



Minutes of the special meeting of the BOROUGH WIDE HOUSING BOARD held on WEDNESDAY 8 DECEMBER 1999 at 5.30 pm

**Present:** Councillors I Wilson (from 6.35pm) and Woodcock

- |              |   |  |
|--------------|---|--|
| C Allum      | - | Downs Barn Residents Association<br>(Central Area Housing Board)                         |
| J Blake      | - | Central Milton Keynes Residents Association<br>(Central Area Housing Board)              |
| A Laing      | - | Saints/Racecourse Residents Association<br>(Bletchley Area Housing Board)                |
| J Marling    | - | Lakes Estate Residents Association<br>(Bletchley Area Housing Board)                     |
| B Moore      | - | Hanslope Residents Association<br>(Netherfield/Newport Pagnell Area Housing Board)       |
| P Prop       | - | Tinkers Bridge Residents Association<br>(Netherfield/Newport Pagnell Area Housing Board) |
| A Richardson | - | Beanhill Residents Association<br>(Netherfield/Newport Pagnell Area Housing Board)       |
| M Simm       | - | Fullers Slade Residents Association<br>(Bradville/Greenleys Area Housing Board)          |

**Officers:** D Boobier (Head of Policy and Support Services), C Jones (Tenants Participation Officer), D Jones (Strategic Director Neighbourhood Services), D Nickless (Head of Neighbourhood Services), T Huff (Finance Manager), B Marsden (Senior Committee Manager) and S Stares (Committee Manager)

**Also Present:** Councillor P Day (from 7pm)

- |                             |   |   |
|-----------------------------|---|---|
| <b>Apologies:</b> G Byfield | - | Conniburrow Community Association<br>(Central Area Housing Board)     |
| B King                      | - | Bradwell Common Residents Association<br>(Central Area Housing Board) |

## 1.0

### PRESENTATION ON THE HOUSING REVENUE ACCOUNT

Tony Huff (Finance Manager) presented a report on the Housing Revenue Account, and distributed expenditure estimates based on latest information which included built-in inflation. A copy is attached as **Annex A** to the Minutes.

T Huff explained that debt charges were expected to fall because of decreased interest rates, but any gain on debt charges would be reclaimed by the Treasury. He also drew attention to figures for guideline rent increases, which had been announced as 3.5%.

A Richardson asked for an explanation of the large increase in Estate Management, which was estimated to rise at over £100,000 per year for three years. T Huff stated these figures included budgeted 2.5% pay awards, and increases for staff increments. Also included in these figures were allowances for job evaluation appeals settlements. The figures were based on a full establishment model minus a 3% staff vacancy level.

T Huff said the estimates did not take into account CCT bids as it was not safe to build in savings from CCT bids and then find that savings were not forthcoming.

A Richardson asked for clarification regarding bad and doubtful debt provision figure of £690,000. T Huff explained that this was based on the assumption that rent arrears would be the same as at 31 March 1999. Another factor preventing the reduction of the £690,000 was that a figure of 95% for provision needed to be set aside to cover debts as they became older. It was noted that approximately 55% of the figure for bad and doubtful debt related to rent accounts; approximately £300,000 represented rechargeable works, and approximately £100,000 - £150,000 to housing benefit non-collection.

A Richardson expressed concern regarding tenants' anxieties about increasing rent arrears. D Jones replied that the Neighbourhood Services Directorate Management Team had been aware of the upward trend in rent arrears; however, accurate figures relating to rent arrears would be available in the new year and be accessible from the new IT system installed for Housing accounts. D Nickless stressed that a top priority was to reduce arrears. In response to a question from D Boobier, T Huff confirmed that the provision for bad debt was based on arrears being no higher than at the end of 1998/99.

## 2.0

### CAPITAL ALLOCATION 2000/2001

T Huff reported to the meeting that Milton Keynes Council had just been informed by the Government of its capital allowance for 2000/2001, set at £4.843 million. The figure amounted to £1.5 million more than had been bid for, and contrasted with £2.729 million allocated for 1999/2000. From this £4.843 million, an adjustment for capital receipts had to be deducted, which gave the Council the potential to borrow £4.738 million. The Government's contribution towards DFGs (60%) was added to give a total figure of £4.939 million. The next meeting of the Housing Committee would consider how to allocate this budget to different areas of work. T Huff informed the meeting that the subsidy implications of the capital allocation were still awaited.

### 3.0

#### PROVISION OF SERVICES

T Huff asked tenants' representatives for their opinions on the funding of services for tenants' gardens, OAP redecorations, a handy person service and a caretaker service. The costs of OAP redecorations and tenants' gardens had been built back into the base budget for 2000/01 but not the latter two services. The funding of these services was discussed, and the possibility of improving and charging for them, with the possibility of ring-fencing any income for the repairs budget, was discussed.

A Richardson expressed concern that the elderly and disabled could be adversely affected by this strategy, and suggested that an overall Review of Sheltered Housing Schemes should be seen before this matter was formally addressed.

A Richardson expressed doubt that housing estates in Milton Keynes would be suitable for a handyperson service. Councillor Woodcock stated that it would be difficult to offer such a person accommodation.

In response to a question from Councillor Woodcock, D Nickless confirmed that grass-cutting services were available to retired or disabled Council tenants only. A Richardson stated that if charges were introduced, grass-cutting responsibilities in tenancy agreements should be enforced.

### 4.0

#### RENT MODELLING

T Huff presented four rent modelling proposals in order to determine tenants' preferred strategy for increasing income in order to rebuild the housing repairs budget. A copy is attached as **Annex B** to the Minutes.

A Richardson stressed that the housing stock was in urgent need of repair work, and the longer it took to restore the repairs budget, the more stock would deteriorate. He asked whether a suggested one-stage 18% rise in rents could be introduced in two stages. T Huff replied that to achieve a substantive 18% increase in this way would require the two increases to be set at approximately 12%.

In response to a question from A Laing, T Huff explained that an 18% rent increase would immediately restore the repairs budget to its level two years ago. The other three models proposed would restore it to that level in stages. Adopting one of these three would not necessarily result in the degeneration of the housing stock, given the increased capital allocation for 2000/2001. The introduction of resource accounting would address this concern of clearing backlogs in accounts.

B Moore reported that a tenant had asked if rent increases would mean that Milton Keynes Council could guarantee not to cut services. Councillor Woodcock replied that such a guarantee would be unrealistic. D Boobier stated that tenants must be involved in the process of balancing the housing budget.

T Huff stated that rents needed to be increased by at least 10% unless other ways of saving were found, and the Board agreed that rent increases must be balanced by improvements in services. A vote was taken on the two most

popular options in order to decide which should be recommended to the Housing Committee for adoption. The voting was as follows:-

Six (6) members voted in favour of a single 18% increase in rents;

Two (2) members voted in favour of a 12% increase in rents.

**RECOMMENDED –**

That the Housing Committee approve an increase in rents of 18%.

**THE CHAIR CLOSED THE MEETING AT 7.10 PM**