

Minutes of the meeting of the COMMUNITY AND HOUSING SCRUTINY  
COMMITTEE held on WEDNESDAY 25 JULY 2018 at 7.00 PM

**Present:** Councillor Ferrans (Chair)  
Councillors Ganatra, Geaney, Marklew, McDonald, Morris, Reilly and Wallis

**Officers:** M Kelleher (Service Director (Housing and Regeneration)),  
M Smith (Strategic Finance Business Partner (Housing and GEC)),  
E Richardson (Overview and Scrutiny Officer)

**CH03 DECLARATIONS OF INTEREST**

Councillor Wallis advised that she was a tenant of Milton Keynes Council.

**CH04 MINUTES**

RESOLVED –

That the Minutes of the meeting of the Housing and Community Committee held on 27 March 2018 and the special meeting of Community and Housing Scrutiny Committee held on 16 May 2018 be agreed and signed as correct records by the Chair.

**CH05 TERMS OF REFERENCE**

The Committee considered the revised Terms of Reference for the Community and Housing Committee and agreed that the amendments proposed by the Committee's Planning Group be submitted to the Scrutiny Management Committee for approval.

RESOLVED -

That the Terms of Reference a) and c) be amended as follows and submitted to the Scrutiny Management Committee for approval:

- a) Undertaking the Council's statutory scrutiny role in respect of scrutinising and reviewing crime and community safety, including anti-social behaviour and emergency planning;
- c) Reviewing the availability and provision of housing in Milton Keynes, including private sector housing and services relating to them.

## CH06

### APPOINTMENT OF CALL-IN SUB-COMMITTEE

The Chair explained the new procedures in relation to the call-in of decisions by the Cabinet, individual Cabinet Members or officer key decisions and that any such decisions which might be called in would be referred by the Scrutiny Management Committee to the relevant scrutiny committee.

The Committee noted that the Cabinet's decision made on 10 July 2018 in relation to the proposed referendum on the regeneration of Serpentine Court had been called in. The Call-in had therefore been referred to the Community and Housing Call-in Sub-Committee and a meeting scheduled for 6.30 pm on 1 August 2018. Democratic Services staff were in the process of organising a mediation session between the interested parties, although a time and date for this had not yet been agreed. The meeting on 1 August would only go ahead if the mediation session was unsuccessful. Members of the Committee confirmed their availability or otherwise if the 1 August meeting was required.

RESOLVED –

That all members of the Committee be appointed to the Community and Housing Call-in Sub-Committee for the Council year 2018/19, from which any 5 members (2:2:1) will form the Sub-Committee for any particular meeting in line with the overall proportionality of members on the Council.

## CH07

### SCRUTINY OF THE COUNCIL'S DRAFT HOUSING STRATEGY 2018-23

The Service Director (Housing and Regeneration) confirmed that publication of the consultation on the draft Housing Strategy 2018-23 was imminent and that once the consultation was complete, the Strategy would be revised where necessary and presented to the December Cabinet meeting for approval.

He further explained that the Council's previous Housing Strategy had only covered the period 2012-2015 and that since then there had been some significant changes to government policy, including the new homelessness prevention obligation on councils, the need to invest in affordable housing and the national planning strategy. It was, therefore, time to update the strategy to deal with these changes.

The Committee noted that the new draft strategy was based on four key priorities, identified the key housing challenges facing Milton Keynes and set out how the Council planned to tackle them.

The Committee then discussed the Draft Housing Strategy 2018-23 and the supporting *Evidence Base* paper which provided the background detail to the Strategy.

The Service Director (Housing and Regeneration) advised the Committee that following a stock condition survey during 2016/17 it

was found that 23% of council homes did not currently meet the Government's Decent Homes Standard. He admitted that he could not advise as to how long any of these properties had been below standard. Under the Decent Homes initiative many local authorities had invested in complete refurbishments of their housing stock, including the installation of new bathrooms and kitchens. Milton Keynes Council, however, had only done the minimum required rather than complete refits; it was now lagging behind other local authorities and needed to play catch-up. Local authority and housing association rents were also converging, although, on average, council rents in Milton Keynes were lower than in other similar authorities.

During the discussion the Committee also noted that:

- (a) The list of local priority needs had been developed with the Cabinet Member for Housing and Regeneration;
- (b) The Council needed to ensure that there was sufficient homes available to those on low incomes;
- (c) In the past, the main reason for people finding themselves in need of temporary accommodation or homeless was due to relationship breakdown. More recently the main cause was shorthold tenancies in the private rental sector coming to an end;
- (d) There was no legal obligation on the Council to work with the private rental sector, but there was a role for the Council to work with private landlords to encourage them to offer longer, more secure tenancies;
- (e) People were often unable to rent satisfactorily in the private sector due to a poor credit rating and the Council could sometimes help with the provision of a deposit;
- (f) The Council also offered an enhanced private sector leasing scheme where the Council acted as a letting agent for private landlords. The service could also include carrying out repairs to properties in return for landlords offering longer term leases of 5-7 years;
- (g) The definition of "housing need" used in the *Evidence Base* document was that used by the *Strategic Housing Market Assessment* (SHMA) and was broader than the statutory definition. In this context it referred to a person's inability to supply their own housing needs on the open market, and was not the same as someone with no housing options at all ie homeless;
- (h) The Council was only at the beginning of developing a long term strategy to provide sufficient housing in Milton Keynes. This was more than just about the Council as landlord which was covered by the draft Housing Revenue Account (HRA) Business Plan;

- (i) The content of the Draft Housing Strategy was being kept at a high level of information with the detail being provided elsewhere, such as Plan:MK, MK Futures 2050 etc;
- (j) The Council was already in discussions with other registered providers of social housing and saw its role as an enabler, bringing all the right parties together in order to make the strategy a success. It was not about where new housing went, that was for the Planning Department.
- (k) Although the Government now allowed local authorities to replace Right to Buy (RTB) properties on a like for like basis, they were still not entitled to keep 100% of the capital receipts from RTB sales;
- (l) "Other adaptations" referred to in point 3.6.2 (Accessible Housing) in the *Evidence Base* document included such items as an extra bedroom, stair lift or a through lift;
- (m) The reference to Travellers and the provisions to be made for them in the *Evidence Base* needed to be updated in the light of the current issues about Travellers' sites and the measures the Council was putting in place to resolve these.

RESOLVED –

1. That the Service Director (Housing and Regeneration) be thanked for his introduction to the Draft Housing Strategy 2018-23 and his contribution to the Committee's consideration of this item.
2.
  - (a) That the factual errors in the Draft Housing Strategy *Evidence Base* document pointed out by the Committee be corrected before the document is published for consultation; and
  - (b) That the Service Director (Housing and Regeneration) be asked to check the wording of the Draft Housing Strategy to ensure that it is clear, concise and easily understood by the lay reader.
3. That the Committee commends the draft Strategy's focus on the supply and delivery of affordable housing.
4. That the Committee is of the view that Priority 1 should include reference to providing housing that Milton Keynes needs, ie taking into account the mix of sizes and tenures that Milton Keynes needs according to the *Strategic Housing Market Assessment* (SHMA).
5. That the Committee is of the view that Priority 4 should include:
  - (a) A reference to the Council's role in carrying out enforcement action to improve housing across both the public and private sectors;

- (b) Explicit reference to the aim of encouraging longer term tenancies in the private rental sector.
6. That the Service Director (Housing and Regeneration) be requested to supply the Committee with:
    - (a) Details of the Council's offer as a management agent to private landlords in Milton Keynes;
    - (b) Data on overcrowding in council housing in Milton Keynes (and other tenures if known); and
    - (c) Data on the need for housing of different sizes among those of priority need, taking into account their likely household growth over the next 10 years (ie projecting the need likely due to extra children, or those children growing older but still living at home).
  7. That the above data be published on the Council's website by 31 August 2018 so that it will be available to assist those responding to the consultation.
  8. That the Service Director (Housing and Regeneration) be requested to update the section on the provision for Travellers in line with the current issues about Travellers' sites and the measures the Council is putting in place to resolve these.
  9. That the Service Director (Housing and Regeneration) be requested to provide an estimate of the number of households currently seeking council housing.

## **CH08**

### **SCRUTINY OF THE HOUSING REVENUE ACCOUNT BUSINESS PLAN MODEL**

The Strategic Director (Housing and Regeneration) introduced the item by explaining that the development of a Housing Revenue Account (HRA) Business Plan was a new approach to managing the HRA by Milton Keynes Council. How the money in the HRA was spent was not just about repairs and maintenance. There was a need to identify standards for those repairs and maintenance and setting priorities for the older housing stock compared to any new housing provided for future generations.

He went on to say that a 30 year programme would be set out in the Business Plan with sufficient income coming in from rents to cover all the Council's liabilities and outgoings as landlord. The Committee was advised that there would be some unknowns during the 30 year period but it was essential to pare back assumptions. The draft Business Plan was based on the minimum investment needed to comply with current legislation on the standard of council housing. However a robust analysis of the figures showed that there would be more than enough in the HRA to cover this. It was necessary, therefore, to have a conversation with council tenants and leaseholders about how the surplus should be spent to ensure that the HRA budget remained balanced in the future.

The Committee learnt that there was currently a backlog of £75m worth of repairs, including the 23% (2,645 properties) of the Council's housing stock which currently did not meet the decent homes standard; the national average was 13% of council homes below the Decent Homes standard. The Service Director (Housing and Regeneration) was unable to give the Committee an idea of how long there had been a backlog but re-assured the members that the £80m held in reserve for this purpose would be more than enough to cover this.

The Committee noted that the Housing Service and its finance team were working on a 5 year investment plan to deal with the most urgent works. At present, Mears only had the capacity to handle £15m worth of work each year but they hoped to be able to increase this to £30m pa in the future. The Service Director (Housing and Regeneration) said that ideally he would like this to be increased to £40m pa for 5 years in order to get the backlog cleared quickly. The Council's aspiration to improve its housing stock had always been above that required by the Decent Homes standard but in the past the Council had only been able to do the minimum necessary and not achieved its targets.

The Service Director (Housing and Regeneration) explained that the modelling of the draft HRA Business Plan had been carried out in order to obtain an estimate of what cash would be available during the life of the Business Plan over and above the baseline amount necessary for the Council to carry out its obligations required by current legislation.

In response to a question about whether the Council had the capacity to carry out such an ambitious renewal programme if it did not have the manpower, the Service Director (Housing and Regeneration) confirmed his earlier point that it would take time for the Mears Group to deliver an investment programme of £30m per year. The recent Stock Condition Survey had given the Council an good idea of the amount of work which needed to be done to deliver these improvements and he was confident that the Council had the capacity to manage and monitor delivery.

The Service Director (Housing and Regeneration) went on to say that it was vitally important to work with tenants to develop the offer, which was standard practice elsewhere. Plans were in place to engage with council tenants across the whole of Milton Keynes. Apart from the material and on-line consultation on the Council's website, there were also plans for roadshows, meetings with residents' groups, 1-2-1 conversations with tenants etc. He added that in the past the Council had expected tenants to understand what it was doing, without giving them sufficient information, or the skills to contribute to any debate. Once the consultation was complete the Council would need to look at how it prioritised what tenants wanted to see happen.

During the discussion the Committee also noted that:

- (a) The Council hoped to deliver 500 new council homes by 2022;
- (b) The like for like replacement of properties sold under the Right to Buy (RTB) scheme was through a combination of new builds, purchases on the open market and grants to housing associations;
- (c) The Council had had to hand back £150k of underspend on RTB receipts to the Government over the last four years;
- (d) There had been a tailing off of RTB sales, possibly due to the rapid increase in property prices matched against stagnation in wages. RTB was no longer an affordable option onto the property ladder that it once was;
- (e) Although the Council had a statutory obligation to invest in its housing stock in order to maintain it for the long term, it could not force tenants to have new bathrooms, kitchens or other improvements if they did not want them;
- (f) The Council was in a better position to carry out more positive investment in its housing stock in the future than some other local authorities;
- (g) Once agreed, the HRA Business Plan would be refreshed every year in consultation with tenants.

**RESOLVED –**

1. That the Service Director (Housing and Regeneration) be thanked for his introduction to the Housing Revenue Account Business Plan Model and his contribution to the Committee's consideration of this item.
2. That the Service Director (Housing and Regeneration) be asked to check the wording of the consultation document on the Housing Revenue Account Business Plan to ensure that it is clear, concise and easily understood by the lay reader, particularly in respect of how the Housing Revenue Account reserves will be allocated and used.
3. That the Service Director (Housing and Regeneration) be asked to circulate the consultation pack to the Committee for a final check to ensure it makes sense before publication.
4. That the Service Director (Housing and Regeneration) be requested to provide the Committee with an estimate of the total cost of bringing the Council's housing stock up to the Decent Homes Standard.

**CH09**

**2018/19 WORK PROGRAMME**

The Committee considered its Work Programme for 2018/19 and requested that the autumn meeting be arranged to allow pre-decision scrutiny of the new Housing Strategy and the HRA Business Plan before they were considered by Cabinet in December.

The Committee discussed the “community” aspect of its remit and expressed the view that in future it would more appropriate for it to receive the annual report by the Police and Crime Commissioner and Chief Constable of Thames Valley Police rather than by full Council. It noted that various topics which would have been considered by this committee if it had been in existence prior to May 2018, had, of necessity, been picked up by the existing scrutiny committees at the time. The Committee hoped that as it matured as a body it would be able to pick these items up in future.

RESOLVED –

1. That the Overview and Scrutiny Officer be requested to investigate the possibility of moving the meeting currently scheduled for 7 November 2018 to the week commencing 12 November 2018 and if this is possible, make the necessary arrangements for the revised date.
2. That where reports from other committees are included in agendas for scrutiny by the Community and Housing Scrutiny Committee, a covering report be included in order to avoid confusion as to what the Committee is required to do.
3. That the Committee’s Planning Group reviews the balance in the Work Programme between housing and community matters. Whilst the Committee acknowledges the continued importance of housing issues in Milton Keynes, it considers that equal weight should be given to wider community issues.
4. That the Scrutiny Management Committee be requested to add to the Committee’s Work Programme an investigation into the levels of gambling in the local community and the problems this may cause, together with scrutiny of how the gambling levy from the casino is being spent and whether the preventative measures it is funding are effective.
5. That the Overview and Scrutiny Officer be requested to continue to monitor the Council’s Forward Plan in order to bring to the Planning Group’s attention any items within the Committee’s remit it might wish to scrutinise.

THE CHAIR CLOSED THE MEETING AT 20:54