

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

26 SEPTEMBER 2012

Chairman: * Councillor Bob Currie

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

In attendance: * Thaya Idaikkadar Minute 135
(Councillors)

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

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
Honeybun Estate Tenants' and Residents' Association
Kenmore Park Tenants' and Residents' Association
Little Stanmore Tenants' and Residents' Association
Milman Close Tenants' and Residents' Association
Weald Village Community Association
Weald Village Tenants' and Residents' Association

132. 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

133. Declarations of Interest

Agenda Items: 4 - Information Report: Housing Changes Review Update; 5 – Information Report: Housing Rent Options Paper

Councillors Bob Currie and Mano Dharmarajah declared non pecuniary interests in the above items in that they attended monthly meetings of the Eastcote Lane Tenants' and Residents' Association (TRA). They would remain in the room whilst these matters were considered and voted upon.

134. Deputations

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

RESOLVED ITEMS

135. INFORMATION REPORT: Housing Rent Options Paper

Officers introduced a report which outlined to the Forum some of the options which might be available to the Council if it wished to alter the existing rent strategy. Officers reported the following issues:

- the aim of the report was to draw attention to the options for changes to the rent strategy as early as possible as in the past there had been criticism of the timetable for the strategy;
- further consultation would take place on the options and this would include writing to all Tenants' and Residents' Associations (TRAs) and placing information on the website;
- the reforms to the Housing Revenue Account (HRA) had begun and it was now self-financing. The HRA would be required to deliver the objectives which had been set;
- the current strategy was based on the Government convergence policy, which was an increase of the Retail Price Index (RPI) plus the convergence increase. It was assumed that the existing rent would converge with the target rents in 2015;
- the Council was not required to change the rental policy;

- one of the options was to continue with the current policy which had been agreed by the TLRCF and Cabinet for 2011 and continued for 2012. The current arrangement was considered a safe option and was dependent on the RPI. It could be considered the preferred option for the short term while HRA self-financing settled;
- if it was decided to change the policy, one option was to disregard the rent convergence policy and have a locally agreed policy. The benefits of this option included that it was a 'scientific' approach to setting rents, it would maintain the rent differentials between different types of dwellings and it would generate additional income for the HRA. As an example, if the average rent was to be increased by 5% it would generate an additional income of approximately £60 million over a 30 year period. However, if the rents were considered too high, then the rent rebate subsidy would be withdrawn and in the example of a 5% increase, £38 million would have to be repaid, resulting in a net benefit of £22 million.
- the risks of disregarding rent convergence included the potential perception of the change being a means to raise some money, the rent rebate subsidy limitation reducing the net benefit and that Council rents would lose comparability with those of Registered Social Landlords.

During the discussion on the first two options outlined, Members of the Forum raised a number of issues, which the officers responded to as follows:

- the HRA subsidy, which was a national Government subsidy for housing, was different to the rent rebate subsidy. The rent rebate subsidy would be reduced if rent levels were too high;
- the policy for setting rental levels was based on the rent convergence policy set by Government. This was calculated using the value of the property and the average earnings of the area in which the property was situated;
- the initial aim had been for rental levels to converge with the target level in a 10 year period. However, the Government had extended the time period by four years because the RPI was high and convergence would now be achieved by 2015;
- the 5% increase was an illustrative figure and RPI would be a factor in determining an increase in average rents;
- the net benefit would accrue over the 30 year period and the year on year increases in additional income for the HRA would be smaller;
- target rents were affordable but the definition affordable rents was different. The Government definition of affordable rent was rent which was up to 80% of private rental levels. Target rents were calculated;
- the property valuations from January 1999 were used for the target rent calculations;

- housing associations tended to follow the Government policy regarding rental levels but they did have more flexibility, such as being able to offer properties being re-let for affordable rents. The Council was only able to offer new properties for affordable rent. It was not a deliberate policy for there to be a divergence between the Council and housing associations;
- it was possible that there could be a legal challenge resulting from the difference in rules between what a local authority was able to do as compared to a housing association

During the discussion on this item Members of the Forum made the following comments;

- it was questionable if it was appropriate to include an option as being a high risk politically in the risks in the matrix;
- the information was not easily understood and the report should be redrafted to explain the options easily and clearly;
- the Housing Plan had been developed for a 30 year period but the immediate future was unclear;
- a training session regarding the options for changes to the rent policy should be arranged.

An officer advised that the purpose of the report was to make the Forum aware of the options and that a decision on the rent policy was not required until March. Training would be arranged.

RESOLVED: That a training session on the options for changes to the rent policy be arranged.

136. INFORMATION REPORT: Housing Changes Review Update

The Divisional Director of Housing Services introduced the report which updated the Forum on the Housing Changes Review and focused on the final draft Tenancy Strategy and Tenancy Policy.

The Divisional Director of Housing Services reported the following issues:

- consultation had been carried out regarding the housing changes and the feedback had been included in the report;
- the draft Tenancy Strategy explained how the Council intended to introduce fixed term tenancies for new tenants for its own housing stock, including the complaints and Appeal process;
- the draft Tenancy Policy explained how the draft Tenancy Strategy would be implemented;

- as a result of the consultation, the Strategy had been amended to include that care leavers in the specified groups would be given an automatic renewal of a fixed term tenancy unless their circumstances changed;
- the Strategy now included that all non specified groups would be given a 5 year fixed term tenancy which would be reviewed at the conclusion of the 5 years;
- life-time tenancies would be offered to under-occupiers who had reached state retirement age and who were moving to a smaller property, older people moving into sheltered or extra care housing and older people who had reached state retirement age and were moving into a one bed general needs property;
- fixed term tenancies, for certain groups, would be automatically reviewed provided that the tenant's circumstances had not changed since they were originally housed;
- the circumstances of care leavers would be reviewed and if there had not been any changes then the tenancy would be renewed. It was anticipated that the majority of care leavers' tenancies would be renewed;
- there had been changes to the income and savings limit at which a household would be deemed to be able to find suitable affordable housing. The income limit had been slightly reduced and the savings limit had been increased to £24,000;
- the final consultation on the draft Tenancy Strategy and Policy would commence on 27 September and last for 8 weeks. It would be placed on the website and information would be sent to all TRAs.

During the discussion on this item, Members of the Forum raised a number of queries which officers responded to as follows:

- efforts were being made to address fraud issues relating to housing and benefits;
- the strategy and policy would not change the Council's responsibilities with regard to tenancy management. Tenancies would not be renewed if, following a review, it was determined that a tenant's circumstances had improved and they had alternative options available. The Council would offer help in finding alternative accommodation;
- it was a possibility that some tenants would not keep their properties at a suitable standard if they were given a fixed term tenancy. This would be addressed as a part of tenancy management and conditions would be included in the tenancy agreements;
- a tenant would have to be reconsidered for inclusion on the waiting list again if their circumstances changed in a negative manner following a fixed term tenancy not being renewed;

- the new draft strategy and policy would not affect tenancy management and the processes for dealing with tenants carrying out acts of anti-social behaviour would remain the same;
- discretionary succession would only be offered to a carer who had given up their accommodation to care for a minimum of 12 months, when the property met their needs and where no alternative realistic housing option existed;
- a carers' right to stay in a property would remain until the end of the fixed term tenancy and then it would be reviewed;
- an introductory or probationary tenancy would be offered for a 12 month period and this was exclusive of the 5 year fixed term tenancy.

Members of the Forum made the following additional comments during the discussion:

- the review at the end of a fixed term tenancy would discourage people from improving themselves;
- a fixed term tenancy might help discourage anti social behaviour and promote better behaviour;
- it was important to look after the most vulnerable people and there was a limited number of properties available;
- a fixed term tenancy of five years was generous;
- there were concerns that, in some instances, the Council was not informed when a tenant passed away and the carer continued to reside in the property.

The Divisional Director of Housing Services advised that comments and feedback on the draft Tenancy Strategy and Tenancy Policy could be submitted via the Council's website and as a TRA response.

RESOLVED: That the report be noted.

(Note: The meeting, having commenced at 2.08 pm, closed at 3.19 pm).

(Signed) COUNCILLOR BOB CURRIE
Chairman