

Minutes of the meeting of the Tenant Services Management Board held on Thursday 10 June 2010 at 6pm in Parmin Close Meeting Hall

Present: Mr Baker, Councillor Court, Mrs Drage, Mr Edwards, Mr Etherington, Mr Galpin, Mrs Hegarty, Mr Pearson and Mr Watkin

Officers: Stephen Boland (Housing Services Lead), Donna Durham (Democratic Support Manager), Paul Hadley (Estate Manager), Tim Haynes (Property Manager), Helen Mockridge (Administrative Officer – Democratic Services) and Martin Price (Acting Tenant Empowerment Manager)

Others: Councillors Mrs Court-Stenning and Stuart-Thorn
Paul Carter, Finance Director, Southwest One
Robin Tebbutt, Housing Quality Network

(The meeting commenced at 6pm)

13. Appointment of Chairman

Resolved that Dustin Etherington be elected as Chairman of the Tenant Services Management Board for the remainder of the Municipal Year.

14. Appointment of Vice-Chairman

Resolved that Ashley Baker be elected as Vice-Chairman of the Tenant Services Management Board for the remainder of the Municipal Year.

15. Apologies

Apologies: Councillors Bowrah and Brooks, and Mr Hellier.

Substitution: Councillor Ms Court for Councillor Brooks

16. Minutes

The minutes of the meeting of the Tenant Services Management Board held on 29 April 2010 were taken as read and were signed.

17. Declaration of Interests

All members of the Board present, declared personal interests as Council house tenants.

18. Introduction to Local Authority Housing Finance

Considered report previously circulated, concerning Local Authority Housing Finance.

Local Authorities had to account for their spending and income to satisfy Government regulations. Most day to day spending was included in an account called the General Fund. This included such services as collecting refuse, leisure facilities and community development work.

Local Authorities that had a council-owned housing stock, also had a duty to maintain an account called the Housing Revenue Account (HRA). This account related to the spending and income for the management and maintenance of the houses.

Spending was also split between day to day spending (salaries) and day to day income such as rents which was called revenue.

Spending to maintain the properties was called capital and capital expenditure generally involved large sums of money.

The HRA was a 'ring-fenced' account and contained the spending and income related to the dwellings owned by the Council. Local Authority housing mainly consisted of:

- General Needs Housing – houses, flats bungalows; and
- Sheltered Accommodation – usually for elderly and vulnerable people, sometimes with communal facilities.

The HRA could also be used for spending and income relating to other facilities such as garages.

Income was split between rental income (mainly rental income), charges for services and facilities (cleaning communal areas and grounds maintenance work) and Housing Subsidy Grant/Payment. The Housing subsidy was calculated by the Government based on estimated income and spending for each Local Authority's HRA. The calculation changed annually.

Spending was split between management costs (salaries and staff) and maintenance costs (responsive work and work on empty properties).

Local Authorities had to set their own HRA budget and had to avoid an end of year deficit.

Capital Spending was described as buying, building, replacing or enhancing an asset. The main capital spending for Local Authorities was for the renovation and improvement of its houses, in order to meet the Decent Homes Standard. The main funding areas for capital funding was through the Right to Buy scheme, prudential borrowing, major repairs allowance, revenue contribution to capital, Government grants and other capital receipts for the sale of land or garages.

When producing their capital plans, Local Authorities would need to identify housing capital spending requirements, decide which were the most important, identify capital resources and finally draw up a programme that met the priorities within the available resources.

Resolved that the report be noted.

19. Housing Revenue Account Reform

Mr Tebbutt, Housing Quality Network gave a presentation on the Housing Revenue Account proposals.

The response date for the Government consultation was 6 July 2010. A report would go to the Corporate Scrutiny Committee and then to the Executive, before a decision would be made by Full Council.

At present, the Government effectively took each Council's rents and let them have some spending money back. Spending money could be more than rents (subsidy) or less. If less (negative subsidy), the Council would have to pay an amount to the Government, based on the Government's assumptions of what the Council's rents and expenses should be. Each Council was expected to collect more in rent than it spent on management, maintenance and major repairs.

Subsidy was based on an assumed debt level. For most Councils, the actual debt was lower than assumed and for Taunton Deane Borough Council, there was an assumed debt of £30m and an actual debt of £14.5m in 2010/2011.

Taunton Deane's HRA subsidy position for 2010/2011 was reported and the negative subsidy was £6,010,351. The Government used the money it received in negative subsidies to pay out subsidy to other Councils.

In the future, the amount Councils paid would increase and the amount received from Government would go down.

The Housing Quality Network had undertaken modelling of the current system, which included the following for Taunton Deane Borough Council:

- The Revenue account made contributions to capital expend and maintained at least its minimum balance throughout;
- There were shortfalls in capital funding from year 6 (2015/2016) onwards; and
- A cumulative shortfall of £76m was outstanding by year 30 (2039/2040) at the price base of that year.

The proposal was effectively that debt would be switched from those HRAs with higher debt to those with lower debt. In practice lower debt Councils would make a 'one-off' payment to the Government, which they would borrow. The subsidy system would then cease.

There was a variant proposal which the previous Government favoured of reducing the payment to Government (£4.9bn) to £3.6bn to allow Councils to build new homes. Taunton Deane Borough Council would pay £86m under the 'base' proposal and £81m under the variant.

Taunton Deane Borough Council's position under the HRA reform was reported. Figures quoted were based on reasonable assumptions. There were no capital shortfalls, the debt would be repaid in year 16. The revenue account would remain at minimum balance to year 16 and would then climb.

The model would be most sensitive to inflation, changes to the current capital assumptions, increase in rents above inflation and interest rates.

The HRA would take on some of the external risk it was currently insulated from, including:

- Real increases in costs;
- Interest rates;
- Changes to rent policy; and
- Changes to the benefits system.

The offer as it stood, subject to minor change, was the only one likely to be available in the near future. The Communities and Local Government had previously said it needed all Councils to agree if the proposal was to be implemented without legislation. If one or more Councils refused, and legislation was required, the prospectus stated that implementation would be delayed by at least a year.

The Chairman thanked Mr Tebbutt for his informative presentation.

Resolved that:

- (1) The HRA proposals be supported;
- (2) The model be put in place as early as possible; and
- (3) New homes be built as a priority, using any money generated as a result of the proposals.

20. Terms of Reference

Considered report previously circulated, concerning the proposed Terms of Reference for the Tenant Services Management Board.

The Tenant Services Management Board was charged with the responsibility for ensuring the best possible standards of housing service to deliver to all Council tenants. It would assess the housing service of the Council and say where and how it could be improved. The Terms of Reference had been previously circulated for consideration and included the following:

- The Aims and objectives of the Board;
- Membership;
- Equal opportunities;
- Chairman and Vice-Chairman and their duties;
- Agenda and supporting papers;
- Statements, questions and petitions to the Board;
- Meetings;
- Exclusion of the press and public;
- Voting;
- Quorum;
- Board sub-committees or working groups;
- Annual General Meeting;
- Training opportunities;
- Information and consultation;
- Code of Conduct;
- Dissolution and removal of Chairman and Vice-Chairman;
- Changes to the Terms of Reference; and
- Interpretation and Review of the Terms of Reference.

Members of the Board suggested that the following amendments were made:

- 4.2 should be deleted;
- 4.5 should read 'The Councillor referred to in 4.4 can be any Councillor of the two main party groups except a member of the Executive;
- 4.9 – Board members should be elected every two years and the selection of which Board members retired, would be discussed at the Annual General Meeting; and
- 10.7 – Tenant Services Management Board minutes should also be distributed to the Shadow Executive Member for Housing.

Resolved that, subject to the amendments being incorporated, the Terms of Reference for the Tenant Services Management Board be agreed.

21. Code of Conduct

The Code of Conduct had been submitted for consideration by the Board. Members of the Board had to be aware of their responsibilities to represent all tenants of Taunton Deane Borough Council and to make decisions in an efficient, fair and responsible way. The Code of conduct set out the standards that the Board were required to achieve and all members had to sign a declaration that they agreed to observe the terms of the Code. The Code of Conduct included the following:

- Standards of Conduct;
- Personal Conduct;
- Non-Attendance;
- Conflicts of Interest;
- Confidentiality;
- Conduct during Meetings;
- Breaches of the Code of Conduct;
- Disciplinary and Appeal Procedures;
- Political Affiliation; and
- Expenses.

Resolved that the Code of Conduct for the Tenant Services Management Board be agreed.

22. Forward Plan

The forward plan was submitted for consideration.

Resolved that the forward plan be agreed.

(The meeting ended at 8.50pm)