



Minutes of the meeting of the EXECUTIVE SCRUTINY PANEL held on WEDNESDAY 29 SEPTEMBER 2004 at 5.30 PM

Present: Councillor Lloyd
Councillors Benning, Gerella, Hopkins (substitute for Councillor Jury), Long, Seymour and Tamagnini-Barbosa

Officers: J Holman (Director of Housing), P Wharfe (Head of Housing Strategy and Needs), J Moffoot (Head of Democratic Services) and L Hay (Senior Committee Manager)

Also Present: Councillor I Henderson (Responsible Cabinet Member) and Councillor R Edwards (in support of the call-in)

Apology: Councillor Jury

Public: H Taylor (Chair of the Housing Forum) and B Moore (Vice-Chair of the Housing Forum) and 1 member of the public.

ES03 MINUTES

RESOLVED –

That the Minutes of the Executive Scrutiny Panel meeting held on 22 June 2004, be approved and signed by the Chair as a correct record.

ES04 CALL-IN OF DECISION C41 – UPDATE ON STOCK OPTIONS APPRAISAL PROCESS FOR THE FUTURE OF THE COUNCIL'S HOUSING

The Panel considered a call-in requested by Councillor Nigel Long relating to a decision made by the Cabinet at its meeting held on 7 September 2004 (Update on Stock Options Appraisal Process for the Future of the Council's Housing) (Minute C41 refers) which resolved:

1. That once the consultation period has ended, tenants be given an opportunity to express their preference through a ballot.

2. That, at this stage, all the tenants' options be kept open be expressing an interest in the bidding rounds for Arms Length Management Organisations (ALMO) funding, Private Finance Initiatives (PFI) and stock transfer rounds in October 2004.

Councillor Nigel Long confirmed that he had called-in the decision made by Cabinet for the following reasons:

1. That the range of options being considered for consultation by the Council limited the opportunity to generate investment in a publicly owned housing stock. *(The Panel could consider options such as estate redevelopment to produce sustainable mixed tenure communities where the council would continue to be the principal landlord).*
2. That there was a need for public debate on whether a range of options may be available without privatising the housing stock. *(The Panel could consider if the current 3 broad options to be consulted upon are not too narrow and whether a range of options might avoid privatisation and meet both the short term (up to 2010) and longer term targets).*
3. That the proposed option of privatisation through stock transfer is too general and specific choices should be put forward in any consultative exercise. *(The Panel could consider the difference between privatisation to a housing company, to an existing housing association, to a co-operative to identify a few company structures).*
4. It is not clear why the Council is looking at privatisation rather than investment over the 30-year business planning period. This would allow the Decent Homes target of £58m to be met from existing resources (predicted to be £71m up to 2010) and the Standard Decent Homes target of £190m and the Standard Plus Decent Homes target of £220m to be met over the longer term. *(The Panel would wish to know that any Housing Association taking over council housing following stock transfer would plan to fund improvements over a 30 year period).*
5. The Council has not looked at the challenge of generating investment in existing council housing in the context of the growth of Milton Keynes and the work of the MK Partnership. *(The Panel could look at opportunities of working with the MK Partnership Committee to ensure it met its regeneration responsibilities).*
6. The Council was approaching the investment challenge without taking account of the need for Decent Communities and the need to improve other tenures often left next door to council properties or within the same block of flats *(The Panel could consider the issues and options that arise from low income home ownership on predominately council estates*

and from the large numbers of private rented, especially Houses in Multiple Occupation (HMOs) houses that have disrepair challenges)

Councillors Edwards and Long presented the reasons for the call-in to the Panel.

Councillor Long made reference to the Cabinet decision and stated that there should be a fourth option for tenants which was for the housing stock to remain in the control of the council. Councillor Long felt that the consultation process had been too general in its approach and should have been more in depth and engaging. He felt that if there were enough resources to reach a Decent Homes Standard (DHS) by 2010 then there should be no reason for the council to consider a Private Finance Initiative (PFI) option. He suggested that the Cabinet should consider initially aiming for a Decent Homes Standard then aim a higher standard over a longer period of time. Councillor Long then asked why the resources required for the Decent Homes Standard could not come from sale of land.

Councillor Long further reported that there was a need to generate funding in the council's housing stock, that privatisation was unnecessary and should be deleted from the Cabinet resolution. He added that privatisation of the housing stock could lead to tenants losing their 'Right to Buy'.

Councillor I Henderson (Responsible Cabinet Member) reported that tenants, via the Housing Forum, had been advised on stock options by an Independent Tenants Advisor and that the report to Cabinet had not indicated any preferred option. She added that the Council would have available to it funds of £58m which would meet the minimum Decent Homes Standard but this would not cover the provision of new windows, kitchens and bathrooms. The Cabinet Member reported that this option was unsustainable and would result in increased repair and maintenance costs.

Following full consideration of the matter, the Panel

RESOLVED –

That the Panel agrees with the decision made by Cabinet (Minute C41 refers) and that the decision not be referred back to the Cabinet for further consideration.

THE CHAIR CLOSED THE MEETING AT 7.45 PM