

REPORT OF HOUSING COMMITTEE

(Meeting held 17 November 1999)

1. HOUSING MANAGEMENT CONTRACT (REPORT A) (MINUTE NO. 40)

The Committee has agreed to extend the Housing Management Contract to 31 March 2003.

The Contract for the management of the Council's Housing Stock was let on 1 April 1996 to New Forest Housing Contract Services, following a compulsory competitive tendering exercise. The Contract expires on 31 March 2001, with an option to renew for a period of 2 years.

The Local Government Act 1999 introduced the duty to deliver "Best Value" from next year and removed the requirement for Compulsory Competitive Tendering. However, letting a contract for the management of the Council's Housing Stock may well be necessary to achieve "Best Value", particularly as there is already a developed market for this.

New Forest Housing Contract Services have confirmed that they are happy with the extension of the contract for two years, using the existing arrangements that are set out in the specification, for increasing the contract price each year in line with inflation. Members will be aware that the issue of Housing Stock Transfer is still being considered. Although it has been decided not to proceed with transfer in 2000/01, it is possible that transfer will take place before 31 March 2003. If transfer takes place, there will be no need to re-let the contract. The management of the Council's Housing Stock would be included in the fourth year of the five year "Best Value" Service Review Programme. If transfers have not taken place by 31 March 2003, a "Best Value" exercise will have to take place, which may include re-letting the contract at that time.

In the circumstances the Committee considered that it would be appropriate to extend the existing contract and to evaluate by 2003 whether there is a need for a fresh contract to be let.

During the life of the contract, it has become apparent that a number of minor changes are needed to the specification. In addition it has been agreed that rent accounting, right to buy administration and tenant participation would be included in the contract package. These are also the service areas that would transfer if stock transfer takes place.

The Tenants' and Residents' Joint Committee has been consulted on this issue and unanimously supports the proposal to extend the contract for two years and to transfer the rent accounts, right to buy and tenant participation functions to the Housing Management Contractor. The employee side are pleased to note the common sense approach taken in the extension of the Housing Management Contract.

There will be no additional costs involved in adding to the contract package.

The Committee has authorised the Director of Community Services and the Director of Finance, in consultation with the Chairman and the Vice-Chairman of Housing Committee to approve the final terms of the contract extension, following negotiation with New Forest Housing Contract Services.

2. HOUSING CLEANING CONTRACT (REPORT B) (MINUTE NO. 41)

The Committee has agreed to extend the Housing Cleaning Contract to 31 March 2003.

The contract for the cleaning of the Council's sheltered housing schemes, flats and hostels was let on 1 March 1996 to New Forest Commercial Services, following a compulsory competitive tendering exercise. The contract expires on 29 February 2000, with an option to extend it for a further 2 years.

Management of the contract is carried out by the Environment Services Directorate. As with the Housing Management Contract this contract would also be part of the process for demonstrating "Best Value" when the requirement for Compulsory Competitive Tendering is removed next year. The contractor has consistently met all the main targets in the specification and has responded promptly and effectively whenever there has been a problem. During the 3 ½ years that the contract has been running there have been no issues that would prompt a requirement for any changes for specification. Discussion has taken place with New Forest Commercial Services and they have indicated that they are happy for the contract to be extended.

It is proposed to include Housing Cleaning in the third year of the five year "Best Value" service review programme in 2002/03, which would coincide with the end of the contract.

If Housing Stock Transfer takes place in 2003 there would also be no need for the Council to re-let this contract.

The Tenants' and Residents' Joint Committee considered the issue and unanimously supported the proposal to extend the contract. The employee side is also pleased to see that a sensible and pragmatic approach is being taken, giving employees the greatest degree of security.

By extending this contract additional costs on re-letting the contract and carrying out the tendering process would be saved.

The Committee has agreed that the final terms of the contract extension would be agreed by the Director of Community Services and the Director of Finance, in consultation with the Chairman and the Vice-Chairman of Housing Committee.

3. SHELTERED HOUSING SCHEME FOR OLDER PEOPLE AT PRIEST CROFT, FAWLEY (REPORT C) (MINUTE NO. 42)

The Committee has approved the transfer of the Council's flats at Priest Croft to Hythe Rotary Housing Association.

On 28 June 1999, Housing Committee approved in principle the proposals to transfer the Council's 25 flats to Hythe Rotary Housing Association, on terms set out in the confidential report. Officers were authorised to formally consult with the Council's tenants of Priest Croft and to carry out a ballot to see whether tenants wished to proceed with the transfer. Members also agreed to commission Lawrence Graham as the Council's legal advisor for this project.

The consultation process in relation to the proposed transfer of the 25 flats is the same as the process for a large scale voluntary transfer of homes.

A full consultation on the proposals and the content of the consultation document has taken place with the Council's tenants, Lawrence Graham, the Housing Corporation and the Department of the Environment Transport and the Regions. The result of the ballot was that 85% of tenants at Priest Croft voted in favour of the transfer.

The Committee agreed that due to the lack of resources of the Council's own Solicitors and the specialist nature of the work, Lawrence Graham be commissioned to complete the transfer process of the flats at Priest Croft.

Within a year of the transfer of the flats, Hythe Rotary Housing Association have guaranteed to carry out works to improve the security at Priestcroft. This will include the installation of an improved door entry system and a closed circuit security system.

4. RENT ASSESSMENT (REPORT D) (MINUTE NO. 43)

The Committee noted that progress was being made on the continued development of a revised rents computerised point system in consultation with the Tenants' and Residents' Joint Committee.

The development of a new rent point system was agreed on 18 November 1997. This was identified to overcome the short-comings of the existing points system. The revised points system will have a neutral effect on the Housing Revenue Account as the overall rent income will be unchanged. Work to date indicates that no change would be required to the present Orchard housing computer system but if any change was required, it could be contained within existing budgets. Development and implementation of a new method of assessing Council rents will fully commit existing employees at a time when other service developments are taking place. It is expected that additional temporary clerical support will be required for part of the implementation at an estimated cost of £1,700 which will be financed from the Housing Revenue Account. The proposals will remove the current disincentive for tenants to have energy conservation works carried out.

Tenants have welcomed the proposal to only introduce the new rent assessment policy on tenancy changes.

A further report will be submitted to Housing Committee in September 2000, to propose a revised scheme and implementation arrangements.

Councillor Mrs D Wilson
CHAIRMAN

(ctteemtg/cttee/hc171199)report`