

MEETING OF THE RESOURCES POLICY DEVELOPMENT GROUP

THURSDAY, 24 JULY 2014 2.00 PM



GROUP MEMBERS PRESENT

Councillor Mark Ashberry
Councillor Jean Bevan
Councillor Michael Cook
Councillor Nick Craft (Chairman)

Councillor Nick Robins
Councillor Bob Sandall
Councillor Jacky Smith

PORTFOLIO HOLDER

Councillor Teri Bryant, Portfolio: Good Housing
Councillor Mike Taylor, Portfolio: Strategic Resources - Well Run Council

OFFICERS

Strategic Director – Community and Environment Focus (Tracey Blackwell)
Head of Finance (Richard Wyles)
Head of Community Assets (Paul Stokes)
Assistant Service Manager – Improvements (Liz Bishop)
Revenues and Benefits Service Manager (Craig Scott)
Community Engagement and Policy Development Officer (Carol Drury)
Principal Democracy Officer (Jo Toomey)

12. MEMBERSHIP

The PDG was notified that Councillor Cook would be substituting for Councillor Scott for this meeting only.

13. DISCLOSURE OF INTERESTS

No interests were disclosed.

14. ACTION NOTES FROM THE MEETING ON 15 MAY 2014

The action notes from the meeting held on 15 May 2014 were noted.

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15. UPDATES FROM PREVIOUS MEETING

Pay by mobile

The Property Development Manager informed members that pay-by-mobile was operational in the district council's car parks. Due diligence work had been completed and the scheme would be officially launched just prior to the Gravity Fields Festival 2014.

16. FEEDBACK FROM THE EXECUTIVE

The Portfolio Holder for Good Housing gave a brief update on the transition of the wellbeing service. Members noted that update meetings with Lincolnshire County Council had been scheduled.

17. RECHARGEABLE REPAIRS POLICY

The PDG considered report number RIM0388 on the draft Rechargeable Repairs Policy which was presented by the Head of Community Assets and the Assistant Service Manager for Improvements. The document had been prepared by representatives from the Improvements, Housing, Finance and Legal teams.

Some concern was expressed about policy statement 2.3 of the draft document, which said:

“Where damage has been caused by a Third Party outside the tenant’s household, family or visitors and the Police have been informed and a crime number issued, the tenant may not be recharged. However, SKDC reserve the right to investigate such circumstances and may impose a recharge if it considers it reasonable to do so.”

PDG members felt that the statement should be reversed and the tenant held responsible unless there were extenuating circumstances. There was a feeling that re-charging arrangements should be as close to those in the private sector as possible. In response to a question about liability for payments for damage caused as a direct result of disability, members’ attention was drawn to the equality analysis attached as appendix 2 to the report. The Portfolio Holder also requested the inclusion of a statement that the Council would not be responsible for costs associated with vermin.

Recommendation:

The PDG recommends the draft policy for consideration by Cabinet subject to the following amendments:

- 1. To amend draft policy statement 2.4 (page 3) to say that the tenant would be charged for repairs unless there were extenuating***

circumstances

2. ***Checks should be made to ensure recharging arrangements are as close to the private sector as possible***
3. ***The Council should not be responsible for charges associated with vermin***

18. HOUSING REVENUE ACCOUNT BUSINESS PLAN

The Strategic Director – Community and Environment Focus presented the draft Housing Revenue Account Business Plan which set out the Council's priorities for the management, maintenance and development of its housing stock, how it helps delivery of the council's wider strategic priorities and how it would be financed. Members were reminded that the document, appended to report number H&N05/14 was a working draft and would be subject to further change before final consideration by Cabinet.

The PDG had fed into the development of the draft Plan during a series of workshops, considering areas including:

- Overall approach to rent policy
- Agreeing the 30-year income and expenditure assumptions were sound
- Agreeing to a pilot fencing scheme and evaluation of outcomes
- Use of alternative construction approaches and new technology
- Agreeing to bring housing balances down releasing a further £8m for investment in new housing
- Keeping the impact of right to buy sales under review
- Targeting house building to meet varying needs with a particular focus on older people, subject to further evaluation of the age profile of existing tenants
- Repayment of Housing Revenue Account loans to facilitate more significant levels of investment

The Strategic Director summarised the structure of the draft document, specifically drawing members' attention to plans for improved services and asset management and investment in new housing.

Some concern was expressed about why the use of Procurement Lincolnshire to assist with the letting of major contracts was specified in the plan. Members were advised that the Council contributed to the service and had experienced some significant savings with its support. They were also reminded that the text within the draft said that the service would be used "where appropriate".

Members noted that right to buy sales exceeded budgeted levels in 2013/14 with 20 enquiries to date in 2014/15 (against a budgeted figure of 17). They were also informed that since 2006 approximately 120 homes had been sold through this route.

Discussion ensued on financing options and the potential for investment in new

housing. Members of the PDG recommended as a minimum the utilisation of existing balances to release £8m for investment in new houses immediately. They recommended that this should be reviewed following the 2015 elections taking account of the financial landscape at the time and the continuing need for affordable housing to be provided. In view of the overwhelming and growing demand for affordable housing the Portfolio Holder and officers suggested flexibility with regard to financing to improve the pace of delivery for new homes. It was suggested that the period until May 2015 should be used to evaluate opportunities to use alternative solutions for delivery of housing and investigate alternative construction technology.

The suggestion that the Council could look at providing funding for affordable housing was supported. This could provide a cheaper way to finance new build housing and provide an income stream for the HRA.

Section 7 of the draft document covered financial strategy and planning; additional actions related to this would consider value for money. The Strategic Director also suggested that some non-housing HRA assets might sit more appropriately in the General Fund and work would be undertaken to understand potential impacts of this.

There was some discussion around the provision of council housing in villages. To increase stock in rural areas, the suggestion was made that the Council might look at setting up an “equity release” scheme. Views on the proposal were mixed. A proposed alternative to equity release concentrated on re-design and configuration of existing assets. It was suggested further work could be undertaken to identify potential opportunities associated with both proposals.

Recommendation:

- 1. Reduce the working balance to release initial tranche of funding to invest in new housing.***
- 2. Consider opportunities for lending to alternative providers of affordable housing.***
- 3. To review the recommendation related to financing options following the elections in 2015***

19. ST PETERS HILL DEVELOPMENT - PHASE 3 OPTIONS: UPDATE ON PROCUREMENT AND BUDGET ALLOCATION

The Property Development Manager presented report PD019 on the redevelopment of St Peter’s Hill, Grantham which gave an update on procurement and budget allocation.

PDG members were informed that soft market testing indicated a market appetite for A3 restaurant space with indicative levels of rent potential higher than previously modelled. Work had also included an assessment of the viability for a business incubation centre and the effect of the proposals on the

wider aspiration of a cultural quarter concentrated around St. Peter's Hill. The study revealed that the floorspace available within the development was too small to create an efficient facility for a business incubation centre.

Based on the outcome of research and removal of the Business Incubation Centre from the scheme project costs had reduced from approximately £6.1m to £4.9m. One member expressed disappointment that a Business Incubation Centre on the site would not prove viable but hoped that a more suitable location could be identified.

A concern was expressed about increasing provision in the site for A3 restaurants. Some members felt that there was already sufficient provision within the town and any further food businesses would either not be supported or threaten the viability of existing establishments.

A number of members suggested that the scheme should include an area that could serve as a gallery for local artists. There was also some discussion on the ways in which the cinema would be developed with an additional four screens and opportunities to increase market appeal by testing different cinema experiences.

20. POOL CAR REVIEW

Report number PD020, presented by the Property Development Manager, provided an update on the implementation and subsequent performance of the new on-line pool car booking system. Benefits of the new system included:

- Instant confirmation of booking
- 36.1% increase in car use
- Accurate records of mileage driven
- Reduction in the use of private vehicles
- Significantly reduced administration time

The purpose of the evaluation was to understand fleet usage to inform decisions around flexible work styles, geographic locations and the most appropriate vehicular solution.

Members of the PDG discussed possible alternatives following the loss of parking spaces resulting from the St. Peter's Hill Development. Suggestions included parking all fleet vehicles in Welham Street or relying solely on individuals using their own vehicles.

Councillors also suggested ways to incentivise the use of pool vehicles over private cars; they were advised that it was currently the role of the manager to authorise. Incentives included re-charging service areas the difference between the costs of pool car mileage and private mileage and having to book the use of their own vehicle only if a pool car was not available or repaying a reduced rate with the onus on an individual to reclaim via an annual tax return. It was,

however, acknowledged that in some instances the use of private vehicles was more expedient than using pool cars.

Recommendation:

That a cost analysis exercise should be undertaken to identify the costs of replacing the current fleet, switching to require that individuals use their own vehicles and to investigate paying a reduced mileage rate.

21. LOCAL COUNCIL TAX SUPPORT SCHEME

In presenting report HOF283 the Head of Finance informed members that the current council tax support scheme had been running since 1 April 2013. The Council was required to develop its own scheme following a reduction in government grants. Within the framework for local schemes Councils were required to consider the vulnerability of particular claimants with pensioners being specifically highlighted by Government.

When new arrangements were implemented, the Council agreed a two year scheme. Report HOF283 considered the outturn for year 1, the scheme's ability to meet its objectives and arrangements for year 3. Under the scheme claimants of working age had felt the most impact with an entitlement to a maximum level of support of 80% unless they were in one of the groups the Council agreed to protect. The scheme that was put in place incentivised a return to the work place.

The outturn position for year one came in below estimate with the same outcome projected for year two. The outturn position was attributed to a fall in the number of claimants who qualified for financial support and improvements in the economic climate.

The Head of Finance stated that there was no financial benefit to the Authority by introducing a larger liability; modelling of 70% collections rates for those customers affected by the scheme was proving accurate and any increase in the liability would adversely affect collection rates further. Members were informed that the Council would need to agree the scheme for year 3 by January 2015.

A majority of members agreed that current scheme was appropriate and should be extended into year three (2015/16).

Recommendation:

That no changes should be made to South Kesteven's council tax support scheme in 2015/16.

22. LOCAL AUTHORITY MORTGAGE SCHEME UPDATE

Report number HOF282 summarised the current position with respect to the Local Authority Mortgage Scheme. Since the Council introduced the scheme it had deposited £2m in two separate transactions. The first million had been fully utilised.

Members were informed that take-up of the scheme had reduced. Officers explained that this was a common trend nationally as Government schemes such as 'Help to Buy' have been implemented. The PDG was reassured that the investment was securely deposited; interest on the deposits was being set aside in a reserve account which would be drawn on in the event of any default to mortgage payments.

Questions ensued about the level of advertisement. The scheme was well advertised on the Council's website and significant articles had run in editions of SK Today. The scheme was also prominently marketed in Lloyds branches across the district. Officers reported that a lack of qualitative data made it difficult to understand whether there were other underlying reasons for the downward trend.

In response to a question, members were advised that the scheme could not be used for the purchase of a property under the Right to Buy; this was a criteria of Lloyds mortgage offer.

The PDG noted the update report.

23. REPORTS FROM WORKING GROUPS

Bourne car parking orders

Over a number of meetings the PDG had undertaken discussions on the introduction of car parking orders for Bourne that would implement a maximum stay of 2-hours. A car parking study had been commissioned and based on evidence obtained, the PDG recommended the introduction of a two-hour maximum stay between 8am and 6pm for Burghley Street and South Street car parks and between 8am and 12 noon at Bourne Corn Exchange.

Members discussed setting a target date for completion, with suggestions ranging from December 2014, the end of March 2015 or scheduled for a future work programme.

A pilot of free car parking on Saturdays was suggested as an area of future consideration.

Recommendation:

That parking Orders introducing a 2-hour maximum stay between 8am

and 6pm should be adopted for Burghley Street and South Street car parks and between 8am and 12 noon for the Corn Exchange car park.

24. DATE AND TIME OF NEXT MEETING

With the consent of PDG members, the Chairman changed the date of the next scheduled meeting from Thursday 2 October 2014 at 2pm to Wednesday 24 September at 2pm.

25. CLOSE OF MEETING

The meeting was closed at 16:10.