MEETING OF THE RESOURCES POLICY DEVELOPMENT GROUP

THURSDAY, 28 MARCH 2013 2.30 PM

GROUP MEMBERS PRESENT

Councillor Mark Ashberry
Councillor Jean Bevan
Councillor Michael Cook
Councillor Nick Craft (Chairman)
Councillor Trevor Scott (Vice-Chairman)
Councillor Jacky Smith

PORTFOLIO HOLDER

Councillor Terl Bryant (Portfolio: Good Housing for All)

OFFICERS

Strategic Director, Corporate Focus (Daren Turner)
Head of Community Assets (Paul Stokes)
Property Development Manager (Neil Cucksey)
Benefits Manager (Lee Sirdifield)
Community Engagement and Policy Development Officer (Carol Drury)
Principal Democracy Officer (Jo Toomey)
Legal and Democratic Services Administration Assistant (Alexandra Jarvis)

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46. MEMBERSHIP

The PDG was notified that Councillor Ashberry would be substituting for Councillor Dilks until the next annual meeting of the Council.

47. APOLOGIES

Apologies for absence were received from Councillor Bob Sandall and the Strategic Resources – Well Run Council Portfolio Holder, Councillor Mike Taylor.

48. DISCLOSURE OF INTERESTS

No interests were disclosed.

49. ACTION NOTES FROM 17 JANUARY 2013

The action notes from the meeting held on 17 January 2013 were noted.

50. UPDATES FROM PREVIOUS MEETING

Waste and Recycling – taxi MOT testing

- Previously the PDG had considered discount schemes to encourage taxi and private hire companies to get their vehicles checked using the Council's MOT testing facility. This idea had been withdrawn over concerns about fair access to discounts for small and large firms and accessibility for companies across the district.

Development Management – accredited agent scheme

- Officers were awaiting feedback on whether Cornwall Council was extending its scheme and if so, how. Further updates would be brought to a future meeting of the PDG.

Property and Facilities – Single utilities supplier

- At a previous meeting the PDG had recommended officers investigate opportunities around a single utilities supplier for all council properties. It was suggested this could achieve better rates for tenants and reduce the time taken to bring void properties back into use (officers had previously reported delays as a result of identifying and settling issues relating to utilities).
- Officers reported that the Council was working with Peterborough Environment City Trust. The Council notified the Trust when a property became empty. They dealt with utilities closure arrangements on behalf of the Council at no cost to the authority. Incoming tenants were given the chance to purchase their utilities from the Trust's preferred supplier. The decrease in the void rate was partly attributed to this scheme.
- Authorities in Norfolk had energy contracts which were rolled out to whole districts as part of a switch and save scheme. Officers highlighted the administrative burden this would place on the council, as the scheme would be open to all residents, not just council tenants.
- It was suggested that Procurement Lincolnshire could look into the bulk purchasing of gas.

Property and Facilities – fuel oil provision for villages

- Councillors had previously suggested that the Council register as a buying group with an oil supplier. Officers reported that very few council tenants' properties were fuelled by oil.
- An increasing number of villages were being connected to the gas network. The council was exploring funding opportunities to switch

properties in those villages from solid fuel to gas.

Property Development – car parking orders and payment

- The PDG had recommended at a previous meeting that car parking orders should be put in place for Bourne introducing a maximum stay to encourage turnover of parking spaces.
- The Property Development Manager advised members he had met with Bourne Town Council on 12 March 2013 where the level of support for Parking Orders was mixed. Further information was needed to understand car parking patterns. The PDG agreed to use some of its support fund to commission the additional work.
- Since the introduction of civil parking enforcement (CPE) officers had monitored patterns in off-street parking ticket sales. Analysis of this information would help identify the most appropriate payment methods.
- Brief reference was made to recent survey work amongst residents in Stamford town centre about residents' parking schemes. Results did not meet the thresholds required by the Council's car parking strategy to trigger a scheme. Some members expressed concern over the results of the study and advocated a parking scheme for town centre residents.

Building Control

- The Property Development Manager informed the PDG that a review had been carried out on the Building Control service. The review included working with Rushcliffe Borough Council, with whom South Kesteven shared a manager.

Recommendation:

Utilities

1. ***The PDG recommends that Procurement Lincolnshire should be asked to look at opportunities for the bulk-buying of gas products.***

Car parking

1. ***That the PDG authorises funding from its support fund to carry out a study of car parking patterns in Bourne***
2. ***Subject to the car parking study revealing no contradictory evidence, the Resources PDG recommends that parking orders should be got ready stipulating a maximum stay should be introduced for Bourne.***

51. FEEDBACK FROM THE EXECUTIVE

The Good Housing for All Portfolio Holder expressed concern that future grant funding would not include a breakdown of its components and that support for parish precepts could be lost for the 2014/15 financial year. This concern was echoed by PDG members. The Council was using the Lincolnshire Association of Local Councils to engage with parish councils on this issue.

The Portfolio Holder also referred briefly to disabled adaptations as there had been four major referrals and commented that the Council needed to make the best use of its adapted properties.

52. LOCAL AUTHORITY MORTGAGE SCHEME - UPDATE

Hayley Sullivan an Associate Director from Sector gave a brief presentation providing a local and national update on the Local Authority Mortgage Scheme (LAMS).

National picture

- LAMS was a partnership between commercial mortgage lenders, Sector and participating local authorities providing 95% loan to value mortgages for first time buyers.
- LAMS was available in 52 local authority areas under 67 live schemes with over 35 new schemes due for launch.
- 8 commercial lenders had signed up to the scheme.
- At the end of February 2013 over 1500 mortgages had been issued, equating to £157m in lending.

Alternatives to LAMS

- NewBuy – launched in March 2012, available nationally to first time buyers for new build properties. This was restricted to specific sites and properties and provided 95% loan to value mortgages.
- Help to Buy Equity Loan – to be launched in April 2013 replacing FirstBuy. The scheme would provide an equity loan of up to 20% of the property value repayable once sold. The scheme was open to all buyers for new build properties.
- Help to Buy Mortgage Guarantee – due to be launched in January 2014 aimed at all buyers and property types providing loan to value mortgages between 80-95% with a government backed guarantee of 15%.

LAMS in South Kesteven

- The Council deposited £1m to cover a maximum loan size of £118,750 (£125k property with a 5% deposit), this meant a maximum indemnity per mortgage of £25k. Return on the deposit would be approximately 4.5%p.a. for the five year period.
- The scheme was available for properties whose postcodes fell wholly within South Kesteven (excluding new builds) and was launched on 5 July 2012.
- Sector provided monthly management information which detailed the

numbers of mortgage applications, mortgage offers, mortgage completions, mortgage arrears of 3 months or more and repossessions.

- Since the launch of the scheme there had been 21 applications with a value of £1.9m. The indemnity that had been utilised was £365k.
- 1 mortgage was at the offer stage, a further 14 had been completed.
- The PDG was given an overview of the average level of indemnity, loan value, property value and information about applicants (average age, type of property purchased and whether they were already resident within the district).

Ms Sullivan reported that overall performance of South Kesteven's scheme was slightly slower than the average rate of utilisation and suggested this might be because of the maximum loan value. She commented that the £118,750 limit may make it more challenging for buyers looking at properties in Bourne, Stamford and the Deepings, where property prices were higher than Grantham. If the Council wanted to speed up use of the deposit it could reconsider the level of the maximum loan.

If the Council wanted to make further deposits beyond its current £1m, it would have to create a new scheme; the current scheme could not be 'topped up'.

Councillors were also provided with a summary of the Local Authority Partnership Purchase pilot, which was a national affordable housing scheme. Buyers would need a 95% deposit on 70% of a property's value to form a 70/30 shared ownership arrangement. The sign-up fee for LAMS would give the Council access to this scheme when it was formally launched.

Members of the PDG were given the opportunity to ask questions about the scheme:

- Aborted applications and incomplete applications were not recorded by the mortgage provider and consequently not captured in the monthly reports.
- Nationally the scheme had not had any defaults or repossessions however this was most common during years 4 and 5.
- If an individual fell into arrears, the scheme could be extended for an additional two years for that individual. Sector was finding a way to share information on individuals at risk of defaulting to signpost them to the appropriate people in their local council for support.
- LAMS applicants could transfer their mortgages to get better rates but they would no longer be part of the scheme.

Brief consideration was given to the maximum loan value. When the scheme was set up, Councillors had researched property prices across the district. The majority of members of the PDG agreed that the level was appropriate. Any changes to the current scheme or any new scheme would need approving by the full Council.

53. DISCRETIONARY COUNCIL TAX PAYMENT SCHEME

The Benefits Manager presented report number HOF232 by the Head of Finance on the Discretionary Council Tax Payment Policy. He explained that under current arrangements the council had a discretionary housing payment policy for use in respect of rents and council tax. From 1 April 2013 council tax help would no longer be available under this policy.

As part of its budget for 2013/14, Council agreed a local fund to help with cases of extreme hardship that may arise following the introduction of the local Council Tax Support scheme. The PDG was asked to consider the proposed policy within which Benefits Officers would assess individual cases for eligibility for a Discretionary Council Tax Payment.

The proposed scheme was designed to meet short-term financial difficulties for a defined period. At the end of the period an individual could reapply for support. To qualify for the scheme the customer would have to be in receipt of some Council Tax Support. The claimant or their partner was also required to be in work or taking proactive steps to overcome worklessness.

Councillors considered how an applicant might prove they were actively seeking employment. Members noted that in order to claim Job Seekers Allowance applicants were required to sign in every two weeks and demonstrate they were actively seeking work or developing skills to help them gain employment. Officers advised that claiming job seekers allowance would not preclude an individual from the scheme and explained that when contribution based jobseekers allowance ceased at the end of a 6-month period, the applicant would need to apply for means tested jobseeker’s allowance. This was based on household income; if their partner was earning a wage, household income could exceed the allowance. The conditions of entitlement would suggest that this was the type of household the scheme was designed to assist.

Any awards through the scheme would only be payable against current liability, not past debts to individuals who engaged with the council, taking proactive steps to resolve financial difficulties. Customers would be required to submit an application form giving information on their financial circumstances, providing a greater level of detail than an application through the housing benefits system. Consideration would be given to an applicant’s commitments, outgoings and what was essential to their circumstances. Applicants could provide information face-to-face or via telephone and officers would note this on their form. While there was no legal requirement for a form to be filled in, Councillors agreed that the applicant should be asked to sign to say that any information recorded by an officer is correct.

A customer who did not agree with a decision could have their application reviewed by a manager. There was no formal right of appeal as the award was discretionary. When a customer’s circumstances changed, any award would be reduced down and the Council would have power to recover any excess.

One Councillor expressed concerns that the level of budget would not be sufficient to meet demands. Other Councillors highlighted the support the district Council was providing, topping up the payment of parish precept on behalf of recipients in receipt of council tax support.

Application forms for the fund would be available online and at the district Council's area offices. The Citizen's Advice Bureau would also be informed to help them advise their customers. Officers stated that applications for the funding, which would become available on 1 April 2013, were already being received.

54. MEDIUM TERM FINANCIAL STRATEGY

The Strategic Director, Corporate Focus provided a brief summary of report number HOF230 on the production of a Medium Term Financial Strategy for 2013/14.He explained that the Council already had a Medium Term Financial Plan but a strategy would set out the Council's strategic approach to the management of its finances.

The PDG was reminded of the new way in which local government would be funded, changing from revenue support grant to business rate retention. The Strategic Director showed examples of what other districts had included in their Medium Term Financial Strategy:

- Financial golden rules
- Explanation of national and local financial context
- Implications of local business rate retention scheme
- Whether the authority should consider pooling
- How New Homes Bonus should be used
- Implications of localism – community rights, community infrastructure levy, etc

PDG members agreed to hold a series of workshops to develop a Medium Term Financial Strategy for South Kesteven.

Councillors asked how New Homes Bonus was currently spent. Mr Turner explained that it was used to support the Council's priority projects. Members noted the need to maintain levels of new homes bonus through ongoing housing development, however there was nothing that could be done to expedite major developments that were already planned.

Within any strategy, members would also need to consider the Housing Revenue Account. Mr Turner stated that the Council was working closely with LG Futures on complex scenario planning. He suggested that the PDG might engage with them to support the development of building the strategy. The committee agreed that they should be engaged to help the process.

55. BUDGET MONITORING REPORT

PDG members noted report number HOF231 by the Head of Finance which provided financial monitoring information for 2012/13.

The Strategic Director explained that the variance in respect of the helpline was the result of the mid-year transfer of the service to Lincoln City Council. The Good Housing For All Portfolio also informed members that a non-key decision had been taken to dispose of a property in Stamford.

56. WORK PROGRAMME

A number of items had been suggested for inclusion in the PDG's work programme for 2013/14:

- Update on Housing Revenue Account business plan
- Review of provision of markets in Grantham and Stamford
- Market development plan
- Empty properties – bringing homes back into use
- Waste contract – financial implications of the dry recyclables contract commencing on 1 August 2013
- Accredited agent scheme (development management services)
- Car parking payment methods
- Business support measures
- Medium Term Financial Strategy
- Review of car parking fees and charges
- Criteria for business support (to be considered as soon as possible)

Brief discussion ensued on empty properties within the private sector. The Council had reviewed discounts for empty properties and agreed a premium council tax charge for properties that had been vacant for more than two years. As a last resort, there was legislative provision that would allow the council to purchase empty properties, however this was a lengthy process.

57. CLOSE OF MEETING

The meeting was closed at 17:06.