

**Borough of Poole & Poole Housing Partnership
Housing Options Appraisal
Residents' Panel Meeting**



NOTES OF THE MEETING OF THE RESIDENTS' PANEL

HELD ON THURSDAY 1ST OCTOBER 2009 AT 1600HRS

AT THE CIVIC CENTRE, POOLE

The meeting commenced at 1600hrs and finished at 1800hrs

This was an open meeting of the Residents' Panel to discuss the response to the Government's consultation paper on the reform of the national system for funding Council housing.

A presentation by Robin Ingleton, Graham Moody, David Mullany and Joe Logan reviewed the questions posed by Government in their consultation paper.

The key messages arising from the meeting were as follows:

Residents want the Council and PHP to maintain the stock and provide management services to the same standards that have been achieved over the past four to five years. Residents acknowledged the difference the investment had made. Initially some tenants may not have pressed for improvements but once new kitchens and bathrooms are fitted they make a significant difference to people's lives.

The Government should follow its own research when assessing the cost of maintaining and repairing the stock, i.e. the major Repairs Allowance should be increased.

The 30-year business plan should include all necessary works and should not exclude backlog repairs or adaptations. It should be flexible enough to absorb the effects of changes in interest rates and inflation. We do not wish to rely on capital grants whose availability might be uncertain.

Residents are generally in favour of a self-financing model that would transfer responsibility to the Council so long as the business model is robust enough. The amount of debt taken on by Poole should be a relatively low amount to provide sufficient resources for management and maintenance and to provide for risk.

Council tenants should not be subsidising the Council Tax payer or wider public either through any surplus made by central government as a result of the subsidy system or through the HRA paying for services that benefit the wider public. We should give a strong message to government that the national debt settlement should not result in a continued 'tax on tenants'.

Residents were very concerned that a failure of Government to legislate could mean the proposals will never be implemented and that Poole will be left with a significant shortfall in the resources required to maintain and manage the stock at a high standard. Concern was also expressed about the cost of the options appraisal especially as no clear solution is evident.

Residents were concerned that a self-financing system does not leave the council open to undue risk. Central Government should retain the power to intervene in the same way as the Tenant Services Authority can do with Housing Associations.

Residents reinforced the view that the Council should have discretion on how to spend surpluses or receipts from RTB. They acknowledged the need to strike a balance between new housing and maintaining the existing stock. Rents in the private sector are too high and it is important to provide new affordable housing.

It is crucial that the Council and PHP have sufficient resources to tackle ASB.

	<u>THE REFORM OF COUNCIL HOUSING FINANCE</u>	
	<p>Graham Moody reported that the consultation document following the Government's review of Council Housing Finance was released on 21st July. The consultation period is 14 weeks and responses should be received by Government by 27th October.</p> <p>GM delivered a presentation about the Reform of Council Housing Finance.</p> <p>GM's presentation covered the following areas:</p> <ul style="list-style-type: none"> - The Housing Revenue Account - The current HRA subsidy system - The current HRA receipts system - Joint CLG/Treasury review - Background to the review - Key findings of the review – 2 main options <ul style="list-style-type: none"> o Increasing allowances and reducing volatility within the current system o Self-financing <p><u>Self Financing</u></p> <ul style="list-style-type: none"> - The HRA keeps all its rent income in exchange for a one-off debt adjustment - The debt is calculated as the amount that future net rents less sustainable management, maintenance and major repairs costs can pay off over 30 years - Inflation and interest rate risks taken by the HRA - Cost allowances in the debt calculations to be at the revised 'sustainable' levels - Investment standards to be extended beyond the Decent Homes Standard to cover some communal amenities. The Paper is not clear on what communal amenities would be included, and some might be subject to bidding for capital grant programmes. Further energy efficiency improvements will also be introduced. - Risk issues to be overseen and managed by the TSA with Government as a long stop - Retain the HRA ring fence and set new principles to decide how particular services should be paid for - Govt would <ul style="list-style-type: none"> o Limit HRA borrowing o Be able to adjust the HRA debt for policy changes o Create an HRA Capital ring fence - Allow 100% of all HRA receipts to be retained by 	

local authorities, with all but 25% of RTB receipts kept for HRA investment

- Local authorities should use fund unmet demand for disabled facilities in the HRA stock from retained receipts
- The Government sees a strong future for ALMOs

Timescales

- Self-financing probably 2013/14
 - o Possibly earlier if all Local Authorities agree with the Government's proposed terms (planned to be set out in Spring 2010)
 - o Keeping rent and receipts from new HRA dwellings from now
 - o LAs able to apply for HCA grants now

GM invited questions

Q – Is this the only review?

A- this is the Labour Government's proposal

Q – with the General Election looming, are the Conservatives doing a similar review?

A – No! Nor do they agree with this proposal

Q – Are local authority and housing association rents still in line for convergence?

A – the convergence policy remains in place, but the timeframe is unknown. This should clarify with the announcement of the 2010.11 HRA Subsidy settlement this December

Q – will the calculation of debt take into consideration the cost of living increases etc?

A – the calculation will probably be done in 'real' terms but the assumed interest rate will take inflation into account. So "yes".

Q – can ALMOs bid for the capital grants?

A – it will probably need to be the local authority as it is the landlord, but those with ALMOs might ask them to prepare the bids

Q – if PHP become separate can they still bid for the capital grants?

A – This would mean transfer to PHP as landlord, and the rules for LSVT are different. The costs involved would be built into the Transfer Price calculation so that there would

	<p>be enough to fund these improvements without capital grants.</p> <p>Q – Will the ‘sustainable’ cost allowances used in the debt calculation be sufficient to cover the risk? A – we don’t know the detail yet, but the principle of self-financing is to build in a risk margin, i.e. a degree of ability to manage risk</p> <p>Q – can the local authority access the 75% capital receipts in the HRA A – only for HRA purposes under the Government’s proposals. This is one of the consultation questions</p> <p>Q – The Government is encouraging local authorities to build new homes; will these be funded from the right to buy receipts or will there be additional funding too? A – The funding will come from council land, capital receipts, prudential borrowing (against the new rents) and HCA grants</p> <p>Q – can local authorities buy-back properties previously sold under right to buy? A – not compulsorily!</p> <p>Q – is there a cap on right to buy discounts? A – yes, £30,000</p> <p>Q – is section 106 funding still available? A – yes, particularly if the housing market picks up</p> <p>Q – what is the level of debt? A – GM hadn’t enough information to work this out for Poole, but BoP/PHP may have estimated this already.</p> <p>The Panel agreed that they wanted more information about the level of debt and the impact this would have, before moving forward. They also agreed that they would like to be involved in the Council’s consultation and feedback to Government on their proposals.</p> <p>GM said he was happy to work with Robin Ingleton and Steve Partridge with the calculations.</p> <p>A meeting will be arranged in September to consult with residents on the Government’s proposals.</p>	
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3.0	<u>DATE OF NEXT MEETING</u>	
3.1	<u>8th September 2009 at 1730hrs</u>	

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SCHEDULE OF KEY DECISIONS MADE

7th April 2009

- **Brian Jones was elected as Chairman of the Residents' Panel and the Residents' Panel sub-committee.**

11th February 2009

- **The Panel selected a sub-group to meet with DWA in between meetings.**

14th January 2009

- **Andy Ross selected by interested volunteers to represent residents on Communications Sub Group Group. Rod Wood selected to act as deputy**
- **Ray Aggett and Rob Saunders elected to represent residents on the Working Party**
- **Logo, strapline and colour scheme for project brand approved**
- **Residents' priorities agreed by Residents' Panel and refined**

10th December 2008

- **Brian Jones, John Tyrrell, Ali Khan, Helen Ross and Ray Aggett to form panel for selection of the Specialist Resident Advisor.**
- **'Your Home, Your Decision' approved as strapline for the project**