

CABINET MEMBER FOR HOUSING

RECORD OF DECISIONS taken by the Cabinet Member for Housing, Councillor Darren Sanders, at his decision meeting held on Tuesday, 28 January 2014 at 4.00 pm at the Executive Meeting Room - The Guildhall

Present

Councillor Darren Sanders (Cabinet Member)

Councillor David Horne
Councillor Luke Stubbs, Spokespersons

1. Declaration of Interests (AI 1)

Councillor Darren Sanders made a declaration: he does not have a disclosable pecuniary interest in that his mother is a city council tenant living in one of the properties subject to a rise in heating charges (at Horatia House).

2. Apologies for Absence (AI 2)

There were none.

3. Council Housing Budget 2014/15 (AI 3)

Councillor Sanders welcomed everyone to the meeting and asked Nick Haverly Finance Manager, as the report author to present the report of the Head of Housing & Property Services and Head of Finance & Section 151 Officer. A year ago on 29 January 2013 a three year rent policy had been set on the principles of convergence and rent recovery. However this paper now revised these principles due to changes in government policy as rent increases were to be set by CPI plus 1%. The paper set out two options: Option 1 - to honour the previous year's decision with a 5.6% increase in rents but for the Housing Revenue Account to be no worse off this would need reduction of maintenance to council housing properties amounting to over £1 million each year. Option 2 would bring forward the £1.45 rent increase of 2016 into next year (2015) however there would be a freeze on the general service charges and for sheltered housing and laundry charges to help offset this increase.

All other charges in the report were linked to the previous decisions and PCC policies. These options had been fully consulted through the House Talk magazine and residents' meetings had been held including at Wecock Farm, Leigh Park and Paulsgrove area offices. The work of all involved in this process was appreciated.

The results of consultation on the two proposed options were reported in that last year there had been 58 responses via the House Talk article and ten had attended area meetings as well as taking part in block meetings. The total

number of responses had been 211. This year the Residents' Consortium had controlled the consultation process and there had been a four page supplement in the House Talk magazine and meetings in the area offices there had been 47 responses, 37 of which favoured option 2 and 10 option 1 (79% in favour of option 2).

Deputations were then made by residents' representatives, firstly by Maria Cole who indicated that the majority at the Residents' Consortium meeting had favoured option 2 as they felt that they could not afford to lose the repairs budget which was key to maintaining standards of housing. Raymond Hoult then spoke as a representative of Horatia House where he had spoken to 60 people, 52 of those had indicated their preference for option 2. Maria wished to add that there had been disquiet about how the changes had been implemented by the government and it was hoped that the Cabinet Member would write to the government regarding the change in procedure. Terry Bryant then spoke reiterating that tenants were unhappy with the way that the government had pressurised the city council and felt that Portsmouth deserved better.

Councillor Sanders took on board the concerns of the residents. He had been contacted by the Residents' Participation Manager, Bill Moody; it was felt that with the government "moving the goalposts" it was hard for people to engage in a meaningful way in this process. Councillor Sanders would work with the officers to see how there could be improved communication of the rent consultation process.

Councillor Horne asked how the proposals might affect tenants going into debt and it was reported that 60% of tenants were in receipt of some form of housing benefit so should not be affected by the increases. This year's increase would be less than had been previously agreed but at the expense of frozen charges. It was also reported that there would be housing and money advisers working in the local offices to provide debt advice. Councillor Sanders stressed that he would continue to strive for further efficiencies in the works programme. It was hoped by freezing charges this would make the proposals cost neutral.

Councillor Luke Stubbs was supportive of option 2 and was disappointed that there had been a low response level. He had only received representation within his ward regarding the mobile homes charges for which he understood their concerns. It was reported that the mobile homes charges were on an inflationary index to give security for their future tenancies at the parks as well as to provide an income to the Housing Revenue Account. Councillor Sanders thanked everyone for their useful input to this meeting.

Further to the desire of residents' groups to know the reasons behind decisions, and in the interests of transparency, the Cabinet Member explained the reasons for each of his decisions as follows:

- (i) There is a need to have an effective date for rents and charges to be effective.

- (ii) Option 2 was overwhelmingly backed by respondents to the House Talk consultation and in meetings where this had been discussed. Due to the freezing of charges, it was also the option that would have the least impact upon residents, whilst ensuring that maintenance can be delivered for their homes.
- (iii) This allows for a convenient break point to move to a formula rent and will protect existing tenancies.
- (iv) There was general support for the principle of households with, in effect, an income of £80,000 paying more. However, the current proposal for implementation may lead to significant administrative difficulties that may threaten its effectiveness.
- (v) It is important to work with residents to develop these changes.
- (vi) This was in line with previously agreed rises.
- (vii) The proposed increase in mobile home licence fees was in line with a previously agreed index.
- (viii) The proposal would balance the need for affordable parking for people living in PCC properties and the Portsmouth Parking Policy.
- (ix) This is a technicality
- (x) This is also a technicality to allow the budget to function
- (xi) The Cabinet Member added this recommendation as he was keen for further discussions to take place and lessons to be learnt on how more people can be involved in similar consultation exercises in future.

DECISIONS:

- (i) **All new rents and charges to be effective from 4th April 2014 or such other date as determined by the Head of Housing and Property Services (HHPS) in consultation with the Head of Finance and Section 151 Officer (HFS).**
- (ii) **Dwelling rents, general service charges, sheltered housing charges and laundry charges for next year to be set in line with Option 2 and the associated principles set out in the report.**
- (iii) **Dwelling Rents to be increased to formula rent when tenancies change.**
- (iv) **Subject to legislative changes being implemented, PCC will consider adopting a policy of charging higher rents to those households earning over the £60,000 taxable income threshold, with a review of the options and consequences of pursuing being presented at a future meeting.**

- (v) A new method of calculating Sheltered Housing charges will be developed in consultation with residents during the forthcoming year for implementation in 2015/16.**
- (vi) Heating Charges were set in accordance with Appendix 10.**
- (vii) Mobile home license fees as shown on Appendix 11 were approved.**
- (viii) Garages and parking site rents as shown on Appendix 11 were approved and authority to let garages at reduced rents where demand is low was delegated to Head of Housing & Property Services in consultation with the Head of Finance and Section 151 Officer.**
- (ix) Revenue budgets for 2013/14 and 2014/15 were approved and authority given to the HHPS in consultation with the HFS to amend the budgets to reflect the latest available information prior to finalising budgets for 2014/15.**
- (x) The relevant Managers be authorised to incur expenditure in 2014/15.**
- (xi) The Cabinet Member for Housing work with officers and residents' groups to discuss ways to increase the response rate to the annual consultation process on setting the Council Housing Budget.**

The meeting concluded at 4.30 pm.

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Councillor Darren Sanders
Cabinet Member for Housing