Event: Housing Joint Overview and Scrutiny Task Group

Place: Room 1b, Kennet District Council, Devizes

Date: Friday 1 August 2008

Time: 10.30am

MINUTES

Attendance: Cllr Janet Giles (Kennet District Council) [Chairman], Cllr Nina Phillips (North Wiltshire District Council), Cllr Mike Fowler (Salisbury District Council), and Cllr Pip Ridout (West Wiltshire District Council)

Officers: Mark Boden (Corporate Director – Economic Development, Planning & Housing), Graham Hogg (Service Director – Housing), Karen Linaker (Scrutiny Support Officer) and Derek Streek (Housing Workstream Lead Officer/Champion)

1. **Apologies**
    Apologies for absence were received from Cllr Pat Rugg and Steve McKelvie (Principal Accountant – lead officer for Benefits Realisation Management).

2. **Minutes of the last meeting**
    Members agreed the minutes of the last meeting held on the 11th June 2008, noting that responses to questions raised at that meeting, and since received, would be further explored as part of future agenda items.

3. **Chairman's Announcements**
    The chairman welcomed Karen Linaker as the task group's new scrutiny support officer, and explained that lunch would be provided at 12pm.

4. **Key Issues, Opportunities, Risks & Pressures for the New Housing Service**
    The task group invited Mark Boden, Graham Hogg and Derek Streek to comment on the key issues so far arising for the new housing service, particularly with respect to the opportunities, risks, and pressures in seeking to unify four district council housing services into one. The key issues arising were described as:

    Key Issues

    (a) the move to become a unitary authority was a huge change programme, posing real challenges, and risks

(b) the most immediate priority was to draft a proposal for the new housing service's 2009/10 budget, by the 1st September 2008. This would not be an easy task, particularly as departments were being asked to build their budgets on the basis of a cash freeze (at 2008/09 figures), despite rising cost pressures, and uncertainties in regard to staff numbers and structures

(c) this priority was also going to prove difficult, as services had been asked to identify 'one council for Wiltshire' and 'business management programme (BMP)' savings as part of the 2009/2010 budget setting process

(d) the task group noted that benefits realisation management was a key driver in ensuring service budgets and structures were BMP and SAP (the new council computer system) compliant

(e) the next immediate priority was to build a staff structure for the new housing service. Ensuring an appropriate staff structure was crucial in itself, but this process was also significant for the drafting of the budget

(f) consequently the two top priorities (budget and staff structure) would need to be completed by the 1st September

(g) the next priority was to ensure that the following housing services could operate effectively from the 1st April 2009:

   (i)   *'housing enabling'* – i.e. to ensure the delivery of affordable housing policies in partnership with development control officers, developers, and registered social landlords (RSLs), and the co-ordination of RSLs, rural enabler and the Housing Corporation to meet the affordable housing needs within the county

   (ii)   *'housing options'* – i.e. to ensure the delivery of services to those who were homeless or potentially homeless, including prevention work, provision of temporary accommodation, and the two different types of allocations' systems (points based and choice based lettings)

   (iii) *'housing management'* – i.e. to ensure effective delivery of the council house service currently run by Salisbury District Council (SDC) (5,400 tenanted properties, including 500 sheltered housing properties and 400 leasehold properties)

   (iv)   *'private sector housing'* – i.e. providing a regulatory / enforcement service, and providing assistance and information (including grant funding) on housing standards, e.g. energy efficiency, facilities for people with disabilities, home improvement and security, and bringing empty properties back into use

   (v)   *'housing strategy'* – i.e. the overall strategy for housing in Wiltshire, including links with the Local Agreement for Wiltshire (LAW), homelessness strategies, supporting people strategy,

local development framework, area renewal, private sector safety and standards, and the provision of new housing through partnership working and planning powers

(h) in regard to the SDC Housing Management Service, implications for the housing stock was relatively straightforward in terms of moving through the transition, as this aspect of the service was performing well and looked to have a secure long term future, with ring-fenced finances and a good customer satisfaction rating

(i) in regard to other aspects of the SDC Housing Service, it faced the same challenges as other district council housing services, i.e. the unifying of key support services such as ICT, customer access, website, human resources infrastructure etc

(j) in regard to the Housing Options service, this comprised a small number of officers, who could, with careful restructuring, be unified into one service, with relative ease

(k) the unifying of the Housing Enabling service, was arguably higher in significance than other aspects of the overall Housing Service, as the delivery of affordable housing policies was a key local and national priority

(l) the task group would need to satisfy itself that the Housing Enabling service was allocated sufficient resources and structured in such a way that it could deliver against the LAW and LAA. Also, the task group would want reassurance that projects intended to maximise the potential for new affordable housing in Wiltshire were being pursued and appropriately funded, i.e. through:

   i)   section 106 contributions

   ii) the disposal of council assets

   iii) equitable use of capital programme funds

   iv) careful synergy of district council housing procurement/capital financing practices with the county council's practices - for example to preserve the way in which business was transacted with housing associations

   v)   councillor representation and influence at a regional and local level

(m) in regard to the overall housing strategy, the task group would need to satisfy itself that key objectives in the LAW, LAA and performance framework would be achieved and that the expectations of the public and of the audit commission would be met

(n) also, the task group still remained to be convinced that, without recruiting a legal consultant, sufficient expertise would be available to the council for issues such as stock transfer agreements and local development framework legalities.

Management Through the Transition Process

    (a) the transition process for the Housing Service would be managed by a chief housing officer group, and, as within the previous workstream board, it would include links with the Supporting People Strategy

    (b) this group comprised a set of sub groups, focusing on the various sub-sets of services, i.e. housing management, enabling, homelessness, choice based lettings, private sector housing and supporting people

    (c) work was ongoing to establish the level of existing resources, and to align policies, practices and partnership arrangements

    (d) the group was hoping to launch a new choice based lettings (CBL) system before the 1st April. CBL was a web-based system already used in Kennet and West Wiltshire, but would replace a 'points based system' currently used in Salisbury and North Wiltshire. Due to the significant number of other new systems and practices which would need to work well from the 1st April, officers hoped that by introducing CBL across the county early, this would minimise the potential for disruption.

Implications for an Area Based Housing Service

    (a) essentially all that currently happened now in the four districts could continue within the four area hubs of the new council without significant restructuring (i.e. Trowbridge, Devizes, Chippenham and Salisbury)

    (b) however, this approach could make it difficult to foster the new unified culture which was required to make Wiltshire Council the success it needed to be

    (c) therefore, whilst the customer facing teams of 'housing options' and 'private sector renewal' officers would need to be based in each of the four hubs, (with a housing management team also based in Salisbury's hub), the 'housing enabling' and 'strategy' teams could be based in the central offices in Trowbridge

    (d) senior officers would be given strategic responsibilities to oversee the delivery of services in the hubs. Likewise, other officers would be given responsibilities to attend community area board (CAB) / partnership (CAP) meetings

    (e) the task group expressed concern that there would be sufficient officers and members (and partner representation) to make CABs and CAPs effective

    (f) also, the task group expressed concern that there would be sufficient officers within the new housing service to operate on the ground, across the whole of Wiltshire, so as to prevent the risk of the new council becoming a remote service provider.

<u>Other Implications for the new Housing Service Structure</u>

(a) whilst an initial structure would be needed to inform the budget setting process and to ensure business as usual from the 1st April, work was also required to devise a structure to bring about transformation of the housing service during the first 12 – 18 months of the new council

(b) this transformation would be significantly influenced by a 'lean systems review' intended to realise cost reductions and service efficiencies

(c) chief housing officers were researching the best practice of other councils to inform the redesign of the housing service, and this included authorities in the south west - to be facilitated through the setting up of a website

(d) Cornwall (also becoming a unitary authority) would be the largest housing authority in the south west

(e) there were no proposals, in the transition, to move the Supporting People service from the Adult Social Care service into the Housing Service. Likewise, the Gypsies & Travellers service would remain within the Sustainable Transport service. There was a possibility that this could be moved to the new Housing Service as part of the work on transformation

(f) whilst the bringing together of different ICT systems posed a challenge for transition, SAP would act as the mechanism by which individual services could retain their unique systems (including SDC's housing management systems), but also ensure an appropriate interface of these systems to facilitate operational stability from the 1st April

(g) customer facing housing benefit services would remain within the four areas, but would be managed by the Department of Resources for the time being.

RESOLVED to note the key issues recorded above, and to draw on this detail when formulating the task group's interim and final reports.

5. **Issues for Transition: A Housing Association's Perspective**
The task group considered a report listing issues which had been raised by the Westlea Housing Association, regarding the move to one council, and the corresponding responses provided by the Frontline Services Workstream Owner. In discussing this report, the following key comments were made and clarification sought:

(a) the process of consultation with the three main Housing Associations on the move to one council was ongoing, through discussions with the county council's chief executive and with the group of chief housing officers overseeing the transition

(b) further, Housing Associations were to be engaged in a housing partnership group which would form part of the new Wiltshire Assembly. Membership and the direction of this group would be discussed at a seminar in September 2008, involving councillors, RSLs, Housing Associations, private and voluntary sector representatives, the Citizen's Advice Bureau, other housing providers and other relevant agencies

(c) Housing Associations could find it difficult to attend CAB / CAP meetings, and this challenge was being discussed with the officer responsible for the setting up of CABs and CAPs

(d) a key role for members and officers was to preserve strong working relations with Housing Associations, so as to ensure the best level of service for local residents and to maximise the availability of affordable housing

(e) the Implementation Executive would be receiving a paper in due course regarding councillor representation on Housing Association Boards.

RESOLVED: **(1)**   **To share the report prompted by questions from Westlea Housing Association with the other two main Housing Associations in Wiltshire.**

              (2)   **To note the significance of preserving good relations with Housing Associations during the transition and from the 1st April, and to highlight this as such in the task group's interim and final reports.**

6. **Risk Register & Issues Log**

The task group considered the latest position paper on the risk register and issues log, which provided information on the top ten risks identified for the transition. In discussing this paper, the following key comments were made and further clarification given:

(a) the risk relating to limited resources and capacity meant that officers were effectively having to perform two jobs, supported by services from HR, legal and ICT which were already stretched

(b) there was a growing sense of unease amongst staff during the period of transition, but it was hoped that the design of new service structures would help to address this. It was not simply the changing of job roles, but the need for some officers to travel further to work, which was causing unease and some loss of staff

(c) good progress was already being made on aligning policies and practices

(d) the need for a new scheme of delegation was important, particularly in regard to officer roles and responsibilities at CAB meetings

(e) the risk that lack of priority would be given to housing capital funding schemes had led to the development of a housing capital programme and bidding process. This was a matter of urgency, as the council's budget setting process meant that bids needed to be submitted by the 31st August 2008. There was also a risk that commitments already bid for and secured by district councils for housing, would need to be bid for again, and therefore, the county council's finance unit would need to ensure that a higher weighting was given to such committed funds

(f) the task group agreed to include in its interim report, the following recommendations:

    (i)   that the Implementation Executive agree in principle to the new council's budget from 2009/10 and in subsequent years, making adequate provision for the capital financing of affordable housing in Wiltshire

    (ii)   that the Implementation Executive ensure that the 2009/10 new council budget should make provision for housing capital funding commitments previously secured through due process by each of the four district councils

(g) other risks included:

    i)   ensuring that the government took into account when agreeing the complex calculation of Housing Revenue Account subsidy for Salisbury District Council's housing stock, that this calculation was based on figures from Salisbury and not on the new county wide model. Currently, the county had not yet assigned an accountant to assist housing officers in managing this risk

    ii)   the current economic climate and the impact of the 'credit crunch' on house builders, and the subsequent impact on the council's ability to safeguard already agreed contracts for affordable housing developments and secure new contracts. The West Wiltshire PFI scheme would have to be modified as a consequence of the credit crunch so that affordable housing could still be achieved as part of this scheme

    iii)   the West Wiltshire PFI scheme, whilst a key priority for the district council currently, might not be regarded as such by the new council, and therefore there was a need to secure agreement for this scheme before the 1st April 2009

    iv)   the 'one council for wiltshire' and 'BMP' savings might not be achievable, particularly as services were being asked to build their budgets based on a cash freeze, and as cost pressures, including inflation, continued to rise. The task group expressed particular concern at this, calculating that a housing budget which did not include provision for rising inflation and which also needed to identify savings, would lead to significant service reduction in the new council.

RESOLVED: **(1)**   **To request further updates on the risk register and issues log.**

                         (2)   **To highlight the task group's concern with regard to the setting of the budget for the new Housing Service to the Implementation Executive through submission of the following recommendations in its interim report:**

> **(a) that the Implementation Executive agree in principle to the new council's budget from 2009/10 and in subsequent years, making adequate provision for the capital financing of affordable housing in Wiltshire**

> **(b) that the Implementation Executive ensure that the 2009/10 new council budget should make provision for housing capital funding commitments previously secured through due process by each of the four district councils**

> **(c) that, in asking the Housing Service to propose a cash freeze budget for 2009/10 and, at the same time to identify savings, the Implementation Executive should satisfy itself that this will not lead to undue service reductions and a consequent drop in performance and public satisfaction in housing services.**

7.   **Salisbury District Council's Housing Service**

Derek Streek delivered a presentation to assist the task group in clarifying what were the key characteristics of Salisbury District Council's Housing Service, and the implications for taking it forward into one housing service in the new council (presentation slides attached on pages 12 – 20). In discussing the main points arising from this presentation, the following key comments and clarification were made:

(a) the council compared well in terms of value for money when benchmarking it with other council house providers, and as found from a best value review conducted in 2000, which also commended the housing service's commissioning and staffing costs

(b) in the past 20 years, the council had consulted with tenants on two occasions, on a proposal to transfer the housing stock to a Housing Association. However, each time, this proposal had been refused, with a ballot carried out in 2006 identifying that 72% of tenants wished to stay with the council, for reasons such as 'better the devil you know', quality of the council service, and mistrust of housing associations

(c) 150 local councils paid into the government's Housing Revenue Account (HRA) as council landlords, however, only 50 of those councils received something in return. The HRA was set up to resource and achieve the Decent Homes Standard target by 2010. As a consequence there was a national campaign "Tax on Tenants", led by Waverly Council, for the HRA to be reviewed. Salisbury District Council (SDC) had to return £6.7m of its rent income each year to the HRA. This reduced the amount available for investment in the housing stock, and, in turn, would result in a capital investment gap from 2013/14. The Leader of the County Council had expressed a need to support SDC in its call for a review of the HRA

(d) SDC's council house standard was well above the Decent Home Standard, but funding this high standard would become more difficult to sustain

(e) the way in which decisions on SDC's council's stock would be made in the new council required careful thought, as it was felt that, for the Wiltshire Council Cabinet to make such decisions in Trowbridge, would exacerbate Salisbury residents' suspicion that the council was remote and not in tune with local communities. Consequently, officers were pursuing an option of setting up a Salisbury Housing Board, to include representatives from the relevant community area boards, tenants, councillors etc. The task group expressed support in principle for this idea, and particularly stressed that thought be given to how the tenants panel would continue to function within this new model of governance

(f) SDC was exploring the feasibility of setting up a Special Purpose Vehicle – Local Housing Company to maximise the potential for building more affordable housing in Wilshire, with 100% council ownership, yet outside the parameters of the HRA

(g) following the sense of unease and dissatisfaction expressed at the last Community & Housing Scrutiny Panel at SDC regarding the 'one council for Wiltshire' change programme in regard to housing services, the task group requested that Graham Hogg attend its next meeting.

RESOLVED: **(1)** **To express support in principle for the setting up of a new Salisbury Housing Board as a means of ensuring an appropriate level of local decision making in regard to the council housing stock in the new council, and for this to pay due regard to the role and significance of the tenants panel.**

(2) **To request that the new Housing Service Director attend the next meeting of the Community & Housing Scrutiny Panel (SDC) to address the sense of unease and dissatisfaction in regard to the one council for Wiltshire change programme for housing services.**

8.   Performance Update – 1ˢᵗ Quarter Report for 2008/09
Graham Hogg explained the detail contained within the 1ˢᵗ quarter
performance report for 2008/09 in regard to the four housing services in
Wiltshire. In considering this update, the following key comments and points
of clarification were made:

(a) this year, reports had been adapted to reflect the new performance regime
and how this had been written into the new LAW and LAA

(b) some of the data appeared incomplete, as certain performance indicators
were recorded as snapshots at the end of the year, where as others were
measured each quarter

(c) an area of strong performance was the number of affordable homes
delivered in the first quarter

(d) areas of performance requiring further attention included, the number of
households living in temporary accommodation, the number of people
sleeping rough on a single night and the number of homeless households
in B & B accommodation (non-emergency)

(e) there was a new national indicator to measure how well councils' tackled
fuel poverty

(f) data relating to the performance indicators for Supporting People had yet
to be submitted for the 1ˢᵗ quarter return

(g) the task group would appreciate receiving a full report on proposed
budget, performance and service standards for 2009/10 when available in
the autumn.

**RESOLVED: (1)   To note the data included in the 1ˢᵗ quarter
performance report for 2008/09.**

**(2)   To request a full report on proposed budget,
performance and service standards for 2009/10
when available in the autumn.**

9.   Task Group's Draft Interim Report
Members considered the task group's draft interim report to the Joint
Overview & Scrutiny Transition Board, which the chairman was due to present
on the 29ᵗʰ August.

Due to the significant amount of new information gathered during this
meeting, members asked the support officer to amend the interim report
accordingly and to circulate it for approval electronically during August.

10. Task Group's Future Meeting Dates
The task group agreed the following dates for its future meetings:

- Monday 8th September – 9.30am

- Monday 6th October – 10.30am

- Tuesday 4th November – 9.30am

- Tuesday 2nd December – 10.30am

This meeting commenced at 10.30am and concluded at 2.40pm

Karen Linaker is the Scrutiny Support Officer contact for queries concerning these minutes (01225 713056 email: karenlinaker@wiltshire.gov.uk)