

Minutes of the Meeting of the Housing Overview and Scrutiny Committee held on 19 December 2017 at 7.00 pm

Present: Councillors Luke Spillman (Chair), Gerard Rice (Vice-Chair), John Allen, Jane Potheary and Joycelyn Redsell

Lynn Mansfield, Housing Tenant Representative

Apologies: Councillor Terry Piccolo

In attendance: Roger Harris, Corporate Director of Adults, Housing and Health
John Knight, Assistant Director of Housing
Susan Cardozo, Housing Asset Investment & Delivery Manager
Julie Curtis, HRA and Development Accountant, Corporate Finance
Wendy Le, Democratic Services Officer

Before the start of the Meeting, all present were advised that the meeting may be filmed and was being recorded, with the audio recording to be made available on the Council's website.

15. Minutes

The minutes of the Housing Overview and Scrutiny Committee held on 17 October 2017 were approved as a correct record.

16. Urgent Items

Following a request made by the Chair of the Committee, a Briefing Note was submitted and circulated as an additional item by the Assistant Director of Housing (ADH), John Knight, which outlined recent announcements from the Department of Communities and Local Government (DCLG). These included:

- The renaming of The Homes and Communities Agency (HCA) to Homes England.
- The reclassification of Housing Associations as 'private non-financial corporations'.
- A summary of actions from the government to achieve the new housing delivery of 300,000 new homes per annum by the end of this Parliament in 2022.
- Central government's announcement to include a £1 billion additional borrowing capacity within the Budget for councils for the Housing Revenue Account (HRA). The fund would be allocated to councils through a bidding nature.
- Government's formation of a Homelessness Reduction Task Force which related to their commitment to resolve the issue of rough sleepers.

Thurrock is currently undertaking work to adjust the services according to the announced changes. The service department will continue to work to ensure that Thurrock benefits where possible from the new and additional funding.

17. Declaration of Interests

There were no declarations of interest.

18. Grounds Maintenance Service Charge Review

Presented by the Assistant Director of Housing (ADH), John Knight, the report summarised the review of the Grounds Maintenance Charge (GMC) that had been presented earlier in the year. The review sought to resolve the issues that had resulted in the suspension of the charge back in September. Outlined in the report were the following potential options for the Housing Overview and Scrutiny Committee to consider:

- To proceed with suspended standard charge for all selected tenants (option 3.1).
- To introduce a standard charge for all tenants (option 3.2).
- To withdraw the charge in full (option 3.3).
- To implement a lower standard charge for the same selected tenants (option 3.4).
- To introduce a variegated charge (option 3.5).
- Charging tenants in certain types of property (option 3.6).
- To lower standard charge for fewer selected tenants (option 3.7).
- A phased introduction (option 3.8).

Detailed work would continue to be undertaken to reconcile costings of the GMC and if a charge was proposed, a consultation will be carried out with potential included tenants. The service would also continue to work with other departments to monitor the contract and ensure costs were reduced where possible.

The Chair felt the options given in the report were more detailed and thorough than previous reports that had been brought to the Housing Overview and Scrutiny Committee. Councillor Potheary agreed but stated that she was still against the GMC and that it had left tenants confused over what their rent was paid for. She wished for the charge to be fully withdrawn. Residents have said to her that the services provided were not a full service. She went on to question why the environment charge was high as the work carried out was simple. She also questioned where the previously proposed £5 charge came from and whether alternative options had been considered.

Not wishing to reiterate previous discussions of the GMC, the ADH said the charge had been based on transaction costs, Service Level Agreements (SLAs) and full recovery costs; based on HRA costs for 2016 – 17. The service department would also work with the Environment Team to drive service charges down. There were a number of service elements that would

not be directly charged to selected tenants under certain options. In regards to what tenants' rents were paid for, the basic rent was for the possession of the property, in addition to some management services provided which were legitimate for tenants to be charged for. Councils across the country used this same model of charging and Thurrock would not be unique in this. Thurrock would seek to reduce the annual costs over time. Some of the options provided in the GMC report would reduce the charge and alternatives had been considered with no other cheaper options identified.

Echoing the Chair's earlier comments, Councillor Redsell felt the options were detailed in this report and that the confusion had been caused by the generic letters sent out to council tenants stating the charge the first time round. She said some tenants within her ward of Little Thurrock Blackshots would be paying the GMC and some would not. She felt a broader method of charging needed to be identified and an agreement to be discussed to lower costs.

The Vice-Chair said the reason the GMC came about was due to the Conservative Party in central government decreasing the rents down by 1% each year until 2020. The charges might increase in the next few years but the HRA would not go bankrupt so it was not right to single out the 3800 out of the 10,000 council tenants to charge. He went on to say that if necessary, he would put a motion into Full Council to remove the GMC (option 3.3 of the report) which was seconded by Councillor Potheary. He felt the charge was just recovering the 1% reduction in rent and that the GMC would be charged to vulnerable people.

The Chair also felt option 3.3 was best and did not like giving the Housing department 'tax raising powers' for the GMC which he saw as an aggressive tax. There was no guarantee that other administrations would not raise the revenues in the future. Echoing the Vice-Chair's earlier comments, Councillor Allen commented that the charge was political and that the rent reduction from central government had caused a shortfall so money could not be spent elsewhere e.g. in home improvements.

The Housing Tenant Representative (HTR), Lynn Mansfield, questioned where the funds would come from to pay for grounds maintenance if the charge was to be withdrawn in full. The ADH replied that the other reports within the agenda would explain the funds and investments in housing stock. The service had been effective in managing the HRA with the limited number of resources the service department had. Under current conditions, there was limited investment into the housing stock and with the combined costs from grants and rents; it was not enough to maintain the 10,000 council owned properties. Where charges were introduced, it would be charged year on year and would allow for capital investments and maintenance of the housing stock. The big ticket expenditures were repairs in which there were no other resource revenues available to pay for these. The service department would continue to provide grounds maintenance even without the charge but the proposal of the GMC had been to collect the cost from tenants who benefitted from the service.

The HTR sought further clarification on whether the charges for grounds maintenance would be sought elsewhere or if another charge would be introduced that would be related to grounds maintenance. The ADH said the costs would need to be met from the 'basic rents pool' as they could not be collected from other sources such as the General Fund. There was no equation of other costs to match the GMC nor was there a flexibility to increase tenants' rents. Instead, the service department would have to manage other expenditures more carefully.

Councillor Allen asked whether there would have been revenue to cover grounds maintenance costs if there had not been the 1% rent reduction. The ADH responded that a GMC had been an established feature within other Housing departments from the benchmarking data gathered prior to the reduction so the link was not necessarily as strong as suggested in Councillor Allen's question. Service charges were a part of social housing charges elsewhere before the introduction of the 1% per annum rent reduction.

Referring to the 1% rent reduction, Councillor Redsell queried whether another charge could be taken to lower council tenants' rents. The ADH stated that rent was a recognised cost for the purposes of Housing Benefit. Service charges were a part of the regime and eligible to be in the 'eligible rent' for benefits. The model used to charge rents was not based on incomes as it had been considered before and rent increase would have an impact on housing benefits.

Councillor Redsell asked for clarification on where grass verges were split to indicate which part of land belonged to the HRA or General Fund. As discussed in the previous Housing Overview and Scrutiny Committee meeting, the ADH said a bigger piece of work would need to be carried out on the land and assets that fell under the HRA and General Fund. The SLAs implemented with the Environment services was to avoid the differences and ensure they maintained both plots of land. Councillor Redsell went on to say that the disparities lay in areas of land where old pensioners resided and that some of the grass verges could be cut by the residents themselves. She stated that she was not in favour to withdraw the GMC in full as the services provided had to be paid for somehow.

Following on from Councillor Redsell's last comment, the Chair asked Members to vote on the options. The Vice-Chair, Councillor Potheary and Councillor Allen voted for option 3.3 which was to withdraw the GMC in full. Councillor Redsell voted for option 3.4 which was to implement a lower standard charge for the same selected tenants. With the Chair's vote on option 3.3 as well, he asked Officers to take the recommendations from the Committee to Cabinet. The Corporate Director of Adults, Housing and Health (CDAH), Roger Harris, stated that this would be taken to Cabinet in February 2018. Councillor Redsell asked if the report would come back to the Committee again after going to Cabinet to which the CDAH confirmed it would not.

RESOLVED:

- 1) That the Housing Overview and Scrutiny Committee commented on the options outlined in the report regarding the grounds maintenance charge.**
- 2) That the Housing Overview and Scrutiny Committee made a recommendation to Cabinet based on its consideration of the report.**

19. Stock Condition Survey

The ADH presented the report which outlined the results of the recent Stock Condition Survey that had been conducted by external surveyors, Baily Garner. The survey had not been intrusive or invasive but had been conducted visually. A summary of the survey had been provided in the report and the full report consisted of over 100 pages which the ADH held up for the Committee to see.

The survey had been significant as the data gathered would be used to set budgets and plan ongoing and future investments in the HRA for the next 30 years. Properties included in the representative sample were a balanced mix of flats, houses and maisonettes which ended up with a total of 3223 surveys undertaken. The housing stock owned by the Council consisted of 10,000 residential properties and almost 3,000 garages. It was found that the average energy efficiency rating of the stock to be at a Band D rating of 61.9 so the Council aimed to meet at least a Band D rating for all its residential properties by 2022 with a targeted view of achieving a Band C rating in the longer term. To bring all lower rated properties up to this target, the following recommended works would include:

- improving loft insulation;
- renewing singled glazed windows; and
- replacing boilers which would improve the heating controls.

Damp and mould was reported in 4% of the surveyed properties and the recommendation was to install ventilation fans and advise tenants on daily housekeeping to manage condensation. Overall, the results from the survey showed the housing stock to be in a fair to good condition which would provide building blocks for future planning.

Referring to Baily Garner, the Chair asked what due diligence had been carried out before hiring the company to carry out the survey. The ADH responded that as stated in the report, the company had been appointed through a procurement process. Baily Garner did not deliver the Council's main contracts, which meant they would have objective views to the Council's services. The company was well established with evidence of their qualifications and the Council had used them a few times before without faults.

The Chair went on to say the percentage of properties surveyed was impressive but queried why a small number of garages had been surveyed. The reason was because there were not so many variations between the garages as between residential units. The Chair also asked why only 37% of the boilers were passed as good. Referring to the Transforming Homes programme, the ADH stated that the priorities had been on improving the kitchens and bathrooms within the housing stock. This had resulted in a lower level of investment into other areas which had caused them to lag behind.

The Chair further asked if there was a concern on the 10% of surveyed homes that had poor electrics. The ADH's response was that all areas that had been identified as poor condition were of concern. The data would be used to prioritise areas of concern and enable the service department to plan repairs accordingly. The Chair also queried on when there would be no more single glazed properties in Grays. The ADH was unable to provide an exact date but the survey would enable the service department to plan the Transforming Homes programme more accurately.

Referring to the 4% of damp and mould found in the surveyed homes, Councillor Redsell questioned when the survey had been carried out as the blocks of flats within her ward of Little Thurrock Blackshots, had mould problems. She felt the survey carried out on the garages were quick and had seen some that were in derelict conditions and required repairs with a fresh coat of paint. She also mentioned the council owned outbuildings which were in a state of disrepair and had never been repaired.

The ADH said the damp and mould were local issues and a representative sample had been selected in the survey to ensure each architect type of property was represented. Damp and mould issues were being monitored and these were issues that could be addressed through good housekeeping and the service department were producing leaflets to guide tenants in this. So far, there had not been an increase in the amount of complaints related to damp and mould as there had been in previous years. The use of low level treatments would be effective in addressing most damp and mould problems.

In regards to the garages, the ADH said there had not been a transforming programme for these and as garages had not been used for their original purpose, it had caused deterioration over time. A semi-strategic review of the council owned garages would be brought to the Committee. Regarding the repairs, there were many of these that could not be repaired due to asbestos within the buildings and the state of disrepair. The service department were aware the garages were not being utilised and would consider demolishing them or upgrading into potential residential properties. For outbuildings, these had not been included in the survey but could look into any particular ones of concern. Councillor Redsell pointed out that some of the garages were too small to fit a car inside and even if they were demolished, it would not provide much space to build anything else in its place.

Councillor Potheary mentioned loft insulation should be a priority and asked whether there were schemes from central government that they could benefit

from to reduce carbon footprint. The ADH stated there were no current schemes from central government which individual tenants could access and that it was down to social landlords to reduce carbon footprints. Although the survey showed more work needed to be done to improve energy efficiency; safety concerns would be of a higher priority.

The Vice-Chair brought up the issue of old front doors and asked how many there were left to replace. The ADH answered that 71% of the front doors within the housing stock were in good condition and those in a state of disrepair would be replaced. It was not a priority to upgrade front doors and the service department had to ensure other repairs were carried out instead. In response to this, the Vice-Chair said the replacement of front doors was in the Transforming Homes programme. There were some homes in Chadwell-St-Mary that had doors from the 1960s which were unable to keep drafts out and needed repainting.

Referring back to damp and mould issues, the Vice-Chair pointed out that this was not simple to resolve in some buildings or to leave a fan on all day to deal with condensation. There needed to be better solutions than leaving a window open, particularly during cold weather. He went on to say that the main sources of heat loss came from doors, single glazed windows and loft insulation and this required a programme that specialised in older properties. Adding to the Vice-Chair's comments, the Chair said the Transforming Homes programme seemed rigid and certain properties had to be targeted e.g. flats. He queried whether there were any tower blocks of flats that were of concern or unfit for human habitation.

Pointing out 2.1 of the report, the ADH said these were the realities that the service department was confronted with. 30% of the housing stock was of concern and the data provided was to inform a mere strategic approach. He stated that the Transforming Homes programme was rigid to ensure it stayed on track. The survey had not identified any tower blocks that were unfit for human habitation and the work carried out had been highly technical which looked at all sources of heat loss. The ADH felt it was correct to provide advice and housekeeping guidelines on damp and mould issues. It would help to avoid bigger costs in the future. In regards to the replacement of doors, the ADH reiterated that 71% of doors were in good condition and could not be replaced based on age and the data looked at the life cycles.

A case of damp and mould in a particular home was discussed by the Vice-Chair. The ADH responded that the survey data would enable the service department to plan and replace assets.

The Chair questioned when it would be reasonable for an Officer of the Council to instruct council tenants to open windows to reduce the risk of damp and mould. The ADH said this was part of a wider assessment and council tenants were not being instructed; Council Officers would only guide as social landlords. The Housing Asset Investment & Delivery Manager (HAIDM), Susan Cardozo added that the approach of the Transforming Homes programme had been amended to include the replacements of doors which

opened externally. Many of the doors within Chadwell-St-Mary had been replaced but some of the homes had two front doors which needed reassessment as it would cost more to replace both front doors. There were still 10% of properties within the programme that needed to be assessed through site visits.

Councillor Allen commented that the areas of particular concern were in electrics and the boilers. With 8% of the boilers in poor condition, he asked when these boilers would be renewed in terms of safety aspects. He went on to say he agreed with the Vice-Chair's earlier comments on replacing old doors and added that these had security issues. New PVC doors were safer with better structure and lock options. He mentioned he had seen solar panels on some homes within Gravesham which must have saved on electricity costs. He asked what the life cycle was on a particular door. The ADH said the areas of concern were in certain areas but the priority to replace old boilers was high. The service department would be working on replacing old doors within the parameters of the HRA.

Councillor Redsell gave praise to the extensive work that had been done on damp and mould in some properties within her ward of Little Thurrock Blackshots. The work was good but it needed more than just housekeeping as the use of new appliances such as dishwashers attributed to the damp and mould issues. She went on to comment that the tower blocks of flats were no longer fit for purpose so they could be knocked down and new buildings could be erected in place.

The Vice-Chair highlighted the use of storage heating in some properties which were realistically not fit for purpose and instead needed upgrading to a central heating system. He asked how many properties still used storage heaters. The HAIDM answered that many high rise blocks did not have the gas pipes for central heating and in the Transforming Homes programme, some homes would be converted to a gas central heating system where possible. The Vice-Chair outlined a particular case in which he would discuss with the HAIDM via emails. Adding to this, the ADH said 9% of the properties surveyed had poor heating conditions so heating replacements would not be a priority.

RESOLVED:

- 1) That the Housing Overview and Scrutiny Committee commented on the estimated investment requirements to maintain the Council's housing owned stock for the next 30 years.**
- 2) That the Housing Overview and Scrutiny Committee commented on the approach being taken to investment programming for the next five years and the prioritisation of certain elements including single glazed windows.**

20. Housing Revenue Account - Business Plan and Budgets (2018/19 - 2048)

The report was introduced by the ADH and set out the HRA Business Plan and Budget for 2018/19 after reviewing it for the next 30 years. A range of areas were identified where efficiencies and improvements could be made in relation to HRA activities to free up resources to enable reinvestment into the service. Following the results of the Stock Condition Survey, the estimated investment required to maintain and improve the current housing stock for the next 30 years would be £452,447,897.

Every opportunity would be pursued to secure extra funding for new-build homes and to deliver improved value for money as a modern social landlord. As mentioned in the Briefing Note brought forward by the ADH earlier in the meeting, the Council would be bidding for the £1 billion additional borrowing. Overall, the Business Plan was robust and viable which would keep the HRA on path.

The Vice-Chair queried on the costs of fire safety such as sprinkler systems, in high rise blocks. The ADH said the government position was to ensure residents were kept safe and a case could be made to the DCLG during the bidding of the additional funding. The fire services have limited funding to ensure fire safety and many Boroughs could request funding for fire safety within their bidding narratives.

Commenting on the £5 million cost to build 500 homes as part of the regeneration scheme within Thurrock; the Vice-Chair asked if it was possible for Thurrock to set up its own Housing Association to build these homes. The ADH explained that Housing Associations were now seen as private entities. Setting one up would be complicated and would not give the Council much financial freedom if the HRA was still the vehicle for delivery. Working in partnership with a housing association would not enable the build of 500 homes but would enable the Council to purchase more homes and repair older homes and to utilise Right to Buy receipts, as outlined in the report.

At 9.20pm, Members agreed to suspend standing orders until 10.00pm to enable all items on the agenda to be heard.

Referring back to the garages review, Councillor Redsell queried on what the outcome would be. The ADH said the garage review would check whether garages were being effectively used to maximise the revenues. Business processes such as mainstream lettings for the garages and costs for repairs, demolition and reprovisions were being reviewed which would give a clearer picture and provide solutions. Councillor Redsell went on to ask whether the service department knew what was stored within the garages and if these were checked. The ADH answered that the report would not be detailed in this aspect but the service department would check what the garages were used for.

Referring to the Council's bid for the additional borrowing from DCLG, Councillor Potheary asked whether the service department's plans would be dependent on winning the additional funds. She also asked would the much needed homes within Thurrock be dependent on the private sector building

new homes. She also queried what the additional funds would be spent on and how many projects would be funded. The ADH explained that the DCLG were refining their criteria for the additional funds and looking at Local Plans. If simple criteria were used, a small number of London boroughs might see all extra funds allocated to them. It could not be guaranteed that Thurrock Council would meet the DCLG's criteria once known. The cost of a regeneration scheme over the next 10 – 15 years would be in the multi-millions but there were many upfront costs and fees for purchasing leaseholds as well as demolitions so the ADH could not answer with a single statistic. The funds from DCLG would potentially be to complement other funds or to bridge a funding gap. It could potentially be used to help fund the regenerations of four of the estates within Thurrock that met the social deprivation, density and other relevant criteria, for a range of projects or for viable schemes.

Councillor Potheary thanked the ADH for his detailed explanation in answer to her questions. She further asked whether there were any concrete statements made from the DCLG that could be highlighted. The ADH stated that £400 million's worth of extra funding would be good to enable Thurrock to deliver additional social housing. There were still a range of initiatives to be released and there was a comment within the House of Commons' briefing paper regarding something of a shift to investment in social housing rather than home ownership. The Chair questioned the readiness of the Council to take advantage of any funding to which the ADH replied that they were in a good position to do so.

Referring to Housing Associations, Councillor Allen asked how their rents compared to council rents. The ADH explained that rents from Housing Associations were generally higher. These used an affordable rent model for new lettings which was 80% of the market rent but was still cheaper than private rents.

The Chair referred to 3.5 of the report which had a £15 million requirement per year in regards to capital investment across all aspects. He asked what the cost implications of this would be down the line. The ADH said that there would be less spend on responsive repairs which made up most of the weight of the budget. The figure of repairs and maintenance was £10.5 million which was not the same as the Transforming Homes project. Responsive repairs would eventually be shifted into a planned approach which would give an idea of clearer costs.

In regards to the excess £9.5 million of unallocated receipts that the Council had in 3.10, the Chair questioned whether this money would be given back. The ADH stated that the report sets out the requirement to repay the money back if it was not used. It was possible to do what was outlined in the report so the money could be spent on new build developments but it would also be subject to other developments around Thurrock. The Chair went on to ask whether the money could be used to buy stock off the market to which the ADH replied it could not be done without matching the funding.

The Vice-Chair commented on the local plan to build 32,500 homes and gave a scenario of private developers purchasing land off the Council to build luxury homes instead. He asked how the Council's housing department would spend the money in this scenario. The ADH replied that this was known as commuted sums. The service department had a number of sites assessed by Thurrock Regeneration Limited (TRL) and if the scenario given was to happen, then the sums could be deployed immediately to the TRL sites.

RESOLVED:

- 1) That the Housing Overview and Scrutiny Committee commented on the assumptions reflected in the HRA Business Plan, as summarised in the report.**
- 2) That the Housing Overview and Scrutiny Committee commented on the budget formation which was also provided.**

21. Fees & Charges Pricing Strategy 2018 / 19

The report was presented by the ADH and outlined the charges in relation to the General Fund within the Housing Service. The charges would come into effect from 1 April 2018, these charges were listed in appendix 2 of the report. For traveller sites, the rent would be increased but the proposal was there to increase rent over two years. By setting the fees and charges appropriately, it will enable the Council to generate essential income to fund Council services and to be able to adapt to changing economic conditions.

The Chair sought clarification on the rent increase on traveller sites as Thurrock residents would be getting a 1% reduction in rent. The ADH confirmed this would be the case but the increase would be over a two year period and referred to site charges. The increase would be relatively low and this charge had not been in place before.

Councillor Potheary asked for a comparison on the rent costs of traveller sites on HRA land and rented council homes. The ADH confirmed that traveller site rents were based on plots of land. At the end of the two year rent increase from these, the sum would be equivalent to what some council tenants would pay for their rented homes.

The Chair expressed concern on the traveller sites rent increase as he felt it would be taking advantage of Housing Benefits. He did not think that the increase was even considered within general housing needs. The ADH said the yearly increase would be 5.8% which was due to begin in April 2018. Overall, the increase would not be so high. The Chair went on to ask if a consultation had taken place with the affected persons. The ADH confirmed that none had taken place and that a consultation would be progressed where there was a specific need to.

With the information given, the Chair felt he could not recommend an increase in rent unless a consultation had taken place. Travellers were still council

tenants in some form and should be given the same due diligence as the usual council tenants. Councillor Potheary also agreed with this.

Questioning the traveller site of Gammon Fields, Councillor Redsell asked if there were site officers to maintain the site. The ADH confirmed there was a dedicated team comprising of a manager and an officer who managed the sites intensively with frequent visits.

The Vice-Chair asked whether the rent would be split and if there were any additional fees to pay. The ADH said the rent was split and included service charges of utilities such as electricity. These were paid for along with rents with a swipe card. Councillor Allen questioned whether the cost was similar to some council rents and if the plot had council tax bands. The ADH answered that there was no council tax charge as the caravan on the sites were not permanent structures.

The Committee went on to discuss the removal of waste from traveller sites. A few fly tipping cases were brought up by Councillor Allen and Councillor Redsell. There was further discussion on the rent increase on traveller sites which Members felt needed more work to be done to show its feasibility. Officers agreed to address the issues brought up by the Committee and resolve before taking the report to the Cabinet Committee.

RESOLVED:

- 1) That the Housing Overview and Scrutiny Committee noted the revised fees, including those that were no longer applicable and that the Committee comment on the proposals currently being considered within the remit of the Housing Overview and Scrutiny Committee.**
- 2) That the Housing Overview and Scrutiny Committee noted that director delegated authority will be sought via Cabinet to allow Fees and Charges to be varied within a financial year in response to legal, regulatory or commercial requirements.**

22. Work Programme

An extraordinary meeting for 6th February 2018 would be setup to enable an important report on cases of mental illnesses and domestic violence within housing applications to be heard and considered by the Committee.

The meeting finished at 10.03 pm

Approved as a true and correct record

CHAIR

DATE

Any queries regarding these Minutes, please contact
Democratic Services at Direct.Democracy@thurrock.gov.uk