

TENANTS', LEASEHOLDERS' AND RESIDENTS' CONSULTATIVE FORUM (SPECIAL) MINUTES

31 JANUARY 2013

Chairman: * Councillor Bob Currie

Councillors: * Mrs Camilla Bath * Susan Hall (1)
Mano Dharmarajah

In attendance: Stephen Wright Minute 169 and 171
(Councillors)

* Denotes Member present
(1) Denotes category of Reserve Member

Representatives from the following Associations were in attendance

Churchill Place Tenants' and Residents' Association
Eastcote Lane Tenants' and Residents' Association
Harrow Federation of Tenants' and Residents' Associations
Kenmore Park Tenants' and Residents' Association
Little Stanmore Tenants' and Residents' Association
Milman Close Tenants' and Residents' Association
Weald Village Tenants' and Residents' Association

A representative from the Harrow Sheltered Residents' Association was also in attendance.

166. Attendance by Reserve Members

RESOLVED: To note the attendance at this meeting of the following duly appointed Reserve Member:-

Ordinary Member

Reserve Member

Councillor Kam Chana

Councillor Susan Hall

167. Declarations of Interest

Agenda Item No. 7 – Information Report – Garage Strategy Update

Councillor Susan Hall declared a non pecuniary interest in the above item in that she was on the Board of London Fire Brigade. She would remain in the room whilst this matter was considered.

168. Deputations

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

RECOMMENDED ITEMS

169. Housing Revenue Account Budget 2013-14 and Medium Term Financial Strategy 2014-15 to 2016-17 and Rent strategy for 2013-14 and subsequent years

The Forum agreed to consider the report as a matter of urgency to enable the Forum's views to be considered by Cabinet.

An officer introduced the report which set out the assumptions currently used in constructing the Housing Revenue Account (HRA) budget for 2013-14 and the medium term financial strategy (MFTS) to 2016-17 which would be considered at the Cabinet meeting on 14 February 2013. The officer made the following comments:

- the HRA was in a healthy position and it was anticipated that the balance would be £3.5 million for the next 4 years. The proposed budget estimate included additional investment in the stock and the operational services;
- it was suggested that garage rents remain frozen pending completion of the garage strategy review;
- the current dwelling rent strategy agreed in March 2011 was based on the Government policy of rent convergence, so that by the end of 2015-16 similar properties in the same area would have similar rents regardless of the social landlord;
- rents were calculated using two elements, one was the property value which accounted for 30% of the calculation and the other was local earnings;

- properties were last subjected to valuations in 1999 and since then there had been significant levels of investment in the dwelling stock. It had been suggested that due to the improvements made to properties a value increase of 7.5% should be added to the original valuations;
- the Department of Communities and Local Government (DCLG) had confirmed that there would be a mechanism to collect data relating to property values and that this information could be included in the calculation of limit rents. The increases in rents due to the increase in property values would not result in a loss through Rent Rebate Subsidy Limitation;
- the increases in property values would result in a increase of the target rent of 2.85% or £3.06 per week;
- if the increase was phased in there would not be an loss because of the rent rebate subsidy limitation and as convergence increased over time the additional income would be in the region of £0.75 million;
- the full impacts of the welfare reform and the benefit cap were not known at present. It was suggested that some of the income from the increase in rent levels could be used to establish a HRA hardship fund which would complement the provisions being made in the General Fund;
- the income from the proposed increase in dwelling rents could also be used to provide additional affordable housing as there was a shortage of affordable housing in the borough;
- at present, 75% of tenants received some form of benefit and the additional rent increase of £3.06 per week would affect 25% of tenants.

Members of the Forum asked a number of questions to which the officers responded to as follows:

- 52% of tenants received full benefits and 23% received partial benefits;
- the rent calculations based on property value and local income levels included an additional third element which was based on the number of bedrooms in a property;
- the proposed hardship fund would be funded by the HRA and the details were still being developed. The fund would run in parallel with and complement the support provisions being made within the General Fund;
- a property crash would not affect the property values being considered in the report as these were different to market values. The values were for improvements made to social housing since the last valuations in 1999;

- the property value increase would not affect Right to Buys except that improvements had been made to properties. Right to Buy property values were based on market values and applicants would still receive a discount of up to £75,000;
- a property crash would not affect the properties in the HRA but would result in other implications such as an increase in homelessness;
- there was a detailed process for the collection of rent arrears which included various methods of attempting to make contact. The last resort was applying to the court for possession and this action was taken if the outstanding rental amount was not received or if a payment plan was not put in place. It was important that there was a balanced approach to addressing rent arrears;
- the details of the proposed hardship fund had not been developed but it was hoped that any funds allocated would be sufficient to provide assistance to all those who would require it. The provision for bad debts in the budget had been increased;
- provision had been made in the General Fund to help address the impacts of the welfare reforms. The proposed HRA fund would be for tenants;
- an outline external decoration programme for the next five years had been developed and was based on two priorities, one was need and the other was when work was last carried out on the property. It was dependent on the properties but it was anticipated that 40-50% would be capitalised;
- the rate of interest on the HRA balances for the current year was in the region of 0.65% and part of the Council wide treasury management strategy. The interest rate was between 1 and 1.5%;
- the rent increases would affect all tenants but only 25% paid their rent in full as 75% received some form of benefit;
- the rent convergence policy was a government policy and the general increase of 3.76% was a part of the agreement made in March 2011;
- the rental costs would still be in the region of 40% of the market rents;

The Members of the Forum raised the following issues;

- if the HRA hardship fund was established it would need to be fully monitored;
- families on low incomes were able to access support and benefits;
- additional information and clarification was required regarding the interest on the HRA balances;

- the proposal of the rent increases and the hardship fund appeared to be a good idea but there were concerns about who would be affected by the increase;
- there were concerns about the impact of rent increases for families on low incomes and vulnerable people on benefits;
- the HRA hardship contingency fund was a good idea;
- there were concerns that an additional rent increase would be applied at the same time as benefits were being cut and direct payment of rent was stopping. The additional rental increase may result in more people requiring support;
- an additional increase of £3.06 per week was high;
- nationally over one billion pounds of benefits were not claimed by eligible people, the Council would be able to signpost tenants to benefit sources and identify options.

Resolved to RECOMMEND: (to Cabinet) That

- (1) the comments of the Forum be considered and noted;
- (2) it be noted that all the Councillors present at the meeting supported the additional 2.75% increase of the target rate and the creation of a HRA hardship fund.

Reason for Recommendation: To inform Cabinet of the outcome of the consultation with the Forum on the setting of the HRA budget for 2013-14 and subsequent years.

170. Consultation on the 2013/14 Housing Capital Programme

The Forum agreed to consider the report as a matter of urgency to enable the Forum's views to be considered by Cabinet.

An officer introduced the report which updated the Forum on the further consultation with the Harrow Federation of Tenants' and Residents' Associations (HFTRA) on the 2013/14 Capital programme since the December meeting of the Forum. The report sought approval for the recommendations to be made to Cabinet on building flexibility into the programme and a process to determine how to re-invest any current and future savings. The officer made comments including the following;

- an amendment was required for the table on page 19 of the supplemental agenda to reflect that the works on the lifts were for 2 lifts at one sheltered housing scheme;
- Cabinet was being requested to approve a contingency fund for the Capital programme to help provide flexibility and to complete urgent works. The suggested figure for the contingency fund was £250,000;

- a process had been developed to indicate how procurement savings and other savings would be re-invested. The process was shown in an illustrative diagram;
- it was possible that if more savings were achieved than required for the contingency fund, investment could be made in homes by improving, facilities such as bathrooms, kitchens and heating systems. Items from the draft 2014/15 programme would be brought forward to 2013/14 to spend the money;
- it was proposed that Cabinet delegate authority to the Housing Portfolio Holder to make decisions on the re-investment of savings;
- consideration could be given to some of the savings being used for projects which were not in the Capital programme, such as storage areas for mobility scooters in sheltered housing accommodation;

Members of the Forum made the following comments;

- the relevant ward Councillors should be included in the consultation process;
- as the £207,500 allocated for the lift works in the 2013/14 draft programme was for two lifts at one site there should be savings compared to the cost for works on one lift at two sites;
- if there was an underspend, consideration should be given making early repayments for the HRA debt;
- investment should be made in making void properties habitable as soon as practicable.

In response to the comments from Forum Members, an officer raised the following points;

- the concerns about void properties were understandable. The issue regarding voids was not that sufficient funds were available but about the process. The majority of funding for void properties was from the revenue budget and not the capital budget;
- there had been consultation with HFTRA regarding using any uncommitted resources to pay back the HRA debt earlier. The general view was that this was a sensible consideration but not for the first year as it was unclear if the procurement savings were a one off incident or if they would be sustained in future years.

Resolved to RECOMMEND: (to Cabinet)

That the comments of the Forum be noted when Cabinet consider the recommendations on building flexibility into the capital programme and a process to determine how to re-invest any current and future savings.

Reason for Recommendation: To enable the feedback of the Forum to be considered by Cabinet to assist with the decision making process.

RESOLVED ITEMS

171. Resident Services Manager's Update Report on the Pilot Citizens Advice Bureau Home Visits Project

An officer introduced the report which provided an update to the Forum on a pilot project being undertaken by Harrow Citizens Advice Bureau (CAB) to visit tenants and leaseholders to establish their awareness of the implications of the forthcoming welfare reform changes and to establish what sort of support and guidance should be made available. The officer made comments including the following:

- as direct payments were ending, one of the most important questions which was asked was whether respondents had a transactional bank account;
- in addition, questions were asked about whether there were any incentives which would encourage a tenant or leaseholder to sign up to pay by direct debit, were there any other payment methods which would help people manage their budgets, whether budget training was required and if respondents had any current financial concerns;
- the CAB had been given the details of 600 households in the borough, which included 500 tenants and 100 leaseholders. The contacts were identified using random selection and also various criteria, including those who would not be affected by the benefit cap, leaseholders with historic debts, leaseholders likely to face major works bills within the next 2 years and tenants who were known to be in receipt of full housing benefit;
- an additional 346 households which were likely to be affected by the bedroom tax had been identified for inclusion in the pilot project;
- monthly progress reports had been provided by the CAB and the graphs included at Appendix 1 to the report showed the results following 285 interviews in the period ending December 2012;
- to date, no leaseholders had submitted a response or accepted an interview;
- the key findings were that two thirds of those visited had advised that they were aware of the changes and that two thirds were concerned about how it would affect them. 90% of respondents had indicated that they had a transactional bank back account and 50% of those visited would welcome discount incentives to encourage payment by direct debit. 97% had indicated that they would like direct payment of rent to continue;

- in addition, 81% of those interviewed had stated that they would not like to receive any help with budgeting and 79% responded that they did not have money issues;
- the majority of the interviewees to date had been older people and the CAB would now be targeting younger people for the interviews;
- it had been agreed that the pilot would be extended until the end of February 2013 to allow the CAB to prioritise their work on the fuel poverty project.

Members of the Forum asked a number of questions which the officers responded to as follows:

- CAB had been paid approximately £40,000 for the project from the Housing Revenue Account (HRA) and a service level agreement (SLA) had been set. It was accepted that a response rate of one per day was low but at the beginning of the project there had been staff availability issues;
- the progress on the project had been delayed as the climate change work on fuel poverty had been a priority;
- the Council was aware of who occupied which property but knew little about their personal circumstances. There was ongoing work to address tenancy fraud.

A Councillor Member of the Forum requested that information on the SLA, performance data and how the delays had been compensated for be sent to the Councillors and to anyone else who was interested.

RESOLVED: That the report and the comments of the Forum be noted.

172. INFORMATION REPORT: Garage Strategy Update

The Forum agreed to consider the report as a matter of urgency for the reasons set out on the supplemental agenda.

An officer introduced the report which updated the Forum on the progress of the Garage Strategy from July 2012 to the present date. The officer made comments including the following:

- within the borough there were 69 individual garage blocks containing 959 garages and carports. At present, 400 were let and 162 others were in a lettable condition. There were 50 people on the waiting list;
- site visits had been made to all the garage blocks by the Housing Portfolio and the Vice-Chairman of the Forum;
- Appendix 1 to the report included details of the sites which had been identified as having potential for development of affordable housing. Feasibility studies of the sites were now required;

- the results from the garage strategy regarding sites with potential for development would be included in a wider project regarding development options analysis. The initial report on this wider project was anticipated in April 2013;
- a bid had been submitted to the Greater London Authority under the Mayor's Housing Covenant for funding to develop some low cost home ownership properties on some of the potential development sites, which would be ringfenced for existing tenants to purchase. An update on the bid would be submitted to a future meeting;
- 10 garage sites had been identified which had the potential for repair and subsequent letting. The criteria for identifying these sites were; sites with no development potential, sites where there were voids, locations with a waiting list and sites where repair costs represented value for money;
- the Garage Strategy Steering Group would receive estimated repair costs for the 10 sites at their next meeting;
- 23 garage blocks had not been identified for either development or repairs. The options for these sites now needed to be considered

Members of the Forum made the following comments;

- Hazeldene Drive should be deleted from Appendix 1 as there was potential for wider redevelopment opportunities;
- there were existing car parking issues at Stuart Avenue and the removal of the garages would extenuate these;
- further consideration was required for Stuart Avenue as there had been issues with a Compulsory Purchase Order in the past and the site was on a flood plain;
- an additional play area at Masefield Avenue was not required as there was one nearby and there had been anti-social behaviour on the previous play area located there;
- most of the existing garages were too small for modern cars;
- as most garages appeared to be used for storage, consideration should be given to increasing the rent for garages used for storage;
- it was welcomed that action would be taken to address anti-social behaviour in the vicinity of garages;
- storage of flammable products and gas canisters in garages was a safety issue for the Fire Brigade and nearby residents. The terms and conditions of renting a garage should be explained when an individual rented one;

- there were concerns that some of the sites identified for development, such as Latimer Close and Milman Close, were not large enough for the potential number of units;

The officer made the following comments in response;

- the list would be refined and was a working document;
- officers were aware of the issues such as broken locks and weak garage doors;
- clarification would be sought on the current situation regarding the underground garages and external area at Churchill Place;
- Masefield Avenue was listed twice as there were two sites. Consideration was being given to the re-introduction of a play area on one of the sites;
- the size of garages varied but the results from the stock condition surveyor indicated that the average garage was 2.4 meters wide and 5 meters deep;
- legal advice would be sought with regard to what actions could be taken with assets stored in garages;
- the licence agreement was clear on what the garages could be used for and actions were being taken to invest in and manage the garage stock correctly;
- the Council had no legal rights to gain entry to rented garages.

RESOLVED: That the report be noted.

(Note: The meeting, having commenced at 2.06 pm, closed at 4.13 pm).

(Signed) COUNCILLOR BOB CURRIE
Chairman