

WAVERLEY BOROUGH COUNCIL

MINUTES OF THE MEETING OF THE EXECUTIVE – 4 DECEMBER 2012

SUBMITTED TO THE COUNCIL MEETING – 11 DECEMBER 2012

(To be read in conjunction with the Agenda for the Meeting)

- |                                  |                          |
|----------------------------------|--------------------------|
| * Cllr Robert Knowles (Chairman) | * Cllr Stephen O’Grady   |
| * Cllr Mike Band (Vice-Chairman) | * Cllr Julia Potts       |
| * Cllr Brian Adams               | * Cllr Stefan Reynolds   |
| * Cllr Carole King               | * Cllr Adam Taylor-Smith |
| * Cllr Bryn Morgan               | * Cllr Keith Webster     |

\* Present

Cllr Brian Ellis was also in attendance and spoke on Minute No. 109

Cllr Diane James attended and spoke on Minute No. 126

Cllrs Mary Forszewska and Jane Thomson were also in attendance

104. MINUTES

The Minutes of the Meeting of the Executive held on 6 November 2012 were confirmed and signed.

105. DISCLOSURE OF INTERESTS

There were no interests raised under this heading.

106. QUESTIONS

The following questions were asked by members of the public in accordance with Procedure Rule 10:

i. from Kathy Smyth of Guildford and Waverley Friends of the Earth

“The Inspector who refused the appeal by Dunsfold Park Ltd for the certificate of lawful use and development said in paragraph 74 of his decision letter dated 5 April 2012 that in 2018 reversion to the use permitted in 1951 “appears the most likely candidate”.

Given 2018 is well within the time period covered by the core strategy, has URS (Sustainability Consultants) made any assessment for Waverley Borough Council of the effect on the Core Strategy Sustainability Appraisal Objectives of the reversion of Dunsfold Aerodrome in 2018 to the 1951 planning consent for “Erection – Repair and flight testing of aircraft at Dunsfold Aerodrome”?

ii. from Ken Reed of Cranleigh

“Paragraph 17 of the National Planning Policy Framework says, “Within the overarching roles that the planning system ought to play, a set of core land- use planning principles should underpin both plan-making and decision-taking.” One of the 12 principles quoted is that planning

should, “ encourage the effective use of land **by reusing land that has been previously developed (brownfield land), ...**”

Paragraph 47 of the NPPF says, “To boost significantly the supply of housing, local planning authorities should use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in this Framework, including **identifying key sites which are critical to the delivery of the housing strategy over the plan period.**”

It would seem that, in failing to identify key sites which are critical to the delivery of the housing strategy over the plan period, Waverley’s Draft Core Strategy and the URS Sustainability Report are not credible in their assessments of alternatives. Could the Executive please explain why a mixed use of “brownfield land” at Dunsfold Aerodrome, which would be consistent with one of the NPPF’s core principles, has not been objectively assessed against identified key sites on “greenfield land” in Cranleigh and Farnham?”

The Portfolio Holder for Planning responded to the two questions as follows:-

“Thank you Chairman, I will take both questions together if that is acceptable to you. I have to say that there have been recent developments which mean that in the light of the views expressed by the Overview and Scrutiny Committee, and the issues raised that have come to light today by inspectors holding examinations into local plans in nearby authorities, we will be considering further the issues and I really think it would be premature to answer in detail at this stage. However what I can say is that we remain committed to progressing the Core Strategy towards its adoption as a matter of priority.”

iii. from Patrick Haveron of Godalming

“Can I ask a question of the Waverley Executive on 4 December 2012 regarding the paper 'The Council's Role in Supporting Local Business'.

The Council's report on supporting Local Business highlights there is scant budget, little data and no resources for economic development. What one thing could the council do to encourage and support small business, start-ups and sole traders that make up the majority of business in Waverley?”

Patrick Haveron was not present at the meeting but his question was taken as read and the Portfolio Holder undertook to send a written response, as follows:-

“Councils do not start businesses but we can nudge and encourage entrepreneurs. I believe that where possible the policies of this Council endeavour to encourage business and wealth creation. I want the impact on local businesses to be an important consideration in the Council's decision making.

Small businesses are a significant part of the borough's economy and the Council is committed to supporting them. The Executive report acknowledges that resources need to be focused on activities that can make a difference.

Rather than one specific activity we do a number of things to encourage local business, through various Council services and with local partners. Activities include offering free professional business advice through Enterprise First, ensuring invoices are paid to small businesses within 10 days of receipt of goods and services, signposting to relevant Council services including planning and grants advice, encouraging local procurement and supporting the work of the Town Chambers of Commerce.”

## **PART I - RECOMMENDATIONS TO THE COUNCIL**

### **107. COUNCIL TAX EXEMPTIONS AND DISCOUNTS**

107.1 Under the Government’s localism agenda, new flexibilities are proposed for council tax that will give councils local discretion in a number of areas where statutory prescribed discounts and exemptions currently exist. In September at the Finance Seminar and in the report to the Executive on the council tax reduction scheme, Members were alerted to these changes.

107.2 A schedule of all current exemptions from council tax is included for information at Annexe 1. The Government’s changes only relate to exemptions A and C. A range of discounts is also currently included in the council tax legislation and the changes proposed only affects the second homes discount. No changes are permitted to the single persons discount currently. One further new proposal from the Government is for Councils to be given the power to introduce a local ‘council tax premium’ for properties that have been empty for more than 2-years. Each of the changes is examined below and in the Annexes.

107.3 The Government’s changes are set out in the matrix in Annexe 2 along with options that are available for the Council. Financial implications are also shown together with general comments from officers about the impact of each option. A summary of the proposals for Waverley is included below:

Current position	Proposed change	Approximate overall additional council tax raised	Financial Implications to Waverley BC
Second Homes - Discount can be given at a rate between 10 and 50% and can be applied indefinitely. Waverley currently gives statutory minimum 10% reduction	Remove the discount from 2013/14  (Currently 360 properties with discount)	£54k	Waverley would retain additional council tax of £6k

<p>Empty Homes - Undergoing Major Repair - Exemption A is available for up to 12 months when a property is unfurnished and unoccupied whilst it is undergoing a major repair or structural alteration</p>	<p>Set the new discount at 0% from 2013/14  (Currently 50 properties with this exemption)</p>	<p>£75k</p>	<p>Waverley would retain additional council tax of £8k</p>
<p>Empty Homes - Exemption C is available for period of 6-months for an unfurnished, unoccupied home</p>	<p>Set the new discount at 50% for 6-month period from 2013/14  (Currently 380 properties with this exemption)</p>	<p>£140k</p>	<p>Waverley would retain additional council tax of £15k</p>
<p>Long-Term Empty Homes – Currently full council tax is paid once a 6-month exemption C has expired</p>	<p>Introduce an empty homes premium of 50% for homes that are empty for more than 2-years  (estimated to affect 140 properties)</p>	<p>£105k</p>	<p>Waverley would retain additional council tax of £10k plus any additional New Homes Bonus generated from empty homes becoming occupied</p>

107.4 With regard to the proposal to retain the 6-month empty homes discount at 50%, this is considered to be an important transitional measure and the impact will be reviewed during 2013/14. It is also important to ensure that accurate data is available in the future for the purpose of calculating the New Homes Bonus (NHB), one element of which is based on the overall reduction in homes that are empty for more than 6-months.

107.5 The Council is keen to keep the numbers of long term empty properties as low as possible, partly to improve the housing supply in the Borough and partly because of the NHB implications. This means that prudent estimates of any additional council tax from the empty homes premium must be forecast in future years as Waverley will endeavour to keep this number to a minimum.

107.6 Waverley has recently consulted on its proposals for a council tax reduction scheme for 2013/14. This consultation asked whether Waverley should use additional council tax from reducing or removing second and empty homes reductions to help close the funding gap. The results show that 85% of responders would be in favour of such measures.

107.7 If Waverley decides to completely withdraw council tax reductions for properties undergoing major structural works, the Government is advising billing authorities to set a clear policy on hardship. Whilst most Exemption A applications relate to instances where the owner has chosen to improve or renovate their house, applications could arise if a householder is affected by

flooding or fire. Currently Waverley would grant an exemption A if a property was uninhabitable whilst undergoing major works following such a peril. If this provision was removed, these householders would have to pay full council tax whilst they are not living in their property. Waverley's current policy on council tax hardship is to use existing powers under the Local Government Act 1992 to give discretionary reductions where it is in the wider interests of Waverley's council tax payers to do so. It is proposed that this policy remains and requests are considered on a case by case basis under this existing policy.

107.8 The Corporate Overview and Scrutiny Committee considered this report and endorsed the recommendations. The Executive now

### **RECOMMENDS that**

**44. the proposed changes to council tax exemptions and discounts set out in the table at paragraph 107.3 be approved.**

*[Reason: to implement changes from the Government in accordance with the Localism agenda]*

### Background Papers

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

108. NATIONAL NON-DOMESTIC RATES DISCRETIONARY RATE RELIEF POLICY

108.1 Current legislation allows local authorities to grant discretionary rate relief on the rates payable by the following organisations:

- i) charities
- ii) non-profit making organisations whose objects are charitable, philanthropic or religious or concerned with education, social welfare, science, literature or fine arts.
- iii) non-profit making clubs, societies or other organisations using premises for the purpose of recreation
- iv) village stores, post offices in rural settlements and other businesses in rural settlements that exist to benefit the local community and where the award of relief is in the interests of Waverley's council taxpayers.

108.2 The Council's current policy is to review the guidelines used by the Council for the granting of discretionary relief on a four-yearly cycle, following the election of a new Council. In accordance with this policy, notice was given in March 2012 to all organisations currently receiving discretionary rate relief to terminate the existing relief with effect from 31 March 2013. All organisations will need to reapply under the new policy guidelines. Once the Council has approved its policy, Waverley's Scheme of Delegation allows the Deputy Chief Executive to agree applications from organisations that are eligible under the Policy. Only when an organisation objects to the Deputy Chief Executive's decision will an application come to the Executive for a decision.

- 108.3 There are two elements of rate relief under the legislation. The first is mandatory relief that attracts relief at the rate of either 50% or 80%. The second, discretionary relief permits the billing authority to offer relief of up to 100%. (This item does not cover the discretionary relief provisions under Section 49 of the Act covering 'hardship', which is an issue considered by the Deputy Chief Executive of the Executive on a case-by-case basis).
- 108.4 Mandatory relief relates either to charities or trustees of a charity, which receive 80% relief, or to those properties covered by the regulations which are more commonly known as the 'rural rate relief', where the relief is granted at 50%. Where mandatory relief applies, the full amount of the relief given is borne by the NNDR Pool, and no cost of the mandatory relief falls upon the billing authority's General Fund. This item is concerned with the granting of the discretionary relief under Section 47 of the Local Government Finance Act 1988. The Government has amended these statutory provisions under the Localism Bill.
- 108.5 Waverley's existing policy for the granting of discretionary rate relief was last reviewed in December 2011. The current policy guidelines adopted by the Council are described below and a summary is attached at Annexe 3. These guidelines indicate both the level of relief given and the type of organisation, and are used when considering applications for relief to ensure that consistent decisions are made in line with Council policy.
- 108.6 Paragraph 108.1 above identifies the various types of organisations that a local authority can grant discretionary rate relief is on the rates payable under the legislation. A billing authority has the discretion to grant up to 100% relief. A full list of the organisations currently receiving discretionary rate relief is included at Annexe 4. Waverley's current policy for the period 2012/ 2013 only is to grant discretionary rate relief as follows:
- i) Charities receiving 80% mandatory relief will not normally receive any additional discretionary relief, except for a number of individual cases that have previously been approved by the Council. There are currently 53 organisations that currently receive 20% discretionary relief granted in addition to the 80% mandatory relief. The amount of WBC discretionary relief given in 2012-13 under this category is £49,162 with £36,871 of this being met by the General Fund.
  - ii) 80% discretionary relief is granted for non-profit making organisations whose objects are charitable, philanthropic or religious or concerned with education, social welfare, science, or for the purpose of recreation and who are not in receipt of mandatory relief. In 2007 the Council agreed to include Waverley's leisure centres under this heading as they are operated under a 'commercial trust' model by DC leisure which meets the rate relief criteria. The amount of WBC discretionary relief given in 2012-13 under this category is £352,243, with £88,060 of this being met by the General Fund.
  - iii) Where a sports club within Waverley is not allowed to register with the Inland Revenue as a Community Amateur Sports Club (CASC) and therefore be entitled to mandatory relief, the Council has awarded 50%

discretionary relief (currently 5 in Waverley). The amount of WBC discretionary relief given in 2012-13 under this category is £11,496, with £2,874 of this being met by the General Fund.

iv) Discretionary rate relief for properties in rural settlements is considered only for sole general stores, post offices or chemist shops. Since the Council first agreed this policy in 1998, applications from a number of other businesses in rural settlements have been considered by Members, but no relief has been granted. The amount of WBC discretionary relief given in 2012-13 under this category is £19,761, with £6,636 of this being met by the General Fund.

108.7 The total amount relief granted in 2012-2013 is £432,664. As a general rule, 75% of the discretionary relief granted is offset against the contributions made by Waverley to the National Non-Domestic Rates Pool with the balance of 25% being borne locally and met from the authority's General Fund. However, for those charitable organisations that receive mandatory relief, any discretionary relief top-up granted is apportioned 25% to the Pool and 75% locally. As a result of this apportionment, the overall cost to Waverley of granting discretionary relief in 2012/2013 is £134,442 which is included in the approved budget.

108.8 It has come to light in the year that there are two organisations whose objectives and activities align with Waverley's policy but neither receive discretionary relief – Farnham Museum and Sandy Hill Bungalow community centre in Farnham. Both organisations currently receive 80% mandatory rate relief and it would be consistent with the policy to consider awarding a top up of 20% discretionary relief. The discretionary relief for the Farnham Museum would be £2,270 in total of which Waverley would need to contribute 40% (£920). As owner of the building, Waverley would make the full saving of £2,270 in rates payable. The 20% rate relief for Sandy Hill bungalow would be £2,590 of which Waverley would need to contribute 40% (£1,030). If these additional awards are made, the financial implication would be as follows:

Budget 2012/13	<u>£134,700</u>
Current cost to WBC	£134,440
Additional cost – Farnham Museum	£920
Additional cost - Sandy Hill Bungalow	£1,030
Less – rates saving Farnham Museum	-£2,270
Total cost	<u>£134,120</u>

108.9 There is a number of options available to the authority for discretionary business rate relief for 2013/14 to 2015/16:

- a) To continue with the current policy and consider new requests for discretionary rate relief under the provisions in the Localism Act on a case by case basis;
- b) As (a) but with the addition of the Farnham Museum and the Sandy Hill Bungalow, Farnham

- c) To withdraw some categories of the existing discretionary rate relief policy;
- d) To withdraw the discretionary rate relief to those organisations receiving a 20% top-up to mandatory relief they receive – this would save Waverley £36,871;

108.10 In considering the options, Members are asked to consider a number of factors:

- Other financial and service pressures
- Consistency of application of the Council's discretion across organisations
- The need for clear and robust policy guidelines that enable the Deputy Chief Executive to fulfil his delegated authority to consider applications for relief, minimising the risk of challenge and objection
- Waverley's aims, objectives and priorities.

108.11 The Localism Act 2011 amends section 47 of the Local Government Finance Act 1988 to enable authorities to go beyond the limited circumstances where relief can be given to enable relief to be given in any circumstances. This is subject to the condition that relief can only be granted where it would be reasonable to do so having regard to the interests of council taxpayers in its area. The full cost of granting relief under this provision is met fully by Waverley and not shared with the Government. It is proposed that delegation will be requested for the Deputy Chief Executive, in conjunction with the Finance Portfolio Holder, to make decisions and only if an objection is received would the Executive need to consider the case.

108.12 The Executive now

**RECOMMENDS that**

- 45. the policy for the granting of discretionary rate relief for the period 2013/14 to 2015/16 remains the same as the current policy with the addition of the Sandy Hill Bungalow, Farnham and the Farnham Museum;**
- 46. the policy on the use of the provision for granting discretionary rate relief to any body other than those currently included in the approved policy is to do so on a case by case basis provided that any proposed reductions are clearly in the wider interests of Waverley's council taxpayers; and**
- 47. in relation to recommendation 46, delegation be given to the Deputy Chief Executive, in conjunction with the Finance Portfolio Holder, to make decisions about such applications and only if an objection is received would the Executive need to consider the case.**

*[Reason: The Council's current policy is to review the guidelines for the granting of discretionary rate relief on a four-yearly cycle].*



## Background Papers

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

### 109. ASSETS OF COMMUNITY VALUE (ACV)

- 109.1 Under the Localism Act the Council is required to maintain a list of assets of community value (ACV). This will allow a community group to have an opportunity to bid to buy an ACV that has been included on this list if the owner wishes to dispose of it on the open market. Examples of ACVs include community centres, libraries, swimming pools, village shops, markets and pubs.
- 109.2 Section 88 of the Localism Act states that “a building or other land in a local authority’s area is land of community value if in the opinion of the authority-
- a) an actual current use of the building or other land that is not an ancillary use furthers the social wellbeing or social interests of the local community, and
  - b) it is realistic to think that there can continue to be non-ancillary use of the building or other land which will further (whether or not in the same way) the social wellbeing or social interests of the local community.
- 109.3 ACVs can be owned by public authorities or private bodies and individuals. The Council’s own assets may be nominated by community groups for inclusion in the list.
- 109.4 The process for determining whether land or buildings should be included on the list of ACV following a request from a community group; the maintenance of the list of assets; and the subsequent procedure for an owner who wants to dispose of an asset that is on the list is set out in the flow diagram attached as Annexe 5.
- 109.5 The Council has 8 weeks to decide whether the land or buildings meets the definition set out in Section 88 of the Localism Act or whether it falls into one of the categories of excluded land which includes residential property. A list of the categories of excluded land and buildings is set out in Annexe 6. Where land or buildings have been included in the list and the owner wants to dispose of the asset he/she must notify the Council and this triggers the moratorium process. Not all proposed sales of land or premises that have been listed as ACV are relevant disposals and where an exemption applies the owner does not have to notify the Council. Exempt disposals include disposals to community groups, disposals pursuant to a court order or a pre-existing agreement and disposals for continuing health provision or education. A full list of exemptions is attached as Annexe 7.

109.6 The Government's non statutory advice note states "that it is open to the Council as local planning authority to decide whether listing as an asset of community value is a material consideration if an application for change of use is submitted, considering all the circumstances of the case". In the light of this it is important that the Council's position is clearly stated.

The view of Officers is that the designation of a site or building as an asset of community value cannot be considered to be material in planning terms. The process of determining assets of community value is separate from the planning process and simply confirms assets nominated by qualifying community interest groups which are considered by them to have some community value; however, it is not an objective assessment of community value. This process is likely to result in a list of designated assets where the community value of individual assets may vary considerably. Indeed, there may be instances of community assets which are not designated as ACVs, but could be argued to have greater community value than those that have been designated. The Council can not nominate ACVs itself, and therefore cannot ensure that all assets meeting the criteria of community value are listed.

109.7 In the light of this it is recommended that the designation of land/buildings as assets of community value is not treated as a material planning consideration as it may result in an inconsistent approach being taken to the consideration of planning applications. The Council will however continue to consider the community value of land or buildings on their individual merits as part of the normal planning application process in line with adopted local plan and other material considerations. The granting of permission for development would not override the need for an affected owner to follow the process outlined above.

109.10 The process may have some financial impact on owners of ACV who are selling their land or premises. A compensation scheme is provided for private owners but this will not be available to public bodies. Waverley will be responsible for administering the compensation scheme including assessing and determining the compensation awards. Owners and former owners will have rights of review and appeal against the Council's compensation decisions. Annexe 8 sets out in more detail the compensation scheme including the government's role in meeting any costs of compensation incurred by the Council.

109.11 The protocol for ACV requires the Council to undertake a number of responsibilities. The following are the issues that the Council needs to resolve now that the legislation has come into force. They are:

- Who will be responsible for the administrative role of accepting nominations and notifying community groups and owners of the progress of a nomination in accordance with the legislation?
- Who will make the final decision on a nomination in accordance with s88 of the Localism Act within the 8 weeks of the nomination? Who will maintain the list of both successful and unsuccessful nominations and

whose responsibility will it be to amend the lists and notify the relevant parties when necessary?

It is recommended that the Chief Executive be delegated authority to make all relevant notifications and decide whether land or premises nominated by a community body is included in the list of ACV following the preparation of a report with a recommendation on the nomination.

- Who will decide if a compensation claim is successful? Requests for compensation must be made within 13 weeks of the loss being incurred or finished being incurred and be supported by evidence.  
It is suggested that the Deputy Chief Executive be delegated authority to determine claims for compensation.
- Who in the Council of appropriate senior authority will undertake the review of the successful listing or a review of compensation if it is requested? This person can not be part of the original decision making process for the listing or the claim for compensation.  
It is recommended that the Deputy Chief Executive be delegated authority to review the listing decision and the Chief Executive be delegated authority for the review of a decision on a compensation claim.

109.12 The Executive now

**RECOMMENDS that**

- 48. authority be delegated to the Chief Executive, after consultation with the Planning Portfolio Holder, to decide whether land is appropriate for inclusion in the list of Assets of Community Value, and to determine community nominations in that respect, in accordance with Sections 87 to 108 of the Localism Act 2011 and the Assets of Community Value (England) Regulations 2012;**
- 49. authority be delegated to the Deputy Chief Executive, after consultation with the Planning Portfolio Holder, to act as the senior officer responsible for a review of the listing made under the Localism Act 2011 and the Assets of Community Value (England) Regulations 2012;**
- 50. authority be delegated to the Deputy Chief Executive to determine compensation payable pursuant to the Localism Act and Regulations 14 and 15 of the Assets of Community Value (England) Regulations 2012;**
- 51. authority be delegated to the Chief Executive to act as the senior officer responsible for a review of compensation made under the Localism Act 2011 and the Assets of Community Value (England) Regulations 2012;**

**52. the view that designation as an Asset of Community Value will carry no weight in the assessment of planning applications be endorsed; and**

**53. officers report back after six months operation of the scheme.**

*[Reason: Under the Localism Act the Council is required to maintain a list of assets of community value and this decision sets out the process for determining the inclusion of properties on the list].*

#### Background Papers

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

### 110. AMENDMENTS TO WAVERLEY'S HOUSING ALLOCATION SCHEME

110.1 Following reports in January and March 2012, officers have consulted housing applicants and stakeholders on proposed changes that would limit access to Waverley's housing register. The proposals outline that to be on Waverley's register applicants must not owe the Council or other landlords money, must have a local connection to Waverley and have a **need** for alternative housing rather than a **want** for housing.

110.2 The proposals were widely supported by customers and stakeholders who responded to the consultation. Of the 61 responses from applicants to the consultation 44 (72%) were in support of the proposed changes to restrict access to Waverley's register to those in most housing need and with a connection to the Borough. Since the consultation, further changes under Welfare Reform have been announced that also impact on Waverley's allocation scheme. These particularly impact on bedroom eligibility i.e. the number of bedrooms that a household can reasonably expect to have to be suitably housed.

110.3 In addition, the Government has passed legislation and issued a code of guidance that encourages Councils to prioritise the needs of former armed forces personnel in housing need and their bereaved spouses/partners. In producing a revised allocation scheme officers have been guided by the following principles:

- a) The scheme complies with statutory legislation and is aligned with wider Government policy changes
- b) The scheme recognises housing need rather than housing want
- c) The allocation scheme is clear, fair and equitable and promotes choice and responsibility and addresses the risk of fraud
- d) Any changes do not negatively impact the positive role Waverley's allocation scheme has played in helping the Council prevent homelessness

- e) The scheme continues to help deliver balanced and sustainable communities
- f) Where suggested changes will adversely affect those who currently have a realistic expectation of being re-housed, measures are put in place to limit/mitigate the negative impact on these households.

110.4 It is proposed that instead of retaining a 5 band allocation scheme, Waverley's allocation scheme is reduced to 3 main priority bands with an additional discretionary pool of applicants. The discretionary pool will include households that either the Council is legally obliged to consider (such as intentionally homeless households) or those that the Council may need to house in the future such as those in supported accommodation but not yet ready to live independently. All new applicants wanting to be on Waverley's register will only be eligible if they are in housing need, have a local connection to Waverley and do not owe Waverley or another landlord money.

110.5 Applicants who have previously exercised the Right to Buy or who are owner occupiers will also be excluded as will those with an annual household income in excess of £60,000 a year or savings in excess of £30,000. Those guilty of antisocial behaviour and those previously evicted for subletting their social housing home will also be excluded. All existing applicants in Bands A,B and C who owe Waverley money will be overlooked for an allocation or suspended until such time as they have cleared their debt or entered into a satisfactory, sustainable repayment arrangement.

110.6 Annexe 9 shows a summary of the main features of the proposed allocation scheme. A copy of the full scheme is available in the Members' Room and on the Council's website. It is anticipated that following these changes at least 1000 applicants will be removed from Waverley's housing register. To be consistent with the housing benefit criteria which will apply to both private rented tenants and social housing tenants from April 2013, it is proposed that Waverley adopts the following bedroom eligibility criteria:

One adult or couple	One bed
Couple or lone parent with one child	Two bed
Couple or lone parent with two children of the same sex under 16	Two bed
Couple or lone parent with two children of opposite sex under 10	Two bed
Couple or lone parent with two children of opposite sex where one is over 10	Three bed
Couple or lone parent with three children	Three bed
Couple or lone parent with two children of the same sex where one is over 16	Three bed

Couple or lone parent with 4 or more children	Three or four bed
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110.7 The above criteria are different to Waverley's existing scheme in two ways:

- a) households with two children of the opposite sex are prioritised for three bedroom properties when the eldest is aged ten rather than seven in Waverley's current scheme.
- b) households are eligible for two bedroom properties following the birth of a first child rather than when the expectant mother is 28 weeks pregnant in Waverley's scheme.

110.8 To ensure there is not significant disadvantage to some applicants when adopting the new criteria it is recommended that those already prioritised for three or two bedroom accommodation retain their priority and banding date on implementation of the new allocation scheme. It is also recommended that social housing households who are overcrowded by one or two bedrooms and have a child over the age of 10 receive band B priority rather than band C priority. This will mitigate the risk of such households potentially not being housed until their eldest child is 13 or 14 due to the time households in band C have to wait to successfully bid for properties. The measures will ensure that Waverley's new scheme will not disadvantage those on the cusp of being re-housed and help ensure that a good balance of social housing and non social housing tenants continue to be housed.

110.9 The Government has recently passed legislation to ensure that the following categories of persons are not disqualified from applying to register for housing due to local connection criteria:

- serving members of the armed services
- former members of the armed services where application is made within five years of discharge
- bereaved spouses or civil partners of serving members of the armed forces where the spouse or partner's death is attributable to their service and as a result the bereaved spouse or partner's entitlement to reside in ministry of defence accommodation ceases
- serving members of the Reserve Forces who need to move due to serious injury, medical condition or disability sustained as a result of their service

110.10 Additionally the Government have recommended that within an allocation scheme a level of additional preference be given to the above persons who are assessed as having 'urgent housing need'. Adopting these recommendations would be in keeping with the high regard in which members of the armed services are held by Waverley's residents and the Council. The key issue for Waverley is whether in determining the level of priority of service men and women on the housing register, should regard also be made to their local connection to Waverley as applies to other applicants?

110.11 The crux of the issue will be as follows:

- Two former armed service applicants, both severely disabled and needing disabled adapted housing apply to Waverley for housing, should the allocation scheme give greater priority to the applicant who has current or former local connections to Waverley or should both be banded equally? i.e. waive any local connection criteria in relation to awarding priority for armed services personnel.
- Two bereaved spouses/civil partners of service personnel required to leave forces accommodation and they apply to Waverley for housing. Should extra priority be given in the allocation scheme to the applicant who has current or former connections to Waverley over the one who does not?

110.12 Officers would recommend that in line with Waverley's scheme, greater priority should be awarded to those with a local connection to Waverley and the policy does allow for discretion to be applied in exceptional cases.

110.13 One of the coalition Government's concerns in reviewing housing allocations was that in some areas only a very small percentage of transfer applicants are housed. In Waverley this is not the case and in the last financial year 42% of those re-housed (130 out of 306) were either tenants of the Council or of housing associations in Waverley. At the time of writing there are 791 transfer applications on the housing register. Of these 465 are in bands A-C leaving 326 in the low or no housing need band of D. These low-need cases will include those who are adequately housed in terms of the size or type of accommodation but are wanting to move for other reasons such as wanting a property with a garden, or to be nearer their place of work or to be closer to relatives.

110.14 As one of the guiding principles is that Waverley's register more accurately reflects those with both a housing **need** and a connection to Waverley rather than a housing **want**, there is the option of removing from the register the 326 transfer applicants currently in band D. In addition, future applications from transfer applicants would no longer be registered unless they met the band A-C criteria. An alternative option that would have less negative impact on those transfer cases currently in Band D is if they are placed in the discretionary pool rather than removed but that all new transfer applications are only registered if they meet the A-C criteria. Officers would recommend this option.

110.15 Currently applicants are required to provide proof of address and ID at point of application. Financial details are required on a case by case basis subject to the level of income or savings that an applicant declares on the form or whether they have declared being a home owner. Checks are repeated prior to all offers of a property. Using a commercial data matching service (commonly known as credit checking) would provide enhanced independent verification on address and previous addresses and provide detail in relation to some financial circumstances e.g. whether someone has a mortgage. However, it will not provide details of levels of savings.

110.16 To carry out checks on existing applicants it would be necessary to include a declaration on a verification form that they agree to the Council carrying out necessary checks, including financial checks and these can include information obtained from a commercial data matching service. The revised housing application form could also highlight the likelihood of using a commercial data matching service to verify information provided by new applicants. The cost of each check is £1.50 and given the time that can elapse from point of application to re-housing it would be prudent to carry out subsequent checks prior to offer. The likely financial implications are as follows:

- i) a cost of around £4,500 at the point of introducing the new policy if all existing applicants are checked.
- ii) a cost of around £1500 each year if we did checks on all new applications and for those cases that are successful in bidding and being offered properties.
- iii) a cost of around £900 a year if we just checked applications prior to offer of accommodation and certain other applications on a case by case basis.

110.17 For all checks there would be proportional additional administrative staff costs in arranging the checks and in reviewing/analysing the data from the checks. Officers would recommend option ii).

110.18 An equality impact assessment in regard to the proposed changes to Waverley's allocation scheme has been undertaken. The assessment highlighted that the changes have the potential to have a negative impact on the following:

- a) Those with learning disabilities or mental health issues in regard to their ability to manage their finances so as not to be in debt to the Council.

The potential negative impact is mitigated by the fact that such customers are able to receive additional support from floating support services such as Riverside Floating Support, Citizens Advice Waverley, Three Counties Money Advice, Don't Lose Your Home or Business and the Waverley Family Support service. In addition the policy outlines that people can enter into agreed repayment arrangements in regard to the debt they owe rather than having to clear the full debt at once. Further efforts will be made to encourage greater take up of Direct Debits.

- b) Younger People and Children and the change to eligibility for three bedroom accommodation for families with two opposite sex children from age 7 to 10.

The policy mitigates the potential for disadvantage to those already registered for three bedroom accommodation by protecting their priority and applying the new criteria for all new assessments following implementation. It also raises the priority for such cases where the oldest child is 10 or more.

- c) Pregnancy and the change to eligibility for two bedroom accommodation from 28 weeks pregnant to the birth of the child.



- 110.19 The policy mitigates the potential for disadvantage to those households already registered for two bedroom accommodation by protecting their priority and applying the new criteria for all new assessments following implementation. Whilst not an issue in relation to the allocation scheme itself, the housing application form currently asks questions that provide equalities information in regard to gender, ethnic origin, disability and age. The form does not ask in regard to a person's sexuality or religion.
- 110.20 The Corporate Equalities and Diversity group agreed in 2010 that standard equalities information, including sexuality and religion, be included on all surveys carried out by Waverley. It would therefore be consistent to ask the same questions on the housing application form but to include the option of 'do not wish to answer' on each question. Having the information would help Waverley monitor whether its housing register and allocations reflects the full spectrum of society and that the service is meeting its statutory duties. Asking for the information demonstrates Waverley's commitment to ensuring its policies do not discriminate against minority groups.
- 110.21 The following steps will be taken in implementing the proposed revised allocation scheme after the Council meeting:
- a) Publish the revised scheme on the Council's website and notify stakeholders such as Housing Associations, Tenants' Panel and other agencies of revised scheme, including bedroom eligibility criteria.
  - b) Revise the housing application forms and IT systems to reflect the changes.
  - c) Notify applicants in bands D and E where it is already clear they are unlikely to be eligible to remain on the housing register.
  - d) Send a declaration form to the remaining applicants to complete and return so financial and others factors that may result in suspension or removal from list can be verified. In the same mail-out enclose details of the revised bedroom eligibility criteria that will be applied to all assessments from implementation date.
  - e) Following receipt of declaration forms and assessment, including possible data matching checks, write to applicants who will be removed or suspended from the list or whose banding will be changed.
  - f) Deal with any review/appeal requests.
  - g) The suggested implementation date is 1 January 2013. It is estimated that it could take up to 31 March 2013 to carry out the actions in d)-f) and appeal requests could come in at any time.
  - h) Monitor the impact of the changes to ensure the scheme continues to meet the priorities in the guiding principles.
  - i) Recommend to portfolio holder (minor adjustments) or to members (significant adjustments) if any other changes are needed.

110.22 The Executive

**RECOMMENDS that**

- 54. Waverley's allocation scheme be amended from a 5 band scheme to a 3 band scheme with an additional discretionary pool of applicants;**

55. the bedroom eligibility criteria be amended so Waverley's scheme is consistent with changes to be implemented under Welfare Reform in April 2013 and the measures to mitigate the negative impact of these changes are adopted;
56. changes relating to members and former members of the Armed Forces be adopted with greater priority being given to those that have a local connection to Waverley;
57. transfer applicants currently assessed as band D to be placed in the discretionary pool of applicants and allowed to bid for properties and new applications from social housing tenants only be placed on the register if they meet the band A-C criteria;
58. Waverley makes use of the ability to carry out data matching checks on all new applicants (after initial checks) and prior to an offer of accommodation (£1500 annual estimate);
59. the full suite of equality and diversity questions (with the option to refuse to answer) be included on new application and verification forms; and
60. the revised allocation scheme, a copy of which has been placed on the website and in the Members' Room and summarised in Annexe 1, is recommended to the Council for adoption with a proposed implementation date of 1 January 2013.

*[Reason: to make use of the freedoms in the Localism Act 2011 so that the housing register better reflects those in housing need and with a connection to Waverley]*

#### Background Papers

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

#### 111. TENANCY STRATEGY

- 111.1 All local authorities have a duty to develop and publish a Tenancy Strategy by 13 January 2013. Officers have developed a draft Tenancy Strategy and carried out consultation during November. The Tenancy Strategy sets guidance for all social housing providers on how to implement new flexibilities within Localism Act. All Registered Providers in the borough will be required to "have regard to" the Council's Tenancy Strategy when developing their own Tenancy Policy.
- 111.2 The Strategy will enable the use of flexible and fixed tenancies, affordable rents and sets guidance for their appropriate use. The objectives of the strategy are to:
  - make the best use of affordable housing stock, and

- meet the housing needs of Waverley residents who are unable to secure a home for themselves in the private sector.

111.3 There is a range of options available to local authorities on considering how to implement or not the new freedoms of the Localism Act. The table below demonstrates the recommended proposals for the strategy and the alternative options available:

<b>Proposals made</b>	<b>Options for alternatives</b>	<b>Risks of alternative</b>
Support use of flexible and fixed tenancies	Not support use	Fail to make best use of stock
Five year fixed term (regulation minimum)	any longer term eg 7, 10, 15 year	Fail to make best use of stock
Applicants suitable for flexible tenancies, all but OAPs in Sheltered accommodation	All OAPs, disabled, families with school age children, sheltered only	Fail to make best use of stock
Exceptions for two year tenancies: <ul style="list-style-type: none"> <li>• ASB perpetrator</li> <li>• ASB geography</li> <li>• Overcrowding</li> <li>• Notice of Seeking Possession</li> <li>• Move on/Supported accommodation</li> </ul>		Regulations state to be exceptional circumstances Open to legal challenge
Circumstances tenancy not reissued: <ul style="list-style-type: none"> <li>• Under occupied</li> <li>• No longer suitable for needs</li> <li>• Tenants circumstances changed eg income</li> <li>• Not engaged with review process</li> <li>• Possession proceedings commenced as breach of tenancy</li> <li>• Disposal or refurbishment of property</li> </ul>		Circumstances to be fair, reasonable and clearly stated Open to legal challenge
Support use of Affordable Rents	not support use	Reduce future supply of affordable housing
Not permit more 60% conversion to Affordable Rents	No restrictions on Affordable Rents	Reduce number of social rent

	Restrict type of property converted	properties
Keep Affordable Rents below the Local Housing Allowance rates for the area	No restrictions on Affordable Rents	Affordable rents unaffordable to those in housing need particularly in rural areas

111.4 There will be an opportunity to amend the proposals after adoption as the Tenancy Strategy will be reviewed on an annual basis to ensure the objectives are achieved. The draft strategy was developed in collaboration with local housing associations and current tenants and applicants. Further consultation was carried out in November, following Executive approval.

111.5 Officers wrote to Housing Associations, statutory stakeholders, Town and Parish Councils, Equality and Diversity Forums and the Tenants Panel to invite their views. The consultation was advertised on the Council and HomeChoice websites and on the display screens in the offices. Members were advised of the consultation via the weekly “what’s on” email and all members were invited to the Corporate Overview and Scrutiny Committee on 26 November when the draft tenancy strategy was considered. An online survey form was developed to record views and comments from all.

111.6 Officers received eight online responses and one further separate response to the consultation. The consultation found that respondents were broadly in agreement with the objectives of the strategy, length of tenancy, exceptional circumstances for shorter term tenancies, circumstances for not granting further tenancy and use of Affordable Rent. However 50% of respondents disagreed with the proposal to restrict Affordable Rents to less than the Local Housing Allowance (LHA) rate for the area.

111.7 The Corporate Overview and Scrutiny Committee supported the objectives and proposals set out in the draft tenancy strategy and had no additional comments for the consultation.

111.8 Officers gave consideration to the results and views following consultation. The majority of respondents agree with the proposals and officers find there are no major amendments to be made to the Draft Tenancy Strategy. A number of minor amendments are suggested to ensure clarity of the strategy. The changes refer to:

- Removal of guidance regarding family-sized accommodation and affordable rents. Following conversations with our housing association partners it is felt that it would be too prescriptive to prohibit Affordable Rents for family homes and could limit the number of new affordable homes.
- Change of phrase to “aim to” keep affordable rents within LHA. Following responses, officers recognise our housing association partners’ contractual obligations to the HCA regarding affordable rents.

111.9 Annexe 10 sets out the proposed Tenancy Strategy and the Executive now

**RECOMMENDS that**

- 61. the objectives and proposals of the Tenancy Strategy be supported; and**
- 62. the Tenancy Strategy for Waverley be adopted and subject to an Annual Review.**

*[Reason: to adopt a strategy that can provide guidance to social housing providers on the Council's expectations regarding the type of tenancies that can be used].*

Background Papers

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

112. DECENT HOMES HCA GRANT

*[This item contains exempt information by virtue of which the public is likely to be excluded during the item to which the report relates, as specified in Paragraphs 1 and 3 of the revised Part I of Schedule 12A to the Local Government Act 1972, namely:-*

*Information relating to any individual; and*

*Information relating to the financial or business affairs of any particular person (including the authority holding that information)]*

112.1 In 2011 Waverley Borough Council made a bid to the Homes and Communities Agency for funding towards making the Housing stock 100% 'Decent Homes' compliant. The Council was awarded funding of £8,460,320 over three years from April 2012 to April 2015.

112.2 Since the initial bid and successful award of the decent homes funding, the Council has successfully tendered and appointed new contractors to deliver its homes improvement and maintenance works. These contracts commenced at the beginning of the year and are now fully mobilised, with the exception of the Home Safety Contract which was re-let to the second-placed bidder. The Council has seen a significant reduction in the number of complaints relating to these services over this period, alongside a rise in compliments and satisfaction levels.

112.3 The Housing Service has also completed a major staffing restructure which was approved by Council in July 2012. This has strengthened, among other things, the Council's housing property services function which is now fully staffed. This function oversees all the contracts and ensures that the works are carried out to the required standard. As a result the Council is on track to deliver its decent homes targets for the current year.

112.4 On 24 October 2012 the Homes and Communities Agency met with Council officers to review progress with the current years programme and to explore the scope for bringing forward some or all of the decent homes work. They were interested in the capacity of the Council to accelerate the delivery of the programme, bringing forward improvement works by up to a year. They noted with interest the recent re-tendering work that had been completed by the Council and new staffing structure that had been put in place. On 7 November 2012, the Homes and Communities Agency wrote to the Council to confirm that it would be prepared to bring forward the funding for Waverley to enable the decent homes programme to be accelerated. The revised funding arrangements are as follows:

	Current allocation £'000	Revised allocation £'000	Variance £'000
12/13	2,318	2,722	404
13/14	3,238	5,738	2,500
14/15	2,904	0	-2,904
<b>Total</b>	<b>8,460</b>	<b>8,460</b>	<b>0</b>

112.5 Annexe 11 sets out a revised capital programme which takes into account the increased level of funding from the Homes and Communities Agency from January 2013 to April 2014 and ensures that the Council is able to achieve 100% decent homes compliance by 2015. A pragmatic and balanced approach has been taken to enable a greater focus to be given to spending the much higher level of Decent Homes backlog funding from January 2013 to April 2014. As a result some works relating to newly-arising non-decent related properties and other capital works will be rescheduled from 2012-2013 unless an urgent need is identified in which case it will be progressed on an exceptional basis.

112.6 One of the conditions of the funding from the Homes and Communities Agency is that Waverley meets the cost for the work completed on the last 10% of properties. The improvement work for these remaining properties is likely to relate to bathrooms rather than the other types of improvement work reflecting experience gained in the current year. Any remaining newly arising decent homes related work will be addressed in 2014/15.

112.7 The Council will be able to utilise the existing contractual arrangements it procured through OJEU for Housing that were approved by the Executive on 4 October 2011. The types of works required to be undertaken through the accelerated Decent Homes Programme are already specified within these existing contracts, although the value of the decent homes work during the

accelerated period will be greater than was originally anticipated when the contracts were entered into. In wishing to take a prudent approach, the Council needs to be prepared for the possibility that some of the existing contractors will not have the capacity to undertake all of the additional works required between January 2013 and April 2014 and that this may become evident at any point over that period. In these circumstances it is important that the Council has arrangements in place to secure an additional contractor or contractors in a reasonable timescale to complete the balance of the work.

112.8 Given the relatively short period covered by the accelerated decent homes programme, it would be appropriate for the Council to make use of an external procurement framework that already operates in the region that is compliant with European procurement regulations, and that covers the types of work that may be required. The use of such procurement frameworks are encouraged by the Homes and Communities Agency as they are a way of combining purchasing power in the market and demonstrating value for money.

112.9 The LHC (previously named the London Housing Consortium) provides such a framework that is available to local authorities, housing associations and other public bodies. Although the Council has the option to procure directly with any contractor within the framework, it is proposed that the Council conducts a mini-tender process with all those contractors within the relevant framework category that have confirmed that they have the capacity to undertake these works. In this way the Council can be confident that whenever this approach is used, it can demonstrate that the selected contractor is the one best able to deliver value for money.

112.10 The maximum value of any one contract would be limited to 18% of the value of Waverley's Decent Homes works for that year. Exceptions to this would need approval by Executive. This reflects the primary focus being given to delivery of the programme through the Council's existing long-term contracts. Any contracts procured through this framework could be limited to the following specialist Decent Homes activities including supply and installation and any associated remodelling works:

- Kitchens
- Bathrooms
- Heating
- Roofs
- Rewiring
- Doors
- Windows

112.11 Additional temporary staffing capacity is needed in the Housing Property Services Team beyond its current establishment level. This team provide the client function for the decent homes works and the overall capital programme in Housing. The additional posts are

X1 FTE Surveyor	Pay Band 6, £38,663 including on-costs
X2 FTE Clerk of Works	Pay Band 8, £30,162 including on-costs
X1 FTE Administrator	Pay Band 9, £26,656 including on-costs

- 112.12 These posts will be filled on a temporary basis for the duration of the accelerated period of the Homes and Communities Agency funded Decent Homes works.
- 112.13 The delivery of the accelerated Decent Homes programme will be closely monitored and reported to the Executive through the regular Budget Monitoring reports. Should the monitoring identify the need for any in-year adjustments – for example because of a potential slippage in a particular area of delivery – appropriate recommendations will be brought forward to the Executive for approval. The Housing Improvement Sub-Committee of the Corporate Overview and Scrutiny Committee will also have a role in reviewing progress at each of its meetings and will also draw on the feedback from the Waverley Housing Tenants Panel about the experience of the tenants who are in receipt of these works. This approach has been invaluable in the current year.
- 112.14 In the current economic and financial climate, any long-term national funding programmes face the possibility that future years funding may be curtailed. It is possible that if the Council does not take up the opportunity to draw down Decent Homes funding a year early from the Homes and Communities Agency, then it may not be available in future years. The proposed action is therefore to re-profile and prioritise the work funded by the Homes and Communities Agency to complete in two rather than three years.
- 112.15 The significant increase in the decent homes programme will need to be matched by increased delivery capacity, otherwise the delivery targets will not be met. Given the anticipated 80% increase in the programme in 2013/14, it is unlikely that the Council's current contractual arrangements will provide the delivery capacity that is needed in all areas. This represents a significant risk to the programme. This will be mitigated through early discussions with the Council's existing contractors about their capacity to deliver the accelerated programme, tight client management and making short term arrangements with other contractors procured through a framework consortium, to increase the overall delivery capacity available to the Council.
- 112.16 Alongside the risk relating to delivery capacity through the Council's contractors, there is a risk that the Council will not have adequate capacity within its client function properly to co-ordinate the work required and ensure that standards are met. This is being addressed through the proposals contained in this report to increase the staffing within the Council's client team during the accelerated period of the Decent Homes programme. The Executive

**RECOMMENDS that**

- 63. approval be given to accept the Homes and Communities Agency's offer to bring forward their funding to Waverley to enable an acceleration of the Council's Decent Homes capital programme from January 2013, as set out in this report so that the grant increases by £404,000 to £2,722,000 in 2012/13 and by £2,500,000 to £5,738,000 in 2013/14;**



64. approval be given to spend the £404,000 reallocated into the final few months of 2012/13 on replacement doors and windows;
65. approval be given to the procurement process set out above using the LHC procurement framework for the appointment of additional contractors to assist with the delivery of the accelerated programme of Decent Homes work; and
66. approval be given to increase the staffing levels in the Housing Property Services Team by 4 FTE from 1 January 2013 to 31 April 2014 consisting of:

**X1 FTE Surveyor  
X2 FTE Clerk of Works  
X1 FTE Administrator**

**at an estimated cost of £157,000, to be funded from the HCA Grant allocation.**

*[Reason: an opportunity for Waverley to bring forward its programme of housing improvements and accelerate the delivery of decent homes in the Borough.]*

#### Background Papers

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

#### 113. CAPITAL WORKS REPROGRAMMING 2012-13

*[This item contains exempt information by virtue of which the public is likely to be excluded during the item to which the report relates, as specified in Paragraphs 1 and 3 of the revised Part I of Schedule 12A to the Local Government Act 1972, namely:-*

*Information relating to any individual; and*

*Information relating to the financial or business affairs of any particular person (including the authority holding that information)]*

- 113.1 This item informs members of works required to the housing stock in this Borough, works that were unforeseen when the budget was put together and the reprogramming of funds to meet essential needs. These works are summarised below:

#### Sheltered Scheme Entrance Doors

- 113.2 Within the Waverley capital budget of 2012-2013, an allocation of £30,000 to supply two automatic entrance doors to sheltered schemes at Falkner Court and Moat Lodge was committed. The £30,000 was to cover both doors and make the properties DDA compliant. There is a year-on-year programme to supply and fit the sheltered schemes automatic doors in the borough.

Tenders were sent out and the successful contractor was Besam Doors Ltd, at a cost of £12,306 for both doors. This provides an excellent product and value for money, with savings of £17,694.

- 113.3 The intention is to bring forward DDA compliant doors required at Rolston House, Shepherd's Court and Riverside. This will benefit the tenants at the schemes and utilise the remainder of the budget for this year. The additional doors will be tendered again under the Council's CPRs to ensure value for money. Bringing forward the work into this financial year would allow the Council to take advantage of the competitive prices gained through tendering and avoid inflationary risks. The current doors are not disabled access compliant. The traditional solid timber doors are heavy and due to the weight difficult for the frail tenants to open.

#### Decent Homes Rewires

- 113.4 The Electrical Rewire budget has been awarded to T. Brown Ltd after going through the OJEU process. This contract started late and they were slow to mobilise. The original budget was £377,000, but due to the above issues £100,000 was reprogrammed and set aside at the September Executive on the proviso that should it be possible to reschedule the works this year, the Executive would consider releasing the funds. The contractor has now caught up, and the £100,000 is required to carry out the remainder of the programme, which will be 74 properties from the original number of 175.

#### Water Supplies

- 113.5 The proposal is to separate the mains water to four properties at Ockford Ridge. This will greatly improve the situation for the tenants who have suffered several leaks. Currently the original mains pipe system has come to the end of its useful life. The consequence is that a water leak anywhere on the system means that when repairs are carried out the water supply is terminated to all four properties until the leak is fixed. This has happened numerous times and been very disruptive. Both the age of the system and the fact it is shared indicate that renewal is the cost effective solution. This will resolve the disruption issue and provide a long term cost saving for maintenance and repair. There is budget of £40,000 for these works to be carried out and a competitive quote for £12,460 was the lowest received.
- 113.6 The work has to be undertaken by the supplying utility company. There is a risk that the cost will increase if the pipework is allowed to deteriorate further and there is a chance that the water may be contaminated via the leak. The Council could incur unnecessary water costs if the leaks continue and the repairs are not undertaken.

#### Communal Lighting to Sheltered Schemes

- 113.7 In 2010 Falkner Court had an assessment carried out on the communal lighting by an independent consultant. It was found the original lighting was failing with age, and at floor level was very poor for the client group, with maintenance calls increased and no replacement parts for the fittings. The lighting to the corridors, stairwells and entrances are left on throughout the

day and night. There are no controls in the areas that receive natural light through windows.

113.8 It is proposed to introduce light level sensors in the lighting circuits or fittings that are close to windows in corridors, stairwells and lobbies. Also the fitting of more modern efficient light fittings will impact on the ongoing problems and improve on the lighting levels for residents. The inclusion of more energy efficient fittings will save on energy costs. The cost of these works will be in the region £20,000 to £25,000 and can be carried out with the tenants in-house. Tenders need to be sent out and priced to get competitive prices. The scheme at Shepherds Court is similar and needs £20,000 - £25,000 spent to bring up to the same standard.

113.9 The light fittings are being mended or replaced with spares from other schemes often external to the Council, but the use of second hand spares decreases the maintenance and failure time. It is increasingly difficult to maintain the existing fittings since becoming obsolete. The new lighting would be sensor-controlled LED lighting, which will significantly reduce the maintenance required (LED lights are of low electricity consumption and may last up to 30 years). It is expected that the new system would achieve savings of at least 50% on the electricity currently used. There is £50,000 available in the approved other programmed maintenance budget that will not be spent on unadopted roads and culverts this financial year. We propose a virement to fund the lighting improvements.

#### Bathroom and Kitchen Layout Alterations

113.10 Due to previous issues in the start up of the Decent Homes work, funding identified in the other programmed maintenance budget for spend on kitchen and bathroom layout alterations and wash hand basins has been identified for reprogramming. The aim is to now include this aspect of work into the fitting of the Decent Homes Kitchen and Bathroom work next year, ensuring those properties are also Decent Homes compliant. Permission is requested to carry the £550,000 funding into 2013/14 to be spent along with the brought forward HCA grant.

#### Major Voids/Structural Works

113.11 These works are structural works, mostly ground floor slab failures, underpinning, major cracking, etc. Waverley has many of these structural works that must be carried out to make homes habitable and to comply with the decent homes standard. The structural works are mainly due to "London Clay" and subsidence in the borough. These are set out in (Exempt) Annexe 12. Three of these works have been tendered and are ready to start on site; the remaining properties are still being tendered. The above amounts are covered by the Structural Works and Major Repairs budget.

113.12 There is a risk of continued rent loss which is currently £16,700 per annum and £690 per week. The tenders are valid for approximately 45 days and after this may require retendering and incur additional costs. The properties are family homes in popular areas with substantial waiting lists: 320 people waiting for a 3 bedroom dwelling in Dockenfield, and 3,758 in the Farnham vicinity. The work should reduce maintenance costs for up to 10 years.

113.13 If the properties were sold on the open market, because of the work required they would be likely to have to go to auction thereby reducing the likely selling price. Any selling price is likely to be reduced by more than the cost of the works required. There is budget identified and available in the other programmed maintenance approved budget – Structural and major repairs element £935,000, of which £630,000 has been accounted for, the remaining £305,000 available to use for the estimated cost of £235,000 for repairs to these nine properties.

113.14 The Executive now

**RECOMMENDS that**

- 67. the Sheltered Replacement doors plan be brought forward into 2012/13 to be financed by the budget provision in 2012/13;**
- 68. £100,000 be approved for continuing the rewiring work, to be met from the deferred budget provision 2012/13;**
- 69. the water mains repair scheme at Ockford Ridge be approved from the existing budget provision 2012/13;**
- 70. a £50,000 virement of budget funding be approved for lighting work at the Sheltered Schemes funded from the unadopted roads and culverts budget;**
- 71. the transfer of £550,000 for kitchen and bathroom layout alterations and wash basins be approved from the financial year 2012/13 approved budget into financial year 2013/14; and**
- 72. the major repair works be undertaken to the identified properties from the existing budget provision in 2012/13.**

*[Reason: to approve reprogramming of works required in the borough that were unforeseen when the budget was first approved].*

Background Papers

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

114. ROLSTON HOUSE

- 114.1 Rolston House is a sheltered scheme situated in Haslemere. The scheme provides 35 single units, comprising off 29 bedsits with shared bathrooms, 2 staff flats that are in the process of being vacated, and 4 one bed self-contained flats. The scheme is serviced by a warden for 37 hours a week.
- 114.2 Rolston House is situated 1 mile from Haslemere town centre. It is close to Weyhill shops including Tesco, a Post Office, Library, Day Centre, Churches of most denominations. It was built in 1976 in a good locality. The proposal is to convert the bedsit properties and the staff quarters into self contained properties, supporting independent living.
- 114.3 The budget figure for all the work would be in the region of £1,000,000. This would come out of the Stock Improvement Fund. The scheme does not currently meet the decent homes standard due to the shared bathrooms. The accommodation comprises of 35 units; 29 bedsits, 2 staff flats that are in the process of being vacated, and 4 one bed self-contained. A lift services every floor level, adapted shower and bathroom suite, laundry, guest rooms and very large tenant lounge.
- 114.4 The voids are losing rental income of £70,070 per year. One bed-sit has been empty since 2007 with a total loss of £38,640. This is due to the difficulty of letting with the shared facilities. Also in the scheme are one 3 bedroom and one 2 bedroom staff flats which are being vacated at the moment. The proposal is to convert them into three one bedroom and two one bedroom self-contained flats respectively. These would then be rentable to our residents.
- 114.5 The bedsits share a bathroom and this is neither appropriate nor convenient for the client group. Rolston House is currently operating with eleven voids. Discussions with residents, scheme staff and allocations staff suggest the reason for the high void rates is the shared bathrooms. In some cases residents have to go on other floors to use a bathroom. Staff at the scheme have been asked about vacancies, and potential residents are enthusiastic about the scheme until they are shown the shared bathrooms.
- 114.6 Currently the waiting list for sheltered accommodation in this area is 23 applicants ranging from 64 to 99 years of age. There are only two other sheltered accommodation schemes in this area. The provision of good quality accommodation with modern facilities will enable older people to give up larger, family-sized properties. Currently people are reluctant to do this to move to somewhere with shared facilities.
- 114.7 The proposal is to employ a structural engineer consultancy to write the calculations and specification and tender the works at an estimated cost of £20,000. An In-house Project Surveyor will manage the works while in progress at an estimated cost of £50,000.

114.8 The bathrooms are each shared by two flats, the proposal is to build a wall in the centre of the bathroom, then demolish the walls each side into the individual wc's, then block up the entrance door. This will give enough room for a walk in shower, wc and wash hand basin. To enlarge the flats it is also proposed to take out the walk-in wardrobes and milkman's cupboard. This will give more living space. Two of the bed sits can not be reconfigured, due to the lay out and extra thought is needed on the layout for these.

114.9 The advantages of this option of reconfiguration of the building are

- Planning permission would not be required to carry out the work.
- The costs are likely to be less than keeping all the voids.
- Most tenants would benefit from independent living.
- The reconfiguration will increase the rentable flats available.
- The number of units will make it more financially viable.
- Provides a better financial return than losing rental income and paying council tax on an empty flat.

114.10 The disadvantages for this proposal are that

- Tenants will have to vacate bedsits or flats and move to alternate accommodation within the scheme (although we can remodel the empty units first and use these either as decants or permanent moves).
- Two bedsits that are not viable to change and it is being considered that they be converted to guest bedsits and the existing guest rooms converted into a flat.

114.11 If the works are given the go ahead, it would also be an opportunity for the Structural Engineer to review the heating and power supply within the scheme. The proposal will be to keep the existing tenants in-house to minimise disruption. Some may have to be moved from existing bedsits to the newly converted flats. If the tenants are decanted this may be too much of an upheaval, so the proposal would be if an unconverted flat or bedsit becomes available, Waverley do not fill it and keep it as a void and out of management. The works will have to be phased with health and safety a key priority. Parts of the building will be cordoned off and will be made safe so that tenants can not gain access.

114.12 The financial implications are:

- a. Remodelling costs £1,000,000 which will have an expected useful life of 30-40 years. The external shell will have a longer expected life if maintained.
- b. Rebuild costs £6,000,000 (estimate based on open market value of the units) which will have an expected useful life of perhaps 50-60 years, with the external shell having an estimated life of 100 years. This estimate excludes compensation and decant costs.

114.13 This alternative has not been considered given the current demand in the area and the logistical problems of relocation given the shortage of suitable alternative accommodation. Currently the costs to the Council are:

Annual loss of income (inc service charge) due to voids	£70,070
Council tax (empty property - HRA paying)	<u>£8,700</u>
Total Cost to Council per year	£78,770

114.14 Due to the limited sheltered facilities available and a waiting list for acceptable properties, it is anticipated that once the conversion is finished it will be fully subscribed. The average cost in this proposal to convert to a flat is £30,000, and this gives a rental pay back of between 7 and 14 years (100% to 50%). To date the empty (void) properties at Rolston House have lost £71,000 in rent (exc Service charges of £40 per bedsit per week).

114.15 There is a risk of disruption to tenants. Void bedsit properties continue to increase which may make the scheme unviable and reduce the available sheltered provision still further. There is also the risk that remodelling of the scheme still does not attract clients – but to avoid this tenants are being involved in the design.

114.16 The next steps if the Council agrees to the proposal are:

1. to set up a Working Group with the involvement of residents from the scheme; and
2. to organise a meeting with all the tenants and family members from Rolston House to discuss and review proposals.

114.17 The Executive

**RECOMMENDS that**

- 73. the principle to remodel Rolston House in Haslemere be agreed;**
- 74. a capital provision of up to £1,000,000 from the Stock Improvement Reserve be agreed;**
- 75. the hire of a Structural Engineer be approved to prepare a scheme for tender (to be funded from budget provision in 74.) at an estimated cost of £20,000;**
- 76. a Project Manager be appointed on a temporary contract to manage the Rolston House remodelling project and the brought forward decent homes work programme at an estimated cost of £50,000 to be funded from the Stock Improvement Reserve; and**
- 77. the scheme be put out to tender.**

*[Reason: to convert the property to provide accommodation that supports independent living and allows the sheltered scheme to meet decent homes standards].*

Background Papers

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

115. EXCLUSION OF PRESS AND PUBLIC

At 7.44 p.m. it was

RESOLVED that, pursuant to Procedure Rule 20, and in accordance with Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of the following item on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during these items there would be disclosure to them of exempt information (as defined by Section 100I of the Act) of the description specified in paragraph 3 of the revised Part I of Schedule 12A to the Act, namely:-

Information relating to the financial or business affairs of any particular person (including the authority holding that information).

116. HOUSING DELIVERY BOARD ITEMS

The Executive considered two reports on this matter, as set out at (Exempt) Annexes 13 and 14 to these minutes and now

**RECOMMENDS that**

**78. the recommendations set out in (Exempt) Annexes 13 and 14 to these minutes be agreed.**

*[Reason: to help deliver new affordable homes in the Borough]*

**Part II – Matters Reported in Detail for the Information of the Council**

There were no matters raised under this category.

**Part III – Brief Summaries of Other Matters Dealt With**

117. EXECUTIVE FORWARD PROGRAMME

RESOLVED that the new format of forward programme of key decisions for Waverley Borough Council be adopted and the programme endorsed, subject to amending the appropriate Portfolio Holder for the Troubled Families Project to Cllr Carole King.

118. BUDGET MANAGEMENT – OCTOBER UPDATE 2012-13

RESOLVED that



1. the addition to the General Fund Capital Programme of up to £15,800 for Wireless Network in the Council Offices be approved as detailed in paragraph 6 of the report, to be met from the identified savings on the General Fund Capital Programme, with the precise scheme to be agreed by the Deputy Chief Executive in consultation with the portfolio holders for I.T. and Finance;
2. the additional HRA capital work outlined in Annexe 4 to the report be approved, to be funded from the resources approved for the original 2012-13 Capital Programme;
3. the Community Partnership Grant of £9,000 be released to Hambledon Football Club as detailed in paragraph 7 of the report;
4. officers be authorised to invite expressions of interest from potential contractors for the Herons Leisure Centre Refurbishment Project; and
5. a supplementary estimate of £20,000 be approved within the HRA for the replacement carpets in the communal areas at Riverside Court, as detailed at paragraph 12 of the report..

*[Reason: The report provides details of the income and expenditure position compared with the budget and reassured the Executive that at this stage of the year, the general fund position is sound and the HRA positive.]*

119. LOCAL COUNCIL TAX REDUCTION SCHEME

RESOLVED that

1. the endorsement of the scheme by the Corporate Overview and Scrutiny Committee at its meeting on 26 November 2012 be noted; and
2. Waverley's council tax reduction scheme for 2013/14 be considered at a Special Executive and Council meeting on 22 January 2013 once the funding position from the government and other precepting bodies is clear.

*[Reason: given the uncertainty about Waverley's budget and Government funding for 2013/14, it is not possible to agree on Waverley's scheme until the new year]*

120. COUNCIL TAX BASE

Given the uncertainty about Waverley's budget and Government funding for 2013/14, the Executive was informed that it was not possible to consider a report on the Council Tax Base for 2013/14 at this time.

121. WAVERLEY CORE STRATEGY - SUBMISSION

The Executive agreed to defer consideration of this report in the light of the observations raised by the Special meeting of the Community Overview and Scrutiny Committee held the previous evening on 3 December 2012, a copy of which is attached as Annexe 15, for information.

122. THE SCOPE OF THE DEVELOPMENT MANAGEMENT AND SITE ALLOCATIONS DEVELOPMENT PLAN DOCUMENT

The Executive agreed to defer consideration of this report in the light of the observations raised by the Special meeting of the Community Overview and Scrutiny Committee held the previous evening on 3 December 2012.

123. UPDATE ON GOVERNMENT CHANGES TO THE PLANNING SYSTEM

RESOLVED that

1. the contents of the report be considered;
2. the comments of the Community Overview and Scrutiny Committee set out in paragraph 5 of the report be endorsed; and
3. a response be sent to the Government expressing Waverley's concerns about the proposed changes to the planning system.

*[Reason: to update the Executive on changes to the planning system and highlight some of the issues for service delivery.]*

124. EXTENDING PERMITTED DEVELOPMENT RIGHTS TO HOMEOWNERS AND BUSINESSES: CONSULTATION BY GOVERNMENT

RESOLVED that the proposed response to the Government's consultation, set out at Annexe 1 to the report be endorsed.

*[Reason: to respond to the consultation by the deadline of 24 December 2012].*

125. TOWN TEAM PARTNERS

RESOLVED that

1. the Town Team grants achieved by Cranleigh, Farnham and Godalming be warmly welcomed, together with the opportunity to work with the local teams to progress their project ideas; and
2. each of the Town Teams be invited to submit their detailed spending plans for approval by the Executive at its next meeting.

*[Reason: to set out the governance arrangements for each of the projects supported by Waverley].*

126. BOUNDARY COMMISSION FOR ENGLAND REVIEW OF PARLIAMENTARY CONSTITUENCIES

RESOLVED that representations be made to the Boundary Commission for England that there should not be any change to the existing split within the Waverley Borough of the South West Surrey and Guildford Parliamentary constituencies because of the impact on the wards in the east of Waverley of being incorporated into the new Mid Surrey proposed county constituency.

*[Reason: to respond to the Boundary Commission proposals]*

The meeting commenced at 6.45 p.m. and concluded at 7.52 p.m.

Chairman