

Time commenced - 6.00pm
Time finished - 9.00pm

COMMUNITY REGENERATION COMMISSION 27 JANUARY 2004

Present: Councillor Bayliss (in the Chair)
Councillors Blanksby, Crosby, Gerrard, Liversedge, Lowe and Willitts

Canon MacDonald and Mr Kazmi – Co-opted Members

In attendance: Councillor Redfern

71/03 Apologies for absence

An apology for absence was received from Councillor Baxter. The Chair asked that best wishes be sent to Councillor Baxter from the Commission.

72/03 Late items to be introduced by the Chair

In accordance with Section 100 (B) (4) of the Local Government Act 1972, the Chair agreed that the following item be admitted as a late item, to enable discussion to take place before the next meeting as Council Cabinet would be making a decision on this matter at their meeting on 3 February 2004:

Community Grants Budget – Minute Number 73/03 refers.

73/03 Minutes of the previous meeting

The minutes of the meeting held on 17 November 2003 were confirmed as a correct record and signed by the Chair.

74/03 Declarations of Interest

Councillor Bayliss declared a personal interest in minute number 70/03 as he was the Vice Chair and non-executive Director of Derby Homes appointed by the Council. Councillors Liversedge and Lowe declared personal interests in minute number 70/03 as they were non-executive Directors of Derby Homes appointed by the Council. Councillors Gerrard and Crosby declared personal interests in minute number 73/03 as they were Trustees of the Citizen's Advice Bureau appointed by the Council.

75/03 Call-in

There were no call-ins.

76/03 Draft Affordable Housing Supplementary Planning Guidance

The Commission considered a joint report of the Directors of Development and Cultural Services and Policy referred to the Commission by Council Cabinet on 16 December 2003. The report detailed the Affordable Housing Supplementary Planning Guidance, which set out how the City Council would implement its Affordable Housing Policy in the Local Plan. Rob Salmon, Head of Plans and Policies in Development and Cultural Services, presented the guidance to the Commission. The Commission were advised that the guidance needed to be the subject of consultation with interested parties including developers, landowners, housing associations and the public. It would then be adopted as supplementary planning guidance to help determine planning applications that involved the provision of affordable housing. The supplementary planning guidance was intended to clarify the Council's policies on affordable housing to help everyone involved in the process understand how these policies could be implemented successfully. It aimed to give an overview of the housing need in Derby, where and when the Council would seek affordable housing, and how they would secure it and give good practice advice to make sure the whole process ran smoothly. The guidance covered the following main areas to assist developers:

- planning policy context
- definition of affordable housing and evidence of need
- negotiating affordable housing, including thresholds, suitability and design
- delivering affordable housing, including on-site provision, off-site provision and financial contributions.

In line with government guidance, this document would be monitored and reviewed on a regular basis to make sure that it continued to help to meet the identified housing needs in Derby. The consultation would take place during a six-week period in March and April. Free copies of the supplementary planning guidance would be sent to interested parties and a response would be presented to Council Cabinet in July.

Councillor Bayliss commented that this was a complex document and asked if it could be made simpler by being written in plain English or by producing a summary document for general use. Rob Salmon advised that, as the Council were dealing with legal agreements, the developers and agents would understand the content. However, if there was the market for a plain English version or a summary document, then this could be produced.

Councillor Gerrard stated that the Council had not been successful in providing affordable housing for over ten years. He did not see anything in the supplementary planning guidance that would change this. He asked for clarification on how the Council were going to meet the need of affordable housing in the city. Sue Glithero advised that at present the threshold was 40 units per hectare but the government were busy consulting on further guidance to change it to 25 units per hectare. Rob Salmon advised that the Council had been successful in securing affordable housing under section 106 agreements compared to other local authorities.

Councillor Blanksby commented that, at a recent Area Panel 2 meeting, members of the public complained that affordable housing was being kept to one area of the development, thus creating a ghetto like area, and asked that the guidance included policy on avoiding this happening. Rob Salmon advised that this was something that could be looked into and taken back to Council Cabinet for their consideration.

Resolved

- 1 To note the report**
- 2 To recommend to Council Cabinet that the supplementary planning guidance clearly states that the mixed siting of housing across a new housing development was necessary and to help achieve this, the location of affordable housing within a development should be clearly identified at the outline planning application stage where possible.**

77/03 Introductory Tenancies

The Commission considered a report of the Director of Policy detailing the proposal to implement introductory tenancies across the housing stock. Chris Robinson, Housing Manager, Tenancy Services from Derby Homes, advised the Commission that the purpose of introductory tenancies was to encourage people to behave responsibly and in a way which was acceptable to the rest of the community. Introductory tenancies would make repossession much easier. This process would apply to all new tenants. At the expiry of a 12-month satisfactory introductory tenancy, tenants would proceed to a secure tenancy.

Councillor Bayliss stated that this was an excellent policy as there were examples where certain tenants caused problems on estates and this would help to alleviate this.

Chris Robinson advised that it would also be possible to extend an introductory tenancy if there was sufficient reason to do so. Any incidents of nuisance or anti-social behaviour would be looked at on a case by case basis. Under new provisions in the Anti-social Behaviour Act, it would also be possible to demote from a secure tenancy down to an introductory tenancy, if needed.

Resolved to note the report.

78/03 Revenue Budget 2004/05 – 2006/07

The Commission received a presentation from Sue Glithero – Director of Policy, on the Draft Revenue Budget for 2004/05 – 2006/07 covering Community Policy, Housing and Advice Services, Derby City Partnership and Revenues and Benefits.

Councillor Bayliss commented that, at a previous meeting of the Commission, it was advised that the Community Safety Partnership were looking at gaps of £180,000. In this presentation it was just £16,000. Sue Glithero advised that the revenue budget

was just showing the part that affected the Council and where additional funding had been requested.

Councillor Bayliss advised that it was regrettable that the two proposed Area Panel Managers could not be funded, as Members were keen on there being an Area Panel Manager for each area panel. Sue Glithero advised that this issue came up as part of last year's budget process and the Council were trying to safeguard jobs that were already in place.

Councillor Bayliss also stated that it was regrettable that more money was not being put into affordable housing.

Resolved

1 To note the report

2 To advise Council Cabinet that:

- a) It was regrettable that there was no growth in the Community Policy budget and, specifically, that additional two Area Panel Managers would not be funded.**
- b) To express regret at the proposed cut from £44,000 to £14,000 in the Social Inclusion budget, as this would mean a reduction in the number of projects able to receive pump primed funding.**
- c) To express regret that more resources were not available to promote the development of affordable housing.**

79/03 Housing and Council Tax Benefits Service

The Commission considered a report of the Director of Finance detailing the position statement of the Housing and Council Tax Benefits Service, as at 30 November 2003. Don McLure, Assistant Director, Revenues and Benefits, advised the Commission that one of the priorities for the Housing Benefits Service was the importance of helping claimants to fill in the complicated form. The form had been circulated to all members of the Commission for information and it had been modelled on the Department of Works and Pensions recommended form. From April 2004, the Housing Benefits Service had arranged for a part time outreach service to be provided at area housing offices where customers would be given benefits advice and assistance to complete their forms.

The Commission were advised that the targets for processing new claims for 2003/04 had been set at 55 days and the team were making steady progress, at 31 March 2003 they had achieved 79 days, by June 2003 70 days, by 30 September 2003 they had achieved 65 days and by 31 December 2003 they had achieved 59 days.

Councillor Gerrard stated that he was pleased to see the progress made by the Housing Benefits Service. Councillor Bayliss stated that staff in the team should be commended for their hard work.

Resolved

- 1 To note the report.**
- 2 To continue to receive out turn reports every three months including performance comparisons with other unitary authorities.**

80/03 Draft Housing Capital Programme 2004/05 – 2006/07

The Commission considered a report of the Director Policy and Director of Finance detailing the Draft Housing Capital Programme for 2004/05 – 2006/07. The Sustainable Communities: Building For The Future document published in February 2003 setting out a programme of action to tackle pressing problems in communities in England. Regional Housing Boards were created to make sure delivery of housing policies set out a sustainable communities plan. Each region was given a single pot of funding for housing investments. This took the place of the resources currently allocated to each region through the Housing Corporation's approved development plans and the local authority Housing Investment Programme. The Regional Housing Board made recommendations on the split of funding between local authorities and housing associations, where the funds should be allocated within the region and the broad activities that it should support, for example, provision of new affordable housing and elements of area regeneration. Regional Housing Boards were required to allocate a formula based minimum share of resources to each authority – 75% of generalised needs index in the East Midlands. This meant that 25% of the available money for the region was top sliced to be allocated on a discretionary basis mainly to support new house building schemes through Housing Associations. A shift in available funds had benefited other authorities, notably Milton Keynes. Authorities with an Area Renewal Strategy in place were invited to bid for a share of £3m. Derby's bid was successful and the Council received £664,000 for 2004/05 with a similar amount promised for 2005/06 subject to performance.

Following its bid for resources in August 2003, the Council had been notified of its allocation for 2004/05 and an indicative allocation for 2005/06 by the Government Office for the East Midlands. The amount for 2004/05 was £3.7m.

Councillor Bayliss stated that it was regrettable that Derby had received only a small proportion of the funding available. Councillor Gerrard advised that the Council had written to the Regional Housing Board about the membership of the Steering Group to protest that the Three Cities Region was not being represented by either Derby, Leicester or Nottingham but by a district council.

Resolved

- 1 To note the report.**
- 2 To advise Council Cabinet of the Commission's regret at the top slicing of £1m from the budget.**

81/03 Heat Lease Storage Radiators

The Commission considered a report of the Director of Investment and Regeneration, Derby Homes, on the future plans for storage heaters fitted under an operating lease. The report had been prepared in response to a request from the Chair of the Commission and Councillor Redfern. Shaun Bennett, Director of Investment and Regeneration, advised the Commission that in the early 1990s financial pressures on the Housing Capital Programme resulted in certain items of expenditure, normally treated as Capital being funded by leasing arrangements. This included electric heating systems installed between 1992 and early 1999. In total, there were over 2,400 properties with electric heating systems which were funded by leasing. The total cost of these systems was nearly £2.2m. Over the years, seven leases were taken out and the annual lease rentals relating to them totalled nearly £264,000. Annual rentals were paid to the leasing companies for all the goods for the life of the lease. This was passed onto the tenants and included in the rent. The leases were taken out for periods of 10 and 12 years. The principles of operating leases was that title to the goods never passed to the lessee, in this case the Council. This meant that the Council could not buy the heating systems off the leasing companies. The primary period for one of the leases expired in March 2004 and a further three expired in March 2005. The leases included a buy-back clause stating that the original contractor would buy the goods off the leasing company at 10% of the original cost. The contractor then became the holder of the residual rights. The following options were available to the Council:

- the goods could be returned with no further payment due. This would involve the removal and transportation of over 2,000 heating systems
- a secondary lease could be taken out for a further agreed period at a reduced annual rental
- a one off rental could be agreed.

A company called Capita Asset Funding Solutions had been instructed to assess the leases and recommend to the Council a reasonable sum that could be paid for either the extension or a one off payment.

The Commission were also advised that there was no capacity within the Homes Pride Improvement Programme to replace fully operational heating systems that were less than 15 years old. There was a provision in the future Capital Programme to replace the electric heat lease systems when they became 15 years old. This programme of replacement was expected to start from 2006/07.

Shaun Bennett advised the Commission that the electric storage heaters were more fuel efficient than gas. The heaters operated at 100% and modern gas central heating systems operated at around 90% efficiency. However, at the moment, gas was about half the cost per KWH than off peak electricity. Councillor Redfern was invited to address the Commission and she advised that she had been to Area Panel meetings and customer panels and people had said how unpopular the electric heating systems were. A high proportion of users were in social housing. Heating that could not be used in the day was not convenient and most houses did not have any supplementary heating. The blocks inside took three days to cool down and were not practical. Several families which had moved to houses with these storage heaters did not have a choice and most were on low incomes and the systems were expensive to run. These heat leases were a rent add-on. People wanted to have affordable heating and not have to worry.

Resolved to recommend that Council Cabinet pursue the option of a one-off rental and recommend that the start of the replacement programme be brought forward to 2005/06.

82/03 Approval of Community Grants Budget – CGB – Grants to the Voluntary Sector 2004/05

The Commission considered a report of the Director of Policy detailing the proposed allocation of Community Grants Budget grants to voluntary sector organisations. Isabella Stone, Assistant Director – Community Policy, advised that the Community Grants Budget was managed in the Policy Directorate's budget. There had been 29 applications received for funding from the Community Grants Budget with a total of £1,270,017 requested for 2004/05.

The recommendation to Council Cabinet assumed a base rate budget of £800,000 plus a 3% inflationary increase totally £824,000. All applicant organisations had been appraised against the CGB criteria in relation to fitness for purpose. Most applicants were recommended to receive a 3% inflationary increase over and above their 2003/04 grant with some exceptions. This contained the 2004/05 grants to voluntary organisations within the assumed CGB budget of £824,000. For the first time, consideration had been given to three-year CGB funding agreements in line with Council policy. Part of the requirement for all funding would be that where applicable, organisations maintained the Legal Services Commission Quality Mark. This would be checked with the routine monitoring procedures. All three-year funding agreements would be subject to annual review and conditional upon budget provision being available.

Mark Scothern, Director Derby Council for Voluntary Service – CVS addressed the Commission and advised that the proposed three-year funding was welcomed and the idea of having a longer term funding programme was a positive move. He did comment however that the process should be more transparent. The 3% rise for inflation was a welcome increase. However, the timing if applicant organisations were not successful left little time to find funds from elsewhere.

Stuart Chadbourne, Director of the Derby Citizens' Advice Bureau – CAB - addressed the Commission, advising that he agreed with the issues on transparency

and timing which were very relevant to his organisation. He advised that in 2001, an agreement was made between the CAB, the National Association of Citizens' Advice Bureau – NACAB - and the Council setting out a schedule of match funding on a tapered basis to increase the CAB grant by £36,000 over four financial years, including a clear commitment from the Council to an ongoing commitment from 2004/05.

The CAB's obligation under the agreement was to use the extra investment from the Council and NACAB to transform what was at the time a failing organisation to one that would deliver high quality services to the people of Derby and represent good value for money for its funders.

Councillor Berry, Council Cabinet Member addressed the Commission advising that the Council had never entered into a partnership agreement with the Citizens' Advice Bureau in relation to this additional funding. The document which Stuart Chadbourne referred to was in fact a copy of an internal bid to the Corporate Modernisation budget made by officers in October 2000 to secure Shadow Policy Executive approval for budget provision to support the CAB's request for additional funding. The CAB had approached the Cabinet Members at the time to seek funding on the basis of a three-year tapered grant, £9,000 in 2001/02, £18,000 in 2002/03, £27,000 in 2003/04 and then a permanent commitment from the Council of £36,000 a year thereafter. An application form had not at that stage been received for this funding. The Modernisation Budget bid was not approved by Shadow Policy Executive. Normally, internal bid documents would not be circulated to external partners and would not be regarded as funding agreements. The funding agreement entered into between the Council and CAB in 2001/2 only included a one-off additional amount of £9,000. In 2002/3 and 2003/4 the additional grant amounts for CAB were also treated as one-off payments, with no commitment to continued funding.

Councillor Crosby commented that as a member of the CAB management committee she knew that the Citizens' Advice Bureau worked for people who were socially excluded, if the services reduced this would cause some upset for people in the city.

Resolved to recommend that Council Cabinet grant the Derby Citizens' Advice Bureau the additional £36,000 and that an agreement be put in place that the additional £36,000 be included in the base figure for subsequent years.

83/03 Council Cabinet Forward Plan

There were no items.

MINUTES END