

Minutes of the meeting of the HOUSING AND COMMUNITY COMMITTEE held at 7.00 PM on TUESDAY 19 DECEMBER 2017

- Present:** Councillors C Williams (Chair), Coventry, Ferrans, Ganatra, Geaney, P Geary, D McCall and Wallis
- Officers:** M Kelleher (Service Director: Housing and Regeneration), M Smith (Strategic Finance Business Partner (Finance and GEC), E Richardson (Overview and Scrutiny Officer)
- Also Present:** M Dunn (Secretary, Fullers Slade Residents' Association), B Wilde (Chair, Fullers Slade Residents' Association) and S Taylor (Tinkers Bridge Residents' Association)
- Apologies:** Councillor Hosking
- Disclosures:** Councillor D McCall declared an interest in Item 5 as an employee of the Milton Keynes Winter Night Shelter and advised that he would leave the room during discussion of Item 5.

HAC22 MINUTES

RESOLVED -

That the Minutes of the meeting held on 8 November 2017 be agreed and signed by the Chair as a correct record.

HAC23 WINTER PROVISION FOR STREET HOMELESS / ROUGH SLEEPERS

Witness: M Kelleher (Service Director: Housing and Regeneration)

The Service Director (Housing and Regeneration) reported that the Winter Night Shelter had been operational since the beginning of December. It had been providing overnight accommodation for 15 rough sleepers but with additional funding from the Council this would be increasing to 30 from the third week in December.

Opening of the BusShelter Project had been further delayed but once fully operational this would provide accommodation for a further 15 rough sleepers.

The joint outreach service with Bedford, Central Bedfordshire and Luton Councils was now operational and was encouraging rough sleepers to engage with the relevant local authorities and other



support services in order to try and resolve issues of accommodation, employment etc.

The cold weather in the second week of December meant that the Council's Severe Weather Emergency Protocol had been put in to operation. Over 7 days the Council had provided temporary accommodation for a total of 59 individuals, 3 of whom were now working with the Council towards the provision of permanent accommodation.

The Committee enquired as to whether there had been any progress in resolving the outstanding issues in relation to getting the BusShelter MK project operational and requested that the Service Director (Housing and Regeneration) updated the Committee in writing.

RESOLVED -

1. That Michael Kelleher, Service Director (Housing and Regeneration) be thanked for his update on the provision of support for street homeless / rough sleepers during the winter 2017/18 period.
2. That Michael Kelleher provides the Committee with a written update on the progress to resolve the list of outstanding issues before the BusShelter MK Project can become fully operational, which was previously supplied by the Committee's Planning Group.
3. That the Committee's draft response to the Draft Rough Sleeping Reduction Strategy 2017-2020 be approved and submitted as part of the current consultation on the said Strategy.

HAC24

HOUSING REVENUE ACCOUNT AND HOUSING AND COMMUNITY GENERAL FUND 2018/19 DRAFT BUDGET PROPOSALS

Witnesses: M Kelleher (Service Director: Housing and Regeneration), M Smith (Strategic Finance Business Partner (Housing and GEC))

The Committee noted that the Budget Scrutiny Committee had already scrutinised the 2018/18 draft budget proposals for the Housing Revenue Account (HRA) and the Housing and Community General Fund, making a number of recommendations.

Councillor P Geary, as a Vice-Chair of the Budget Scrutiny Committee, outlined the work already done by that Committee. He highlighted the main areas of concern in the draft budget proposals as follows:

- (a) The Budget Scrutiny Committee would be seeking re-assurance that the Council was getting value for money when

it purchased properties on the open market to add to its housing stock;

- (b) The roll-out of Universal Credit needed to be monitored closely to ensure that a higher than anticipated level of rent arrears did not accumulate and reduce the investment capability of the HRA in the Council's housing stock;
- (c) The Budget Scrutiny Committee had identified the forthcoming HRA Business Plan as a major item for scrutiny in the new year and as a force for taking the HRA forward;
- (d) The Budget Scrutiny Committee had also discussed the use of reserves in the HRA.

Having noted that the cost of upgrading a property bought on the open market up to the Council's standard could cost as much as £25k, the Committee expressed concern as to whether the Council was getting value for money from this approach. The Service Director (Housing and Regeneration) advised that he thought the Council's current approach to repairs and void properties could be improved upon. The new HRA Business Plan included mechanisms for investing in existing properties and for building new ones, and he would welcome scrutiny of the proposals in the Business Plan once it was published. He also advised that the Council was now in the third year of its current repairs contract and the quality of the work and service delivery had greatly improved, with tenants reporting a high level of satisfaction. However, there was still work to be done to assess the quality of the Council's housing stock and what needed to be done to bring all properties up to modern standards.

In relation to the acquisition programme, the Service Director advised that an assessment of the cost of refurbishment was carried out before an offer was made and that this was then taken into account when an offer was made; offers for such properties made by the Council were always well below the asking price to allow for the cost of any repairs. Again, details of this approach were being included in the HRA business plan. In response to a question from a Residents' Association representative, he re-assured the meeting that the Council did not purchase any properties with tenants in them; all purchases on the open market were with vacant possession.

He also confirmed that since November 2017, social rents were assessed at the Local Housing Allowance rate and that plans were in place to handle a possible reduction in collection rates due to the introduction of welfare reform through Universal Credit. However rents for new build council properties and open market acquisitions were slightly higher than social rents but still within the Local Housing Allowance limits.

The Committee raised concerns about the ongoing 1% rent reduction imposed by the Government on HRA properties,

particularly with the number of properties reducing, and whether it would put undue pressure on HRA income. Concern was expressed about HRA revenue being used to maintain communal amenity areas on estates which now had a mixture of council and privately owned properties and sought assurances that some of these costs were covered by contributions from the Housing and Community General Fund.

The HRA Business Plan was being developed to control spending, rather than deliver cuts as it would cover the Council's housing plans for the next 30-60 years. The Council needed to take a long term view of its obligations which would give a better assessment of costs. It was a more intelligent approach to invest in properties sooner rather than later and do necessary repairs and refurbishments before things became critical.

The cost of temporary accommodation was met from the General Fund. The Council was investing in more staff to help handle applications more efficiently. The number of households in temporary accommodation in June had been 805; this was now down to 650 and was continuing to fall.

Michael Kelleher advised that the Homelessness Reduction Act would mean an increase in footfall in people seeking help with accommodation from the Council. However, it also removed many of the qualification criteria, making it easier to deal with individuals. Under the Act, the Council had a duty to prevent homelessness, rather than having a crisis management approach once people were already homeless.

The Committee was also advised that Right to Buy was becoming a less significant issue and the number of properties sold under the scheme was starting to reduce. In future it was hoped that new build and open market acquisitions each year would exceed the number of properties lost to Right to Buy. Over the last 4 years the Council had built 51 new properties and purchased 76, a total of 127. The number of Right to Buy sales over the same period was 280. Although this was a significant gap, the Council was committed to increasing its existing stock by building new houses, buying appropriate stock on the open market and improving its existing stock.

Michael Kelleher also confirmed that the Regeneration Fund would cover the costs of the Council's regeneration programme; it would not be met from the HRA.

RESOLVED -

1. That Michael Kelleher and Mark Smith be thanked for their attendance at the meeting and their contribution to the Committee's consideration of this item.
2. That the Cabinet be advised the Housing and Community Committee endorses the report on the 2018/19 Draft Budget

Proposals for the Housing Revenue Account and the Housing and Community General Fund.

3. That the reduction in rental income due to the roll-out of Universal Credit and changes in the Welfare Reform and Work Act, reducing the ability of the HRA to finance investment in the housing stock, is closely monitored by the Housing Service in order to minimise the risk to the HRA from a higher than anticipated level of rent arrears.
4. That scrutiny of the emerging draft HRA Business Plan be added to the Committee's Work Programme.
5. That, in association with the recommendation from the Budget Scrutiny Committee, the Scrutiny Management Committee be requested to establish a Task and Finish Group to review whether, in the light of the soon to be available new Housing Revenue Account Business Plan, the balance between responsive and planned repairs and maintenance is reasonable and fair to tenants, and that works are being carried out properly.
6. That Mark Smith be requested to provide the Committee with a briefing paper outlining the process used by the Council to purchase suitable properties to add to its housing stock on the open market, and quoting a few examples of asking price, price paid, what needed to be done to bring the property up to standard, the costs of fixing any such issues, and the length of time before new tenants were in place.
7. That, arrangements be made for those councillors from both the Housing and Community and Budget Scrutiny Committees with experience of buying and selling property on a regular basis to meet with members of the Council's Property Services Team to scrutinise in more detail how the Council purchases existing properties for its social housing portfolio.
8. That the Committee writes to the MPs for Milton Keynes, expressing its concern at the continued 1% reduction in dwelling rents and requesting their support in making a special case for Milton Keynes to be exempt from this continued reduction due to its present and future rapid growth and development.

HAC25

PLAN:MK CONSULTATION – SECOND STAGE

Following the first round of consultation earlier in 2017 Plan:MK had been considerably revised and was now subject to a further round of consultation, scheduled to close on 20 December 2017. This consultation was being undertaken to specifically address the following two questions set out in the Planning and Compulsory Purchase Act 2004 (as amended):

Does the Plan:MK comply with the **legal requirements** for the preparation of the Plan?

(a) Is Plan:MK a **sound** plan for the future of Milton Keynes?

The Committee discussed the revised Plan:MK and agreed that the following comments should be submitted to the current consultation on its behalf:

- The Housing and Community (Scrutiny) Committee is not aware of any reason as why Plan:MK October 2017 should not be considered as legally compliant.
- The Housing and Community Committee considers Plan:MK October 2017 to be basically sound;
- However, the Committee is of the view that some changes to the wording of Policy HN2 need to be made in order to strengthen the aims of the policy, making it more robust and positive in its approach;
- Development proposals for 11 or more homes ~~should~~ **will** be provided at least 31% and generally no more than 50% of those homes as affordable housing;
- The design, siting and phasing of affordable housing within development proposals should ensure its proper integration and timely provision as part of the wider development to contribute towards creating sustainable, mixed and inclusive communities. Piecemeal proposals for fewer than 11 homes across areas of land that would ordinarily provide a higher number of homes will not be accepted except where it is consistent with an approved **masterplan that demonstrates that the total housing and affordable housing requirement will still be met overall**;
- The Housing and Community Committee to express an interest in sending a representative(s) to share its views on PlanMK with any hearings which may take place.

RESOLVED -

1. That the Chair and Overview and Scrutiny Officer, in consultation with the Vice-Chairs, prepares a response on behalf the Committee to ensure that it meets the consultation deadline of 5.00 pm on 20 December 2017
2. That the Committee is concerned that submissions to the consultation submitted by Residents' Associations and other such groups should be treated as a corporate submission on behalf of those groups and not as if it were a submission on the part of private individuals.

HAC26

2017/18 WORK PROGRAMME

The Chair advised that he had received a request from the Citizen's Advice Bureau to attend a future meeting of the Committee to discuss the volume and variety of housing related issues they have had to deal with over recent years. The Committee agreed to invite them to attend the meeting scheduled for 31 January 2018.

The Committee also discussed possible arrangements for the proposed joint Task and Finish Group with the Budget Scrutiny Committee to review the new HRA Business Plan currently being developed. The Committee would like to see scrutiny of the Business Plan take place during both the final stages of development and after publication of the draft. However, this would be subject to approval by the Scrutiny Management Committee.

The issue of local private landlords illegally keeping deposits was also raised would be added as a possible item to the draft 2018/19 Work Programme.

RESOLVED -

That arrangements be made for the Chief Executive and the Chair of the Board of Trustees of the Milton Keynes Citizen Advice Bureau (CAB) to attend the meeting scheduled for 31 January 2018 to discuss with the Committee the number and range of housing related issues the CAB has dealt with in the past year.

THE CHAIR CLOSED THE MEETING AT 8.52 PM