

REPORT OF HOUSING COMMITTEE

(Meeting held 21 June 2000)

1. MORTGAGE REDEMPTION EXERCISE (MINUTE NO. 9) (REPORT A)

The Committee has agreed to commission the Local Authority Mortgage Administration Company to carry out a mortgage redemption service on the Council's behalf. Mortgages are now generally available on the open market at a lower interest rate than the Council is able to charge. A letter recently sent to those who have a mortgage with the Council pointing this out did not elicit a good level of response.

Members were assured that no pressure whatsoever will be brought to bear on borrowers to transfer their mortgages from the Council. Borrowers will simply be informed of any potential benefits they could obtain by transferring their loans.

If as a result of the exercise the number of mortgages with the Council reduces to less than 50, the Council will need to consider returning to in-house administration of those remaining.

2. QUALITY AND CHOICE: A DECENT HOME FOR ALL – THE HOUSING GREEN PAPER (MINUTE NO. 10) (REPORT B)

The Committee considered a response to this Government Green Paper.

In general terms, the first comprehensive Government review of housing policy for over 20 years was welcomed. However, the proposals in the Green Paper are not specifically directed to the problems of Shire Districts such as the New Forest, where the cost of housing and level of homelessness are relatively high, and the supply of affordable housing is low (a problem exacerbated by the large number of former Council homes in desirable rural areas where house prices are high having been sold under "right to buy" provisions). Members also regretted that the Green Paper did not contain more initiatives to enable those who are for the time being unable to purchase homes on the open market to bridge the gap between rent and purchase. The Council's response will be prefaced by reference to these general concerns.

A particular weakness of the Green Paper is considered to be its failure to grasp the opportunity to reform the extremely complex Housing Benefit system, which costs some £11,000,000,000 annually.

The Committee also noted that proposals to reduce differentials between Council and Housing Association rents would mean that Council rent levels would need to increase by 30% to 40% over 10 years, even if Housing Association rent increases are pegged to inflation. There would however be improvements to Council homes during this period, and the Green Paper makes the point that rents in the social housing sector would remain lower than those in the private sector.

The Council's response to DETR will be prepared by the Assistant Director (Housing Strategic Services) in consultation with the Committee Chairman. After stating the general concerns referred to above, it will be based on the proposals in the officer's report, subject to minor amendments agreed at the meeting. As tenants had not discussed the report before the meeting, their comments will be incorporated into the response so far as possible. The response will be circulated to all Committee members and to tenants' representatives.

3. HOUSING STRATEGY 2001/2006 (MINUTE NO. 11) (REPORT C)

The Committee considered its draft Housing Strategy for 2001/2006, which was prepared in accordance with Government guidelines and in close consultation with all stakeholders. Of necessity, the proposals in the Strategy have to be tailored to fit the level of resources available. The problem of providing sufficient affordable homes in rural areas will be considered strategically when the results of the housing needs survey to be undertaken later this year are available.

The New Forest Housing Forum held on 26 May 2000 was a credit to the officers, and a number of compliments were received from participants.

Members noted the production of a draft domestic violence housing strategy, with support from other organisations whose duty it is to address domestic violence issues.

Officers were congratulated on their excellent work in preparing the Strategy. The final wording of the Strategy will be agreed by the Assistant Director (Housing Strategic Services) in consultation with the Committee Chairman and Vice-Chairman, subject to a minor amendment agreed at the meeting, and clarification of some factual points with tenants.

4. HOUSING INVESTMENT PROGRAMME 1999/2000 AND 2000/2001 (MINUTE NO. 12) (REPORT D)

The Committee received details of actual spending on the Housing Investment Programme in 1999/2000, and the latest estimate for 2000/2001, and considered proposals for unallocated resources.

Underspend in 1999/2000, added to estimated uncommitted spending power for 2000/2001, means that unallocated resources of £650,000 are likely to be available in the current year. Reasons for the 1999/2000 underspend were explained, and the Committee was advised of steps being taken to ensure that underspend is minimised in future years.

As additional information on the effect of resource accounting and the Government's Comprehensive Spending Review are expected within a few months, it was decided that the unallocated resources should be retained for the time being, and the position reviewed later in the year, when full consultations can take place.

An increase of £32,000 in the level of the Housing Revenue Account revenue contribution to fund capitalised repairs in 1999/2000 was approved.

5. HOUSING INVESTMENT PROGRAMME BID 2001/2002 (MINUTE NO. 13) (REPORT E)

The Committee considered the Housing Investment Programme Bid, together with the outline capital proposals for 2001/2002. As resources are unlikely to be sufficient to meet the full range of proposed schemes, a priority list was approved. This is attached as an Appendix.

Members were reminded that the Government would be introducing the major repairs allowance in 2001/2002. This meant that sufficient funds should then be available to enable the entire 10 year programme of expenditure on repairs and improvements

agreed at the 22 March 2000 Committee meeting to be carried out in full. This fact, coupled with its duty to allocate resources to provide homes for those in housing need, resulted in the Committee deciding not to allocate a greater proportion of spending power to capitalised repairs and improvements.

**Councillor M J Kendal
CHAIRMAN**

SUGGESTED PRIORITY FOR UNCOMMITTED CAPITAL SCHEMES 2001/02

NOTE	EXPENDITURE		TOTAL £000	OPTION		
	PUBLIC SECTOR (HRA)	PRIVATE SECTOR (G/FUND)				
	£000	£000				
*	<u>ESTIMATED COMMITMENTS</u>		1004	1004		
	<u>PRIORITY - UNCOMMITTED SCHEMES</u>					
**	1	Capitalised Repairs/Improvements	500		1,504	
***	2	Mandatory Disabled Facility Grants		400	1,904	
	3	Social Housing Grant		1,150	3,054	
	4	Private Sector Renewal Grants		700	3,754	
	5	Home Repair Assistance		150	3,904	
	6	Capital Repairs & Improvements	100		4,004	
	7	Social Housing Grant		150	4,154	
	8	Private Sector Renewal Grants		100	4,254	
	9	Capitalised Repairs/Improvements	100		4,354	
	10	Social Housing Grant		100	4,454	
	11	Private Sector Renewal Grants		100	4,554	
	12	Capitalised Repairs/Improvements	100		4,654	A
	13	Social Housing Grant		200	4,854	
	14	Private Sector Renewal Grants		200	5,054	B
	15	Social Housing Grant		200	5,254	
	16	Capitalised Repairs/Improvements	200		5,454	C
	17	Capitalised Repairs/Improvements	200		5,654	
	18	Social Housing Grant		500	6,154	
	19	Private Sector Renewal Grants		200	6,354	
	20	Capitalised Repairs/Improvements	200		6,554	
	21	Social Housing Grant		200	6,754	
	22	Private Sector Renewal Grants		100	6,854	
	23	Environmental Improvements	100		6,954	
	24	Social Housing Grant		46	7,000	
			1,500	5,500		

* Estimated final payments on Housing Association Schemes, Private Sector Renewal Grants and Home Repairs Assistance during 2000/01

** This is directly linked to the £0.5m anticipated contribution from the HRA to fund capitalised repairs/improvements to Council House.

*** This is directly linked to the level of Specified Capital Grant awarded by the DETR for Disabled Facilities Grants.

**INITIAL DETR GUIDANCE REQUESTS BIDS BE SHOWN AT -10%, 0%, +10%
OF THE 2000/01 ACG**

OPTION	GOVT. ALLOC. £000	HRA REV. CONT. £000	EST. USABLE CAP. RCPT £000	TOTAL £000
A -10%	3,237	500	900	4,637
B 0%	3,597	500	900	4,997
C 10%	3,957	500	900	5,357