

HOUSING CONSULTATIVE GROUP

MONDAY 14 JANUARY 2002 AT 2.00 PM

PRESENT: The Executive Portfolio Holder for Health and Well Being:
Councillor Bloxham (Chairman)

Councillors Mrs Bowman, Farmer, Mrs Fisher and Hodgson B.

ALSO

PRESENT: Mr J Zitron – Director, HACAS Chapman Hendy
Mr P Anson - Assistant Director, Riverside Housing Group
Ms R Notman -Tenants' Advisory Group (TAG)
Ms E Adams – PEP North
Mr D Thomas - City Treasurer
Mr D Steele – Accountancy Manager
Mr T Bramley – Director of Housing
Mrs L Dixon – Housing Transfer Project Officer
Mr J M Egan – City Solicitor and Secretary
Mr A Pateman - Liberal Democrat and Independent Political
Research Assistant
Mr J Shires – Labour Political Research Assistant
Mrs M Durham - Committee Clerk

Councillor Morton attended part of the meeting as an observer.

HCG.1/02 APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillor Joscelyne, Mr J Adams (Tenants' Advisory Group) who was recovering from a stay in hospital, and Ms I Davison (Unison representative).

The Chairman expressed his regret on hearing the news of Mr Adams and requested that a letter be sent to Mr Adams sending him the best wishes of the Group and wishing him a speedy recovery.

HCG.2/02 MINUTES OF PREVIOUS MEETINGS

The Minutes of the meetings held on 12 November and 3 December 2001 were signed by the Chairman as a true record of the meetings.

HCG.3/02 CHAIRMAN'S COMMENTS

The Chairman wished it to be placed on record that, although the Labour Group had not taken up membership of the Housing Consultative Group, Members did receive copies of all Agendas and reports and were kept fully informed by the Director of Housing and their Political Research Assistant.

The Housing Consultative Group noted the position.

HCG.4/02 HOUSING TRANSFER PROJECT PLAN

The Director of Housing presented a joint report with the City Treasurer (H.6/02) providing an update on the Project Plan for the housing transfer process in terms of preparations for both the City Council and Riverside Group.

The Director outlined the key decision-making points contained within the Plan commenting that, for the first time, the version attached to the report showed for completeness the detailed plan on the associated corporate restructuring work.

Mr J Zitron, HACAS Chapman Hendy (HCH) was present at the meeting and provided details of certain key events which were running behind schedule, together with variances potentially affecting the transfer date or project delivery. The Director added that there would be cause for concern if rapid progress was not made in the near future.

With regard to the issue of Due Diligence, Mr Anson reminded Members that the withdrawal of Sheffield Hallam University from undertaking a housing demand verification study had caused a delay. However, the completion date for that work remained at 28 February 2002. He added that he would be meeting HCH on 15 and 17 January to sign off the report on the draft RSL Business Plan, and that would be with the Council on Friday morning, 18 January 2002.

Ms Adams commented that the TAG had moved to weekly meetings in order to address the large workload produced by the consultative process on the new RSL's policies, stressing that no delays could be afforded. The Chairman added that the Council should be very grateful to those persons who served on the TAG for devoting considerable amounts of their time to the matter.

The Housing Consultative Group noted progress against the Project Plan and requested that the report be forwarded to the Executive for information.

HCG.5/02 TENANTS' ADVISORY GROUP

The Housing Transfer Project Officer presented report H.5/02 concerning issues being examined by the Tenants' Advisory Group (TAG) and Priority Estates Project (PEP) since the meeting of the Housing Consultative Group on 3 December 2001.

She commented that the TAG had been discussing a number of issues and outlined their views in respect of the following policy areas:

Draft Tenancy Agreement

The draft Tenancy Agreement had been approved by the TAG, subject to further discussion on the wording of the clause dealing with Right-to-Manage and the insertion of Possession Ground 11, and would be presented to this Group at its next meeting along with the Constitution and Model Rules.

Constitution and Model Rules for Carlisle Housing Association

The TAG had debated issues about charitable/non-charitable status for the new organisation and options for constitutional structures and, following discussion, had concluded that it had no strong preferences. In terms of the Model Rules, the issues of membership/shareholding had been raised. It was proposed that up to two members of Tenant and Resident Groups recognised by the parent association should be shareholders and the TAG had sought clarification on how that would work in practice.

Stock Improvement and Development Programme

The stock condition survey carried out by the Council's consultants FPD Savills would provide the basis for Riverside's improvement programme. The Riverside Group would not prioritise work on the basis of areas, but rather on what was required, the aim being that every tenant would get something in year one. These broad principles would be presented to the RSL's Shadow Board and would inform the offer document. However, a number of issues remained to be addressed, and it was the view of the TAG that tenants needed to know exactly what was on offer to each tenant in terms of work to their homes. In addition, they had asked for more information on the proposed average spend per property and the items of work likely to be covered.

Ms Adams echoed the above comments. She added that a street survey had been undertaken during the two week period at the end of November/beginning of December 2001 involving in excess of 200 people, the results of which were:

- Of those surveyed, 92% were aware of the proposals, although the level of awareness varied substantially.
- 43% of people had heard of the proposals via newsletters issued by the Council, PEP and the Riverside Group. Of those 38% were able to name the preferred housing provider. It should be noted, however, that most named the Riverside Group and not Carlisle Housing Association and therefore the new RSL's identity had not bedded in.
- When asked what they considered to be the best way by which to express their views, 16% stated that would be via Housing Officers and 15% via Tenants' Associations.
- When asked about their priorities for future housing provision, the following issues were raised –

25% - affordable rents
21% - repairs undertaken on time
15% - modernisation of homes
others – issues including the tackling of anti-social behaviour, etc.

She added that the exercise had also proved to be useful in recruiting people to attend meetings of the TAG or be included on the mailing list.

Mr Anson commented that the door knocking exercise was continuing and a report would be submitted to a future meeting of this Group. By way of caution he added that a number of tenants wanted nothing to do with it and he would discuss the same with both the Council and the TAG.

A Member expressed concern at certain breaches of confidentiality of which he was aware. The Chairman commented that all Members of the TAG should have signed confidentiality agreements. Ms Adams added that recent talks at the TAG had not been of a commercially sensitive nature and, in any case, the idea was to involve the wider community as far as was possible. She could, however, check that members of the TAG had signed the relevant agreement.

The Director of Housing and Mr Anson then responded to Members' questions.

The Housing Consultative Group noted the views of the TAG as detailed in report H.5/02.

HCG.6/02 RSL POLICY DEVELOPMENT

The Housing Transfer Project Officer presented report H.8/02 concerning the key policies for adoption by Carlisle Housing Association to enable the production of the draft offer document for consideration by this Committee on 4 March 2002.

She drew Members' attention to the policy development timetable which had been drawn up to meet the targets set out in the LSVT project plan. The TAG would be fully involved in the development of the policies and items on the Tenancy Agreement, the Constitution and the Improvements and Development Programme had already been discussed. Once the policies had been agreed by the Shadow Board they would then be formally presented to the Council for consideration.

The Housing Consultative Group noted the position with regard to RSL Policy Development.

HCG.7/02 COMMUNICATIONS ADVISER

The Housing Transfer Project Officer presented report H.2/02 concerning the appointment of a consultant to advise the Council up to the end of the ballot period on the consultation and communications aspects of the LSVT process.

She provided details of the tender evaluation process commenting that, in accordance with the Council's Standing Orders and under delegated powers, the Director of Housing had appointed Whelpton Jones Associates of London.

The City Treasurer confirmed that the proposals fell within the budget allocation and supported the appointment.

The Housing Consultative Group noted the content of the report and the appointment of Whelpton Jones Associates to advise the Council on the consultation and communication aspects of the LSVT process.

HCG.8/02 THE HOUSING IMPLICATIONS OF THE LOCAL GOVERNMENT WHITE PAPER

The Director of Housing presented a joint report H.3/02 with the City Treasurer on the probable implications for LSVT of the Local Government White Paper published on 11 December 2001.

The proposals contained within the White Paper would fundamentally change the way in which local authorities operated in the future and covered three main topic areas:

- Leading Communities – deregulation of activities; increase in powers; emphasis on partnership working.
- Quality Services – clear priorities and standards; comprehensive performance assessments; targeted support and inspection; extra freedoms for highest performers; simplified Best Value regime; tough action on failing Councils.
- Freedom to Deliver – easing of Council Tax/Benefit restrictions; restricting 'ring-fenced Funding'; allowing Councils to borrow prudently; providing freedom to invest; reducing the number of plans/strategies required; lifting many consent requirements; providing wider powers to trade and work in partnership.

The Director drew attention to Chapter 5 of the White Paper entitled "The Way Forward on Housing Finance" (Appendix 1 to the report) which was of key interest and made five main proposals. In particular, 'Arms Length Management Organisation (ALMO) Freedoms was an unexpected additional freedom. To qualify an ALMO must achieve a whole-service Best Value rating of '3 stars' or '2 stars' plus a 'probably will improve' rating plus an improvement plan for gaining 3 star status. The intention was to introduce the proposed changes from April 2004, funding for which was due to be established in the next Comprehensive Spending Review in 2002 and would be 'resource neutral overall'.

The Director outlined the general implications, drawing attention to the briefing produced by HCH setting out their interpretation (Appendix 2 refers).

The Director summarised the background to the Council's decision to pursue the LSVT option. The key question for the City Council to consider now was whether the White Paper significantly altered the balance of advantages/disadvantages from the original choices to the degree that it should review its earlier decision. Since the White Paper had not altered the arrangements on either Stock Transfer or HRA PFI there was no need to revisit these options. With 'Securitisation' now ruled out, there remained two options, namely stock retention and ALMOs. He then provided details of each of those options in turn, stressing that the information must be treated with caution since it was based on 'headline' DTLR announcements where none of the supporting detailed information was yet available.

The City Treasurer commented that the Government had given freedom to borrow but, in the case of the HRA, not to raise rents specifically in order to borrow, therefore authorities were required to identify HRA savings to fund borrowing. This would be of assistance to authorities who could redirect savings or non-recurring expenditure (such as revenue contributions to capital) to support increased borrowings, but in Carlisle's case this could only be achieved by significantly reducing management and/or maintenance costs.

In the light of the above, the Council had three broad choices:

- To abandon the LSVT process
- To suspend the LSVT process
- To re-affirm the LSVT decision.

Risk assessments had been completed for each of these options and were attached at Appendix 5 to the report. It was also imperative to bear in mind that the Council was required to demonstrate to the Government Office how it intended to meet both the DTLR's 'Decent Homes Standard' and deliver top-quartile Best Value performance indicators.

The Director commented that, in the light of information currently available, there was no convincing case to suggest that there was a better alternative to LSVT to secure the necessary investment in the housing stock, and the Executive Portfolio Holder for Health and Well Being was recommended to propose the same to the Council's Executive.

Mr Zitron confirmed that whilst the White Paper proposed radical changes, the effect on the housing side was not enormous. The reason for that was that over the last eighteen months there had been significant changes to housing finance. This was particularly so in authorities with the dual problems of an out of balance HRA and large housing investment need. He endorsed the Officers' analysis of the position with regard to Carlisle that LSVT remained the credible way forward.

The Chairman expressed the view that the Council should take the advice of Officers and consultants and go forward with the proposed stock transfer.

The Executive Portfolio Holder for Health and Well Being undertook to propose the following to the Executive:

"That in the light of the information available at this time there was as yet no convincing case to suggest that there was a better alternative to LSVT to secure the necessary investment in the housing stock."

HCG.9/02 FUTURE MEETING

The Director of Housing drew Members' attention to the timetable for the proposed stock transfer, commenting that it may prove useful to have an additional meeting, prior to the Executive meeting on 18 February 2002, at which time this Group could consider the Business Plan.

The Housing Consultative Group agreed that a special meeting be held on Monday 11 February 2002 at 2.00 pm to consider the Business Plan.

[The meeting ended at 3.00 pm]