. Currently, this service is not available to Runnymede Borough Council tenants. This is because, historically, HIA services have been exclusively aimed at owner occupiers and private tenants. This has now changed allowing HIA's to operate core services for the owner occupiers and private tenants and 'non core' or additional services to others such as council tenants as long as there is a designated funding stream for it. The purpose of a home visit to a resident, requiring or seeking help with adaptations, would be to ensure they are given advice and assistance from an early stage in the process of seeking the adaptation to their home and to support and track progress should they proceed with a Disabled Facilities Grant or assistance from Runnymede Housing Maintenance Service. In some cases help can also be given with identifying alternative options such as moving/transfers. Currently the service provided to council tenants seeking adaptation is co-ordination and assistance, by telephone and letter, through a part time Administrator role, based elsewhere in the Department.
- 3.8 The opportunity to enhance the services to disabled residents through funding from Surrey County Council is welcomed but this cannot be done within existing staffing resources. It is therefore recommended that some of the funding provided by Adult and Community Care be used to increase staffing resources. A further report with such proposals will be made to Corporate Management Committee in July.

4. Council Policy

- 4.1 The service is critical in meeting the needs of elderly and vulnerable people to improve their homes in accordance with the Council's Private Sector Renewal Strategy, Runnymede Renewal (approved in July 2003)

5. Resource Implications

- 5.1 The grant from Surrey ACC of £42,376 was not forecast when setting the 2005/06 budget. Costed proposals for applying some of these resources will be presented to the Corporate Management Committee in July.
- 5.2 Members will be aware that Surrey County Council funding has proved unreliable in the past, therefore care will be taken to avoid committing the Council to long term funding obligations should the Surrey County Council grant be withdrawn or not increased in line with inflation.

OFFICERS' RECOMMENDATION that –

- i) Members endorse the progress on joint working with Surrey Heath and Woking on HIA services;**
- ii) Members approve the principle of entering into Partnership Agreements with Surrey Adult and Community Care Services, subject to use of some of the funding to increase staffing resources within Runnymede Care & Repair to enhance services offered to disabled residents requiring adaptations to their homes.**

(TO RESOLVE)

Background Papers

None stated

11. RUNNYMEDE ACCREDITATION SCHEME (DHCS)

1. Purpose of Report

1.1 **The purpose of this report is to recommend the establishment of the Runnymede Landlord Accreditation Scheme from 1 July 2005.**

2. Background Information

2.1 Two previous items to this Committee in March and September 2004 have referred to the development of an "Accreditation Scheme" for accommodation let to students in the Egham and Englefield Green areas. Accreditation is one initiative within a wider range of activities designed to address some of the problems associated with the high concentration of student accommodation in these areas.

2.2 Officers have been working closely with staff and student representatives of Royal Holloway for some 18 months to develop a scheme.

2.3 Accreditation schemes are voluntary and involve establishing a set of minimum property and management standards, in this case, for properties let to students. Landlords would be encouraged both by the Council and the University (and others) to sign up to the scheme and then receive Accreditation status through issuing of a certificate.

3. Report

3.1 The Runnymede scheme has been devised by a group of Officers, mainly the Council's Private Sector Housing Officer and the Head of Housing Needs and Strategy. Extensive consultation has taken place with the university, landlords and students. In devising the scheme, regard has also been had to resource implications. It has been felt necessary to design a scheme for Runnymede that does not require additional staffing resources. This has been something of a challenge but it is hoped that a reasonable scheme is being proposed which represents good value for money.

Overview of Scheme

3.2 The proposed scheme is based around 23 Accreditation "standards" that must be met by Landlords. These are set out in Appendix 'F'. These relate to the letting and management of the property, its condition and appearance. They have been designed to encompass most of the common complaints and problems associated with student housing for the community, direct neighbours, landlords and students.

3.3 One of the standards require landlords to issue students with a "Tenant Code of Practice". This is intended to encourage responsible behaviour and is attached at Appendix 'G'. This is not intended to replace the Tenancy Agreement but to provide additional reinforcement to tenants of the importance of responsible tenant behaviour.

3.4 Landlords would be actively encouraged to seek Accreditation of their properties both by the Council but, more importantly, by the University Accommodation Office. Students would also be advised by the Accommodation Office and the Student Union to seek out accredited property vacancies as a sign of quality. In this way, landlords will see the clear advantage of seeking Accreditation. This will not extend to a 'guarantee' but merely act as a guide to the property meeting minimum standards.

3.5 An extensive Guidance booklet has been drafted which sets out the scheme, how the application process might work, how the Council will respond to applications and assess properties, and the monitoring arrangements etc. Some of this is set out in Appendix 'H'.

3.6 Consideration has been given to whether to make a charge for Accreditation. However it is felt that this would, potentially, provide a disincentive to landlords in what ultimately is a

voluntary scheme. Most Accreditation Schemes of this nature do not charge and indeed many offer significant financial incentives through discounted goods and services which have so far not been included in this scheme. No charges are therefore proposed.

- 3.7 In the second year of the scheme, the establishment of an Accreditation website is proposed. This is still in the planning stages but is likely to be something developed by Royal Holloway essentially for the purposes of assisting students looking for accommodation, providing enhanced advertising/promotion of vacancies in Accredited properties.
- 3.8 Liaison has also taken place with Surrey Police and Surrey Fire and Rescue Services, both of whom are fully supportive and intend to promote the scheme.

4. Resource Implications

- 4.1 Clearly the intention of any scheme like this would be to achieve the Accreditation of all properties let to students in the quickest possible time. It is estimated that there may be in the region of 500 properties in the Borough let to students. However, the process of assessing Accreditation and handling the administration involved would be too great if all properties were to be dealt with at once, or even, in one year.
- 4.2 The staffing in the Private Sector Housing team is limited, with just two Officers dealing with housing standards enforcement, who would also be taking on Accreditation. It is only recently that both posts have been filled, which does bode well for the scheme, but there is also significant work ahead in dealing with the new housing enforcement regime contained within the 2004 Housing Act (the Housing, Health and Safety Rating System and the mandatory Licensing of high risk Houses in Multiple Occupation).
- 4.3 The increasing numbers of properties becoming accredited should help to minimise other work of the Officers in dealing with enforcement of housing standards and it may be possible for Accreditation to become a "passport" into becoming licensed under mandatory licensing. There are clearly some benefits to allocating some of the Enforcement Officers' time in dealing with Accreditation, although not to the extent which might impinge on the Council's ability to deal with poor housing standards.
- 4.4 It is proposed that targets are set for implementing the Accreditation Scheme with the aim of achieving Accreditation of all student properties within 5 years. It is a voluntary scheme and it is hoped that the Council's ability to respond to applications for Accreditation will fall roughly in line with the demand from landlords. There are some workload implications in dealing with enquiries from landlords (which could be more concentrated at the launch of the scheme following some publicity) but also with the closer monitoring of properties after they have become accredited (which will increase cumulatively year on year). An implementation plan to achieve Accreditation of all student properties in the Borough is therefore proposed as follows:

	Year One (July 2005 – March 2006)	Year Two (April 2006 – March 2007)	Year Three (April 2007 – March 2008)	Year Four (April 2008 – March 2009)	Year Five (April 2009 – March 2010)
New Accreditation Awards	60	110	110	110	110
Total Accredited properties being monitored by yr end	60	170	280	390	500

- 4.5 As mentioned above, it is estimated that provided the workload from the Housing Act requirement is reasonable this scale of implementation can be met within the current staff resources of the two enforcement posts within the Private Sector Housing team. Clearly, this will need to be monitored closely and some slowing down of the plan may be needed if the resource implications are greater than estimated. It is also possible that implementation could be achieved at a faster pace than is estimated. It is anticipated that, once it is

launched, the scheme should not take up more than an average of 20 hours per week across the two enforcement posts. Should this turn out to be significantly greater than this, some review of the scheme will be necessary so as to ensure this does not affect the Council's ability to meet its other housing enforcement duties.

4.6 The majority of the resources required to operate the Accreditation Scheme will be staffing resources. However some other costs are involved in the production of documentation and in the establishment of a website. It is likely that these costs will be met by Royal Holloway as their contribution to the scheme.

4.7 Royal Holloway officers and Student Union representatives have, over recent months, invested considerable officer time in developing the scheme and in planning for its implementation. They have shown considerable support for the scheme, particularly to landlords through newsletters and their recent landlord event attended by approx. 60 student landlords.

5. Council Policy

5.1 The New Strategic Plan "Building on Excellence" states a commitment to improve the condition of private housing with particular emphasis on properties in multiple occupation:

"The Council aims to tackle poor standard private property by using its resources to improve accommodation that is in poor condition. This will include taking steps to improve student accommodation through voluntary and compulsory licensing of houses in multiple occupation".

5.2 The Council's Housing Strategy and Private Sector Renewal Strategy, Runnymede Renewal further develop this commitment. One objective of the Runnymede Renewal Strategy is to "work with Royal Holloway, University of London to achieve a minimum standard for student accommodation".

OFFICERS' RECOMMENDATION that –

- i) the Runnymede Accreditation Scheme as set out in this report and in the appendices be formally adopted subject to any draft amendments necessary to reflect the requirements of this Council; and**
- ii) Officers proceed with launch and implementation of the scheme from 1 July 2005.**

(TO RESOLVE)

Background Papers

Accreditation files of the Head of Housing Needs & Strategy.

12. HOMELESSNESS AND TEMPORARY ACCOMMODATION (DHCS)

1. Purpose of Report

1.1 The purpose of this report is to:

- i) update Members on grant funding received from the Office of the Deputy Prime Minister to assist in the prevention of homelessness;**
- ii) advise Members of emerging Government policy in tackling homelessness and revised Best Value Performance Indicators;**
- iii) update Members on the review of the Council's temporary accommodation;**
- iv) recommend minor changes to the Council's Allocations Policy to reduce the average length of stay in temporary accommodation.**

2. Background Information

- 2.1 The Council has responsibility for dealing with homelessness both by responding to individual incidences of homelessness, carrying out assessments and providing temporary accommodation and also in the prevention of homelessness through the provision of advice and assistance. The Council also has responsibility for strategic planning of services and initiatives to prevent homelessness through its duty to have a Homelessness Strategy.
- 2.2 The numbers of households presenting as homeless and being placed in temporary accommodation has reduced slightly over the last 12 months. This is in part due to the success of the housing advice and housing options service. This trend is generally in line with other Surrey Boroughs, as more focus has been given to prevention initiatives such as advice and mediation. In Runnymede, all households claiming to be homeless or threatened with homelessness are provided with comprehensive housing advice before a homeless application is considered. Many are assisted with finding alternative accommodation in the private rented sector through Housing Advice and the Private Sector Resettlement Scheme. In 2004/05, 43 Households made homeless applications to the council for assistance, of which 35 were accepted.
- 2.3 However the number of households in temporary accommodation (TA) and the average length of stay is increasing. Currently there are 55 households in TA. The reason for this unfortunate trend relates to a number of factors including, the shortage of permanent accommodation, the competing demands from those who are and who are not homeless and, the numbers of households in arrears of rent which can prevent an offer of permanent accommodation being made. However, one of the main reasons for this trend is the operation of the Council's new Allocation Policy which was introduced in January 2003. This is explained in more detail later in the report.
- 2.4 Up to now, Runnymede has been seen to perform well against many of the central Government homelessness policy targets. Government policy in the last administration period has been to encourage local authorities to concentrate on reducing the use of bed and breakfast accommodation through greater prevention of homelessness and use of alternative temporary accommodation. Runnymede has delivered on both of these and continues to maintain relatively low levels of homeless acceptances and low use of bed and breakfast and provides a comprehensive housing advice and options service.
- 2.5 The Government, as part of its commitment to see a major shift in the use of bed and breakfast for homeless families, introduced new legislation from 1 April 2004. This was reported to this Committee in May 2004 but, in summary, local authorities can no longer use bed and breakfast for homeless families for longer than 6 weeks.
- 2.6 Since 2003, the Government have been providing funding to local authorities to meet the Government homelessness targets and to assist local authorities generally in delivering their homelessness strategies. Runnymede has successfully bid for, and received, increased levels of funding over the last 3 years. This has proved valuable in establishing for example, a floating support service to assist vulnerable council tenants who may be at risk of losing their tenancy and the Private Sector Resettlement Scheme to assist families at risk of homelessness to obtain privately rented accommodation.

3. Report

Homelessness Funding

- 3.1 Runnymede has been allocated a sum of up to £40,000 homelessness funding from the ODPM for 2005/06. This is an annual amount which must be used to support initiatives which deliver the Council's Homelessness Strategy and which help deliver the Government's homelessness targets.
- 3.2 This Committee has previously approved the use of any funds received to implement the Council's Homelessness Strategy, with the first call being the continuation of the Private Sector Resettlement Officer post. This is now in hand.

- 3.3 In addition to the continued funding of the Private Sector Resettlement post, Officers are currently exploring a number of other initiatives and projects to be funded from the remainder. These include:
- i) The setting up of a 'Nightstop Project' in conjunction with a voluntary sector agency. Under such a scheme, young people who find themselves homeless in an emergency can be matched with a volunteer host family to give them a bed for one or two nights.
 - ii) The production of a Directory of local services for homeless people for use by a wide range of statutory and voluntary agencies who work with people who may be homeless.
 - iii) Further training and development of the Housing Advice and options service.
 - iv) Top up funding to increase the amount of deposit assistance given by both Runnymede Rentstart and the Private Sector Resettlement Scheme.
 - v) Improving support services to households in TA
- 3.4 Many of these initiatives are being explored in partnership with Spelthorne Borough Council. The two Boroughs continue to host the Runnymede and Spelthorne Homeless Forum which has wide membership and provides for considerable input and influence on homelessness matters by other voluntary and statutory agencies outside of the two councils.

Government Policy and new Best Value Performance Indicators

- 3.5 The Government have indicated that it is their intention to continue to focus on the prevention of homelessness but also to encourage reductions in the use of TA generally and the length of stay. The Government have set a national target to reduce the numbers in TA by 50% by 2010. They are also focusing on improving the quality of temporary accommodation and are keen to see use of accommodation with shared facilities reduced, in favour of higher quality, self-contained accommodation.
- 3.6 The Government's focus on homelessness, prevention of homelessness and temporary accommodation is clear through the revision and extension of Best Value Performance Indicators relating to these issues. The relevant 2005/06 Indicators are now as follows:
- i) BV 183a Length of stay in Bed and Breakfast Accommodation
 - ii) BV 183b Length of stay in Hostel Accommodation.
 - iii) BV 202 Number of Rough Sleepers.
 - iv) BV 203 Change in the number of families in Temporary Accommodation.
 - v) BV 212 Prevention of homelessness through successful housing advice casework.
 - vi) BV 213 Effective housing advice in reducing repeat homelessness.
- 3.7 This emerging policy presents some problems for Runnymede as currently the majority of TA is in hostel type accommodation with shared facilities and, as explained above, the numbers of households in TA and the length of their stay is growing. In order to continue to be seen as performing well against these Government targets and to continue to receive Homelessness Grant funding, some action to address these issues is needed.

Proposed Change to Allocations Policy

- 3.8 In order to start reversing the unfortunate trend in the growing length of stay in temporary accommodation, it is recommended that a change is made to the Allocations Policy to give greater priority to homeless households who have been in TA for more than 18 months. It is important that any change does not alter the balance of rehousing groups too much in the direction of homeless households, as this could provide an incentive to present as homeless. The change therefore only needs to be slight.
- 3.9 A summary of the current Allocations Policy is attached at Appendix 'I'. Homeless households are currently placed in Band C, along with other groups of households in housing need; for instance households living with extended family and sharing facilities or otherwise overcrowded. Households are further prioritised within this Band by their date of application.

This can mean that there are vastly different waiting times for rehousing between homeless households once they have been accepted as homeless and placed in temporary accommodation. Some households who have been waiting on the register many years before becoming homeless are often housed within months whilst other homeless households, who have not previously been on the register may face a wait of up to three years.

- 3.10 In order to address this it is proposed that an additional band, Band C+, is introduced. It is proposed that households who have been in temporary accommodation for more than 18 months are moved into Band C+. This will then place them in greater priority over and above all other applicants in Band C and should limit the amount of time spent in TA to less than 2 years in most cases. The number of families that would potentially move to C+ is 12.
- 3.11 The current allocation policy is designed to give as much choice as possible to applicants over their future housing. This is considered to be good practice by the Government. However in areas like Runnymede where there is a limited supply of vacancies each year offering unlimited choice can often mean that rehousing is substantially delayed.
- 3.12 Applicants are currently allowed to choose the type and location of property that they wish to go to. They are also allowed to refuse two offers of accommodation before their application loses any priority. If an applicant is in TA the same rules apply but the choice of type and location is only available for the first 6 months that they are in TA. The policy states that after 6 months the applicant can be made a 'suitable offer' of a property anywhere in the Borough. When considering if a property will be 'suitable' consideration is given to location of employment, schooling, support networks and mobility issues.
- 3.13 Applicants in TA are frequently made suitable offers of properties elsewhere in the Borough but they often refuse them in the hope that something better will be offered at a later date. Under the current policy they are able to refuse two such offers without detriment. This arrangement is more generous than that operated by other Boroughs and is not sustainable if the Council is to reduce the use of TA and meet its statutory obligations to avoid the use of Bed and Breakfast. It is therefore proposed that after 6 months an applicant in TA will be required to accept the first suitable offer made to them. If this is refused no further offers would be made to them and the Council will have discharged its legal duties under the homelessness legislation. The applicant will still have statutory right to review of whether the offer made was suitable.
- 3.14 The changes proposed to the Allocation Policy are considered to be minor and as such would not require the Council to adopt a period of wide consultation, which would otherwise be the case if a major change or a new allocation scheme was being proposed. However, a short consultation exercise with the main Registered Social Landlord providers will be undertaken and any significant feedback will be reported at the Committee meeting.

Review of Temporary Accommodation

- 3.15 Officers and Members have for some time recognised there is a need to improve the quality of the temporary accommodation, most notably the two hostels. This was an area of weakness identified in the Best Value Review of the service and the subsequent Audit Commission Inspection. This need for improvement and a commitment to review, was set out in the Council's Homelessness Strategy and a group of Officers have been meeting to progress this. At its meeting of 11 June 2003, this Committee resolved to undertake a feasibility study to establish refurbishment options and costs for both Ashdene and St Jude's and a sum of £15,000 was set aside from within the Housing Revenue Account to finance this piece of work.
- 3.16 The outline feasibility for the Ashdene hostel was completed, and has shown that it is possible to convert the building into 20 self contained family sized units with private bathrooms, kitchen and laundry facilities, a small garden facility and installation of lifts. However, this would be very expensive (between £1.5M & £2M) and would lead to a reduction in the number of units. Officers were concerned about the reduction of units in the short term, particularly as restrictions have now been put on the use of bed and breakfast.
- 3.17 Officers have commenced further work to try to more accurately predict future TA requirements and to establish whether one of the hostels could be disposed of in order to

finance refurbishment of the other. The work also considered how many additional units might be needed to replace the decommissioned hostel and the reduction in units in the refurbished one.

- 3.18 Whilst some of this work is still ongoing, an attempt has been made to develop a predictive model of future TA requirements This is attached at Appendix 'J'. This brings together
- i) likely rates of acceptance;
 - ii) targets for rehousing of homeless households through the housing register based on the change in the Allocation Policy [proposed above]; and
 - iii) aims to meet the Government's aim of a reduction in the numbers in TA.

Based on this model, it may be possible to pursue a reduction on the number of TA units. However, this will depend on a range of factors including establishing quicker movement through TA and continuing to provide high levels of action to prevent homelessness. Officers feel that it is necessary to monitor the impact of those measures before taking any steps to include current position.

4. Council Policy

4.1 The Council's Leaders Position Statement 2004/05 states a commitment to "keep homelessness to a minimum by providing advice, assistance and temporary accommodation according to need and available resources and by working with outside agencies."

4.2 The Council's Housing Strategy and Homelessness Strategy further develop this commitment. The Council's Homelessness Strategy has 6 key objectives, 3 of which are as follows:

"To improve housing advice services in the Borough,
To improve the standard of temporary accommodation and
To improve support to homeless households."

5. Resource Implications

5.1 The budget for 2005/06 includes the £40,000 homelessness grant.

5.2 A further report on the cost implications of improving the TA stock will be brought back to this Committee. It is hoped that some reduction in the number of units required in the future can offset some or all of the costs of achieving improvements in quality.

OFFICERS' RECOMMENDATION that –

the Allocations Policy be amended to introduce an additional Band of C+ and changes to the refusal policy for applicants in temporary accommodation as set out above.

(TO RESOLVE)

Background Papers

Homelessness and Temporary Accommodation Files belonging to the Head of Housing Needs & Strategy

13. ROAKES AVENUE – HOME LOSS AND DISTURBANCE PAYMENTS (DHCS)

1. Purpose of Report

1.1 The purpose of this report is to:

- i) advise Members of the need to make Home Loss and disturbance payments for displaced tenants; and
- ii) approve the adoption of a fixed disturbance payment of £500.

2. Background Information

- 2.1 The Land Compensation Act 1973, (as amended by the Planning and Compensation Act 1991), introduced the requirement to make Home Loss and Disturbance payments when a person is displaced from their home.
- 2.2 Home Loss payments are fixed by the Government and currently stand at £3,400. To qualify for Home Loss payments residents will have had to reside in the home from which they are being displaced for a minimum period of 1 year. All the remaining residents at Roakes Avenue have resided on the estate for the required period and will therefore qualify for Home Loss.
- 2.3 Section 38 of the Land Compensation Act 1973 states "that the Disturbance payment shall be equal to "the reasonable expenses of the person entitled to the payment in removing from the land from which he is displaced". The term "reasonable expenses" is commonly interpreted to require the Council to cover the immediate costs of moving, such as the hire of removal vans, the disconnection and reconnection of services, the redirection of mail etc. in certain cases it may also include the cost of moving certain fixtures and fittings such as a shed or greenhouse.
- 2.4 The last occasion the Council undertook a large scale development that necessitated the payment of Home Loss and Disturbance was when residents at Aldwyn Court were moved. On this occasion the residents were given a single combined Home Loss and Disturbance payment which was in excess of the statutory Home Loss minimum.

3. Report

- 3.1 It is now necessary to establish the criteria for calculating Disturbance payments for tenants at Roakes Avenue who are to be displaced.
- 3.2 It would be possible to agree in advance which specific items are to be covered by the Disturbance payment, i.e. removal van/company, telephone reconnection, forwarding mail etc and to reimburse tenants on the production of receipts. Whilst this arrangement would limit payments to the actual costs incurred, it would also not encourage tenants to obtain competitive quotations.
- 3.3 To overcome these disadvantages it is proposed to adopt the principle used at Aldwyn Court and to pay a fixed amount as a Disturbance payment.
- 3.4 Enquiries by Officers have established that telephone reconnection will cost £75. Six months mail redirection will cost £22.50. Removal costs vary considerably, but discussions with local firms have established that an average charge of £300 could be negotiated for removal from Roakes Avenue to Painesfield Drive. Tenants are of course free to use the removal company of their choice, but Officers would advise tenants of any competitive rate negotiated with local firm and leave it to tenants to take advantage of these rates if they so wish.
- 3.5 Inevitably, there will be additional direct costs in moving, and consequently it is proposed that a fixed payment of £500 be made to residents to cover their "reasonable expenses".

4. Financial Implications

- 4.1 There are approximately 40 households remaining at Roakes Avenue which would require Home Loss payments of £136,000 to be made. Disturbance payments would add a further £20,000 to this total if the proposal to pay £500 is adopted. The Home Loss and Disturbance payments will be treated as part of the costs of sale and will be deducted from the capital receipt obtained for the Roakes Avenue estate. It should be noted that the option chosen for Roakes Avenue will in all probability be applied for any decanting undertaken at Bowes Road/Wapshott Road.

5. Legal Implications

- 5.1 Sections 29 and 37 of the Land Compensation Act 1973 require the Council to make Home Loss and Disturbance Payments.

6. Conclusions

- 6.1 To obviate the need for tenants to make a full claim and produce receipts in respect of the Disturbance payment it is suggested that a fixed amount of £500 be paid. The sum of £500 has been calculated based on the likely actual cost of moving.

OFFICERS' RECOMMENDATION that –

a fixed sum of £500 be payable in respect of Disturbance payments for tenants displaced from the Roakes Avenue estate.

(TO RESOLVE)

Background Papers

None stated.

14. RUNNYMEDE ACCESS LIAISON GROUP – APPOINTMENT OF REPRESENTATIVE (DAL)

The Committee is asked to appoint one Member of the Housing and Community Services Committee to serve on the Runnymede Access Liaison Group in the Municipal Year 2005/2006.

The Runnymede Access Liaison Group (originally known as the Runnymede Disability Liaison Group) was established by the Council in 1991 to consider the access needs of disabled people in Runnymede. In 2000 the Constitution of the Group was revised to expand the membership of the Group to include representatives with both learning and mental health difficulties.

The Group meets between four and five times a year at the Civic Offices. Members are also invited to attend Access Audits of premises and the Annual Achievement Awards.

Two Runnymede Councillors are appointed to the Liaison Group, one from the Housing and Community Services Committee and one from the Leisure and Environment Committee. The retiring Members are Councillors R. Pate (Housing and Community Services) and Mrs E. Gill (Leisure and Environment).

THE COMMITTEE IS ASKED –

to nominate one Member of the Housing and Community Services Committee to serve on the Runnymede Access Liaison Group in the Municipal Year 2005/2006.

(TO RESOLVE)

Background Papers

None

15. QUEEN ELIZABETH HOUSE DAY CENTRE

To follow.

16. STANDING ORDER NO 42 - URGENT ACTION (DAL)

Acting in accordance with Standing Order 42 the following action has been undertaken by the Officer shown below after consultation with the Chairman.

Officer	Action Taken	Central Index No
Director of Housing and Community Services	The revision of 2004/05 value limits for Runnymede Do It Yourself Shared Ownership (DIYSO) Scheme, in conjunction with Thames Valley Housing Association (TVHA)	582

(FOR INFORMATION)

Background Papers

SO 42 Proforma on Committee Section SO 42 file

17. EXCLUSION OF PRESS AND PUBLIC

OFFICERS' RECOMMENDATION that -

where appropriate 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 paragraphs 7, 8, 9 & 10 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

Paras

18. DIAL-A-RIDE

7, 8, 9, 10

19. CONCESSIONARY BUS FARES SCHEME - INTRODUCTION
OF FREE TRAVEL (TO FOLLOW)

8

b) Confidential Information

(No reports to be considered under this heading).