

TENANTS' AND LEASEHOLDERS' CONSULTATIVE FORUM (SPECIAL) MINUTES

28 SEPTEMBER 2011

Chairman: * Councillor Bob Currie

Councillors: * Mrs Camilla Bath * Mano Dharmarajah
* Kam Chana

In attendance: * Susan Hall
(Councillors)

* Denotes Member present

Representatives from the following Associations were in attendance:

Antoney's Close Tenants' and Residents' Association
Eastcote Lane Tenants' and Residents' Association
Elmgrove Tenants' and Residents' Association
Glebe Tenants' and Residents' Associations
Harrow Federation of Tenants' and Residents' Associations
Harrow Weald Tenants' and Residents' Association
Kenmore Park Tenants' and Residents' Association
Leaseholder Support Group
Weald Village Tenants' and Residents' Association
Woodlands Community Association

65. Attendance by Reserve Members

RESOLVED: To note that there were no Reserve Members in attendance at this meeting.

66. Declarations of Interest

Agenda item: 4. INFORMATION REPORT - Budget Planning 2012/13 to 2015/16

Councillor Camilla Bath declared a personal interest on the above item in that she attended monthly meetings of the Eastcote Lane Tenants' and Residents' Associations. She would remain in the room whilst the matter was considered and voted upon.

Councillor Bob Currie declared a personal interest on the above item in that she attended monthly meetings of the Eastcote Lane Tenants' and Residents' Associations. He would remain in the room whilst the matter was considered and voted upon.

Councillor Mano Dharmarajah declared a personal interest on the above item in that she attended monthly meetings of the Eastcote Lane Tenants' and Residents' Associations. He would remain in the room whilst the matter was considered and voted upon.

67. Deputations

RESOLVED: To note that no deputations were received at this meeting.

RESOLVED ITEMS

68. INFORMATION REPORT - Budget Planning 2012/13 to 2015/16

An officer introduced a report which outlined potential income options and provided an update on the Housing Revenue Account (HRA) in advance of a draft budget being considered by Cabinet in December 2011. She addressed several key issues as part of the report.

HRA Reform

- As part of the current Government subsidy system, the Council paid approximately £7 million a year to fund housing needs nationally. This process would change in April 2012, subject to the approval of the Localism Bill which was being considered by Parliament.
- If approved, the Council would become self-financing, meaning that all rent and services charges would be kept without having to contribute towards the Government subsidy scheme. However, the Council would effectively need to buy its way out of the scheme by calculating its estimated earnings over the next thirty years. This would equate to approximately £85 million.

- If the Council were to borrow £85 million from the Government to meet the buy out clause, interest rates seemed favourable, ranging from 1.55% to 2.60% for longer term borrowing.

In response to questions, the officer advised that:

- Paying interest of 1.55% on £85 million would equate to approximately £1.3 million per year, a potential saving of approximately £5.5 million on the current Government subsidy scheme.
- The fluctuation of employment costs was due to additional staff being employed for specific short-term projects.
- Utility costs were difficult to budget. More robust data was needed to obtain a more accurate picture of utility costs per year.
- Key risks were inflation and interest rates. As the Council would be new to self-financing, a low rate short-term loan would possibly be most appropriate. Different scenarios would be looked at to identify risk prior to any loan being taken.
- £85 million would be the minimum amount required. This could increase by approximately £5 million.
- The Council did not have a separate debt portfolio. This meant that a decision would need to be made whether or not to separate the £85 million from the existing £60 million Council owned debt.
- Approximately 70% of rent was paid by those in receipt of housing benefit. This could generate issues in terms of Government proposals to reform the benefit system. Officers would investigate such issues and ensure that a robust plan was formulated.
- Limitations on the amount of rent the Council could charge would still apply.
- Increasing revenue by providing alternative means of energy could take place in future years. The HRA was ring-fenced with set processes to follow which did not currently cater for such proposals.

The Divisional Director of Housing Services summarised the views of the TRAs present by stating that officers would undertake to:

- Tackle social aspects of increased poverty.
- Seek innovative ways to improve and maintain housing stock.
- Source the renewable, most efficient means of energy.
- Formulate a strategy to cater for a changing demographic.

- Ensure the best quality of care for the vulnerable.

Facility Charges

- For tenants and some leaseholders in sheltered accommodation, the Council provided utilities for heating and lighting for individual flats. Officers were attempting to identify whether additional income could be generated to invest in the priorities in relation to the HRA reform.

In response to questions, the officer advised that:

- The averages listed in the report were based on historical data over the last three years. Prices for energy had fluctuated and the averages would be looked at.
- The feasibility of charging sheltered blocks according to their Council Tax band would be investigated.
- It was unclear whether individual sheltered flats had the means to control the heat that was being generated. The issue, as well as monitoring the condition of boilers within sheltered blocks, would be referred to the Council's Asset Management Team to investigate.
- The means of collating individual consumption data from sheltered flats would be investigated.
- Colleagues in the Energy Department were constantly seeking the best deals from energy suppliers.
- The system of providing fuel allowances for those over a certain age would be investigated.
- The possibility of installing water meters at sheltered blocks would be researched.

The Divisional Director of Housing Services stated that officers would undertake to:

- Establish whether those in sheltered accommodation could control their own heating.
- Conduct research on fuel allowances.
- Ensure the Council received the best tariff from energy suppliers.
- Monitor the condition of boilers.
- Ascertain whether Wardens could assist with calculating the energy consumption of each flat.

- Conduct an occupancy impact assessment for sheltered accommodation.
- Arrange for the Chairman of the Forum/Portfolio Holder for Housing to visit Goddard Court to assess their particular situation.

Rent Strategy

- Rent strategies were based on a Government formula.
- A priority was to ensure that more void properties achieved full rent to generate additional income.
- It was intended to charge a rent that was appropriate and which was capable of allowing necessary priorities to be met over the course of the thirty year business plan.

In response to a question, the officer advised that the suggestion of fixing local authority rent at a level under that of Registered Local Landlords (RSL) would be considered.

The Divisional Director of Housing Services stated that officers would undertake to:

- Devise a rent strategy that maximised income without penalising those in receipt of benefits;
- Formulate a model that maintained a gap between the amount charged for rent by the Authority and RSL.

Sheltered Services

- Further work was necessary to ensure that a revised way of calculating service charges for sheltered housing tenants was ready for implementation in April 2012.

In response to questions officers advised that:

- There was a need to ensure that the cost for services were recovered and to identify any areas where there was a shortfall in income realisation.
- Colleagues in the Adults Services Department and tenants in sheltered housing were being consulted on areas such as cost implications and how a new Sheltered Services model would affect those in receipt of a supporting people grant. A report would be provided to a future meeting of the Forum.
- Tenants should not be charged for services they had not received. Errors with the system would be addressed to ensure that tenants received the services they were paying for.

- Issues with grounds maintenance would be investigated.

RESOLVED: That the report be noted.

(Note: The meeting, having commenced at 7.00 pm, closed at 10.05 pm).

(Signed) COUNCILLOR BOB CURRIE
Chairman