

WAVERLEY BOROUGH COUNCIL

MINUTES OF THE OVERVIEW & SCRUTINY COMMITTEE - HOUSING
- 30 JANUARY 2018

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

Present

Cllr John Ward (Chairman)	Cllr Tony Gordon-Smith
Cllr Pat Frost (Vice Chairman)	Cllr Richard Seaborne
Cllr Carole Cockburn	Cllr Liz Townsend
Cllr Patricia Ellis	Miss Brenda Greenslade (Co-Optee)
Cllr Michael Goodridge	Mr Adrian Waller (Co-Optee)

Apologies

Cllr Denise Le Gal

Also Present

Councillor Carole King

WELCOME

The Chairman welcomed members of the Tenants' Scrutiny Group who were in the public seating area and observing the meeting.

35. MINUTES (Agenda item 1.)

The Minutes of the Meeting held on 14 November 2017 were confirmed as a correct record.

36. APOLOGIES FOR ABSENCE AND SUBSTITUTES (Agenda item 2.)

Apologies for absence were received from Cllr Denise Le Gal.

37. DECLARATIONS OF INTERESTS (Agenda item 3.)

There were no declarations in relation to items on the agenda.

38. QUESTIONS BY MEMBERS OF THE PUBLIC (Agenda item 4.)

There were no questions.

39. HOUSING REVENUE ACCOUNT BUSINESS PLAN, REVENUE BUDGET AND CAPITAL PROGRAMME 2018/19 (Agenda item 5.)

Hugh Wagstaff, Head of Housing Operations, introduced the report setting out the updated 30-year Housing Revenue Account (HRA) Business Plan, and the proposed Revenue Budget and Capital Programme for 2018/19.

The HRA Business Plan incorporated the changes to HRA finances implemented by the Government in 2016, most notably the 1% per year rent reduction for 4-years from 2016/17. Housing rents for 2018/19 had been set at 1% below 2017/18 levels. The policy in relation to the sale of high-value voids (High Value Asset Levy) was now expected to come into effect in 2019/20. Welfare reforms including Universal Credit also posed a risk to Waverley's rental income.

The main headline with regard to the HRA Revenue budget for 2018/19 was that there was no growth in staff costs, and the pay rise agreed by the Council had been absorbed through efficiency savings.

Cllr Seaborne queried the Contingency line, and asked how this had been calculated: the average was 3.4% of total income, but it varied from year to year. Peter Vickers explained that this was effectively a balancing item and recognised that there were a number of potential costs that could not be identified separately with any certainty at this time, but needed to be provided for in the budget.

The Capital Programme had been reviewed in 2017 and adjusted to accommodate the reduced rental income over the 4 years to 2019/20. Now there was some certainty about resuming rent increases from 2020/21, it would be possible to start planning for an enhanced capital programme.

The Housing Overview & Scrutiny Committee reviewed the proposed Housing Revenue Account Business Plan, Revenue Budget and Capital Programme 2018/19. Overall, the Committee was pleased to see the prudent approach to budgeting, and endorsed the recommendations to the Executive and Council.

40. MEDIUM TERM FINANCIAL PLAN 2018/19 - 2020/21 AND GENERAL FUND BUDGET 2018/19 (Agenda item 6.)

Peter Vickers, Head of Housing, introduced the report setting out the 3-year Medium Term Financial Strategy and General Fund Budget for 2018/19. At the start of the budget process in July 2017, there had been a £2.7m budget shortfall for the period 2018/19 to 2020/21. Whilst the latest projections showed that the shortfall had increased to £3.2m due to higher inflation estimates, a balanced budget for 2018/19 had been achieved. This was based on a proposed increase of 2.99% in Council Tax, a transitional funding agreement with SCC in relation to recycling credits, new income from property investments, and increased fees and charges, as well as other efficiency savings across all Services.

The Housing Overview & Scrutiny Committee considered the Medium Term Financial Strategy 2018/19-2020/21 and the General Fund Budget 2018/19. Whilst certain parts of the Housing Service were funded from the General Fund rather than HRA, this was not a significant part of the overall General Fund budget. It was noted, however, that there was a risk in relation to the cost of implementing the requirements of Homelessness Reduction Act which would become clearer as the year went on.

The Committee endorsed the recommendations to the Executive and Council.

41. HOUSING SERVICE PLAN 2018 - 21 (Agenda item 7.)

The Housing Overview & Scrutiny Committee reviewed the draft Housing Service Plan for 2018/19, and noted the continued focus on improving service delivery, service reviews to maximise productivity, and implementing new initiatives.

The Committee noted that the ongoing work to maximise rental income included the management of the risks arising from the continued roll-out of Universal Credit.

The Committee endorsed the Housing Service Plan for 2018/19 to the Executive for approval, and recommended that it be reviewed by the Housing Heads of Service once the new Corporate Strategy is agreed.

42. WAVERLEY DRAFT HOUSING STRATEGY 2018 - 2023: STRATEGIC HOUSING AND DELIVERY (Agenda item 8.) (Pages 7 - 10)

The Housing Overview & Scrutiny Committee received a presentation on the *Housing Need and Local Affordability Analysis* which informs the draft Housing Strategy 2018-2023 for Strategic Housing and Delivery.

The analysis highlighted the need in Waverley for affordable housing, as buying or renting privately was well beyond the reach of many local families. Average house prices in Waverley were significantly higher than the south-east, and typically required a deposit of over £50,000 and mortgage payments of over £2,000 per month. Private rents ranged from £790/month for a 1-bed dwelling to £2,250/month for a 4-bed. For households needing support, a contribution towards rent could be paid by Housing Benefit, but the shortfall that tenants would have to cover increased with the size of the property. Even though average incomes were higher in Waverley compared to England, the south-east and Surrey, they still fell short of what was needed for many to be able to buy or rent on the open market: in Waverley, 28% of Housing Benefit claimants were in work.

Affordable housing was subsidised housing, usually for subsidised rent (social or affordable), shared ownership or shared equity. Housing Associations most often delivered new affordable housing for rent, in partnership with commercial developers, but in Waverley the Council had recently taken a lead in developing affordable housing for rent. The new Housing Strategy would set out Waverley's approach to meeting the need for affordable housing going forward.

The Committee noted that they would be emailed the Draft Housing Strategy and invited to submit comments to Officers; and that the Chairman and Vice-Chairman would be meeting with the Head of Strategic Housing and Delivery for a more in-depth review of the Strategy before it came back to the Committee in March.

43. TENANCY AGREEMENT REVIEW (Agenda item 9.)

The Committee noted the revised project plan for approving the updated Tenancy Agreement, and the new implementation date of 1 May 2018. Formal consultation with tenants would now be starting in February, following an open meeting for all tenants. The consultation would not have concluded in time to submit a final report

to the March meeting of the Committee, but an update would be provided to Members prior to the Tenancy Agreement being considered by the Executive.

All councillors would be notified when the statutory notice was sent to tenants in February.

44. HOUSING MAINTENANCE CONTRACTS PROCUREMENT UPDATE (Agenda item 10.)

Hugh Wagstaff, Head of Housing Operations, updated the Committee on the progress against the project plan for the procurement of new repairs and maintenance contracts from April 2019.

The Committee noted that the procurement of new contracts for responsive repairs and voids, planned works, and building works, was progressing well and on track to appoint contractors in June and July.

The Committee thanked the Tenants' Panel and Tenants' Scrutiny Group members for their significant contribution to the evaluation of tenders, and Annalisa Howson for her project management of the procurement exercise.

45. OCKFORD RIDGE REGENERATION PROJECT - UPDATE (Agenda item 11.)

The Committee received an update on progress of the Ockford Ridge redevelopment project, and was pleased to note that good progress was being made across all the work streams.

The Committee noted that there had been a slight delay in completion of Site D, but the s278 agreement with Surrey Highways had now been completed. Handover was expected at the end of March and properties had been allocated to tenants in accordance with the Ockford Ridge Allocation Policy.

Preparatory work had now begun on Site A and it was planned to appoint a media company to take periodic drone footage of the progress on this site.

The next phase of refurbishments was underway, and the Committee noted that the presence of owner-occupied properties had added a level of complexity not encountered in the pilot phase, particularly in relation to party-wall matters. This had reinforced the importance of taking time and care to engage with all residents, and to understand and respect their concerns.

The Committee asked if a site visit could be arranged to see some of the refurbished properties before they were re-occupied. Louisa Blundell would invite Members once the time-frame had been confirmed for the availability of the properties (likely end-March).

In future, Louisa to include the Project Gantt chart in the Committee papers.

The Committee noted the project update and congratulated the Housing Development team on the successful delivery of Phase 1 of the refurbishments.

46. COMMITTEE WORK PROGRAMME (Agenda item 12.)

Yasmine Makin introduced the Committee Work programme and drew attention to changes in the scheduling of certain items, and the change in format of the Recommendation Tracker.

The Committee noted the items due to come forward to the Committee in March 2018, and that the publication of the Housing Related Support White Paper had been delayed so the Committee's consideration of the implications would be picked up at the June 2018 meeting.

For March 2018:

Tenant Involvement progress report

Housing design standards in-depth review – final report

Review of age-related properties

Waverley Scrutiny Group – report on recharges

The meeting commenced at 7.00 pm and concluded at 8.00 pm

Chairman

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Overview and Scrutiny Committee - Housing



Alice Lean
30 January 2018



Our new Housing Strategy 2018-2023

Need for Affordable housing as reflected in Housing Need and Affordability Analysis

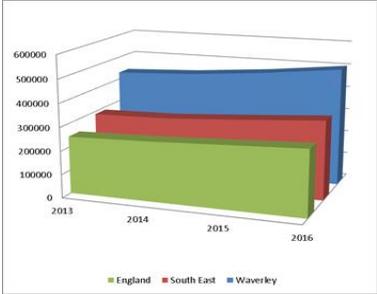


Why do we need affordable housing?

- A family wanting to buy an average home in Waverley would now require an income of over £113,000 to afford a mortgage
- Average monthly rents now stand at £1,050 in Waverley



Buying a home in Waverley



Year	England	South East	Waverley
2013	~150,000	~250,000	~350,000
2014	~180,000	~300,000	~450,000
2015	~200,000	~350,000	~500,000
2016	~220,000	~400,000	~550,000



A worked example to buy an averagely priced property in Waverley

Total cost	£503,125
Deposit required	£50,312
Mortgage per month	£2,148
Income required	£113,203
Based on a 90% mortgage, 3% interest rate and lending at 4 x income	



Renting a home in Waverley

	Private rent £pcm	LHA £pcm	SHORTFALL £pcm
1 BED	£790	£739.57	£50.43
2 BED	£1,050	966.16	£83.84
3 BED	£1350	£1,161.46	£188.54
4 BED	£2250	£1,495.41	£754.59



Incomes in Waverley

	Waverley Workplace	Waverley Resident
Median Income	£22,797	£29,770
Lower Quartile Income	£11,991	£17,368



Work is no guarantee that local people will be able to pay all of their housing costs



28% of Waverley's Housing Benefit claimants are in work



So we need more affordable housing...

... but what is affordable housing?




... what is affordable housing?

- Homes provided for those who cannot afford to buy or rent on the open market
- Always contain some kind of subsidy
- Usually delivered by Councils and Housing Associations
- Usually for subsidised rent or shared ownership or shared equity



NPPF

“Affordable housing is social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices.”



A new Housing Strategy: ‘HOME’

Four overarching goals:

- Increase delivery of high quality affordable **H**ousing
- **O**ptimise social and economic wellbeing
- **M**ake best use of existing homes
- **E**ngage with partners to achieve our joint aims



Next steps

- Consultation with O&S
- Take housing strategy through committee process
- Adopt and work towards achieving goals set out in action plan
- Review action plan on a regular basis
- Publish an annual Housing Strategy progress review

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Any questions?



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