Your Homes Newcastle

Board

28 April 2009

(5.00 – 6.20 pm)

Present: S Murphy (Chair), G Allison, W Bowman, J Common, J Cuthbertson, R Harral, R Higgins, G Keating, J McLaughlin, A Mirza, M O'Callaghan, R Renton, N Shukla, D Slesenger, L Stephenson.

In Attendance:

J P Lee	- Chief Executive
R Atkinson	- Director of Finance & Resources & Company Secretary
S Breslin	- Assistant Chief Executive and Director of Business
N Scott	- Director of Tenancy Services
D Creighton	- Executive Assistant to Chief Executive
M Dickson	- Company Administrator and Board Support Officer
A Hodgson	- Head of Housing Management
I Gallagher	- Head of Property Maintenance
W Keilty	- Manager, Customer Service & Improvement
D Langhorne	- Manager, Assets & Programming
S Doyle	- Diversity Manager
J Urwin	- Manager, Your Choice Homes
A Crute	- Principal Income Manager, Finance & Resources
L Henderson-Gray	- Central Administration

Observers:

J Hussain	- Newcastle City Council
A Rainey	- Press Officer
N Stephenson	- Newcastle Tenants Federation

103 APOLOGIES

Apologies for absence were received from W Drury, G Knox, P J Morrissey.

104 ITEMS NOT ON AGENDA

(a) Rehousing of Offenders

R Higgins declared an interest as an employee of the Probation Service

R Higgins said there was a perception among some of his colleagues that it was not possible for a person with a criminal record to be granted a tenancy. His experience was that people were not disadvantaged, but he sought reassurance that there were effective lines of communication with the Probation Service to avoid misconceptions about the rehousing of offenders.

N Scott advised that Your Homes Newcastle was committed to working with partners in the criminal justice system, homelessness services and other statutory services to provide a consistent and comprehensive approach to the housing and resettlement of offenders.

However, there was still a perception that offenders were not being rehoused and Your Homes Newcastle was working jointly with partners on the lettings policy. Although there were opportunities for all groups of people to be rehoused, there was an overall increase in the demand for stock which could not be met. N Scott also said that Your Homes Newcastle worked directly with the Probation Service.

- A Board Member asked how cases with a history of violence/disruption were handled. N Scott said that all applicants were given the opportunity to demonstrate that they could behave in a reasonable manner if they were granted a tenancy. Your Homes Newcastle worked with partners to provide support for people to enable them to live successfully in the community.

- The Board Member asked whether everyone would be entitled to a tenancy. N Scott said that there would be some cases where Your Homes Newcastle accommodation might not be the most suitable accommodation. In those cases Your Homes Newcastle would help to find the right type and level of accommodation

105 MINUTES

The Minutes of the meeting held on 24 March 2009 were approved as a correct record and signed by the Chair.

Matters Arising

(a) YHN and HRA Revenue Budgets and Medium Term Plan Update – rent increase (Minute No 92 (d) refers)

J P Lee advised Board that the consultation period about the proposed decrease in housing rents closed on 24 April. The City Council had responded that they wished to take advantage of the offer and a copy of the letter to the Department of Communities and Local Government (CLG) was tabled for information.

J P Lee said it was important for everyone to realise that although Your Homes Newcastle and the City Council had responded quickly to CLG's offer, the reduction of rent levels could not be achieved immediately.

CLG would take up to a month to decide the new Housing Revenue Account (HRA) Subsidy Determination following which rents would have to be recalculated to make sure there was no detrimental effect on the HRA. The approval of the City Council's Executive to the new rent level would be required and there was a statutory requirement that tenants had to be given 28 days notice of a change in rent levels.

A briefing note about the process for the rent increase amendment was tabled. The process would be:

- Calculate the rent increase from 6 April to a given date, average the amount over the year and introduce a 'balancing week' where the rent would be adjusted by the credit. Tenants would then pay the new rent for the remainder of the year.

- Where accounts were in arrears, the element of overcharged rent from 6 April would be used to address arrears on the account.

Tenants would be advised in writing of how the rent increase amendment would be processed.

Questions/Comments

- A Board Member asked that all city councillors be sent copies of the letter to tenants so they were aware of what was happening. J P Lee confirmed that councillors had been kept informed because they were generally the first point of contact for tenants' concerns.

- The Chair of Finance Committee commented that Committee had recognised that there would be issues about tenants in receipt of housing benefit, and new and former tenants. It was important to take time to get the process right first time. J P Lee commented that new and former tenants would be dealt with sympathetically and A Crute confirmed that Your Homes Newcastle and Housing Benefits were working together to make sure that the timescales were appropriate.

- A Board Member commented that as the rent level increase was based on the rate of inflation, this could have a welcome impact on next year's rent increase. R Atkinson suggested that government might take the opportunity to increase the rate of convergence when RPI was low.

RESOLVED – the rent increase amendment process be agreed.

(b) District and Group Heating (Minute No 95 refers)

J P Lee advised Board that concerns raised at the Time Limited Committee about the procurement of meter installations had been resolved. As the procurement would be below the EU threshold a one month tender exercise would be required.

(c) Concierge Service Review (Minute No 91 refers)

In response to a question about consultation with elected members, N Scott confirmed that that the intention was to consult in writing with elected members and to provide the opportunity for a detailed briefing if useful. He undertook to check progress with officers conducting the review.

106 IMPLICATIONS OF INTRODUCING YHN TENANCES

Submitted: Report by Chief Executive (previously circulated, copy attached to Official Minutes) bringing Board's attention to a range of issues relating to the creation of new tenancies primarily from the new build programme.

J P Lee explained that tenants of the newly built (or bought) properties would not be city council tenants, but tenants of YHN or the Charitable Subsidiary. This had some implications for tenancies, although there were many areas of service provision that would operate as at present. Areas that would require new arrangements were the form of tenancy, rent levels, and systems and reporting.

Form of tenancy

J P Lee explained that Council tenants had 'Secure Tenancies' which were only available to Council tenants. There were two types of tenancy available to Your Homes Newcastle and these were 'Assured' Tenancies and 'Shorthold Assured' Tenancies. The 'Assured' and 'Shorthold' Tenancies were similar however the 'Assured' tenancy was more favourable towards landlords. Section 4.1 of the report provided information about the two options.

Rent Levels

Board was informed that Your Homes Newcastle would have to create rent setting policies for YHN and the Charitable Subsidiary stock. However, where development was funded through Homes and Community Agency (HCA) grants, rents would have to comply with government rent setting guidelines. Therefore, rents would be comparable with those for council stock.

J P Lee also said that in the future there might be instances when market or intermediate rented dwellings were used to subsidise a development for socially rented dwellings. These would be dwellings that did not benefit from HCA grants.

Systems and Reporting

J P Lee explained that Internal systems would need to differentiate between council, YHN and Charitable Subsidiary stock. Services provided to the Charitable Subsidiary would be reflected in the Management Agreement.

Questions/Comments

- It was confirmed that the maximum discount under the Right to Acquire was £9,000.which was less favourable than the Right to Buy discount.

- A Board Member asked where the investment for future development as described in 4.3.4 would come from. J P Lee said that investment would be by bank loan or prudential borrowing.

- A Board Member asked what the costs and resource implications would be in taking forward the Next Steps (Section 5 of the report).

  N Scott said that the primary changes were around IT as all properties would be managed through Northgate although they would have to be identified separately. A workshop was being set up to scope the project. A sum of £32,000 had been set aside to cover staff resources. Finance Committee would monitor this area of work.

  J P Lee added that there would be a Management Agreement between Your Homes Newcastle and the Charitable Subsidiary and both YHN Board and the Charitable Subsidiary Board would be responsible for reviewing and monitoring services.

- A Board Member referred to the benefits of the introductory tenancy for council tenants and asked whether there would be benefits in introducing a 'shorthold' tenancy for YHN and Charitable Subsidiary tenants.

  N Scott said this had been considered. However, whereas the introductory tenant converted to a secure tenancy in cases where no intervention was required, this was not the case with a 'shorthold' tenancy. With a shorthold tenancy, the tenancy required a physical move to an assured tenancy and this meant that tenants had to visit housing offices which was not always easy to manage. The 'Assured' tenancy was more favourable for landlords and possession was easier.

- For information of Board, J P Lee commented that whilst the City Council's Lettings Policy had been adopted, it was intended to have local lettings plan similar to the policy adopted for the new bungalows at Throckley.

RESOLVED – that

(i) the principle of parity of new tenancies with existing council

tenancies wherever possible be approved;

(ii) the principle that the City Council Lettings Policy be applied with the enhancement of Local lettings Plans be approved;

(iii) the introduction of an 'Assured' Tenancy for YHN and Charitable Subsidiary tenants be approved;

(iv) the requirement for the Board of the Charitable Subsidiary to formally adopt these principles be noted.

107 USE OF HRA RESERVES TO FUND CAPITAL PROJECTS

Submitted: Report by Assistant Chief Executive and Director of Business (previously circulated, copy attached to Official Minutes) relating to the potential use of Housing Revenue Account (HRA) reserves to fund some capital schemes for which there was no current budget.

In asking Board to agree to using reserves to fund capital projects, S Breslin advised that Finance Committee had taken account of the strategic, operational and financial risks associated with each set of reserves and had concluded that the reserves were healthy enough to support the capital programme.

To decide the priority of funding capital schemes, a priorisation model had been developed to help compare and rank a wide range of projects. The model that had been developed was called the Priority Investment Calculator (PIC) and it had been trialled on planned environmental maintenance schemes. S Breslin added that the scoring would not take precedence over sensible judgement and if any obvious anomalies were thrown up by using the model, then there would be some refinement of it.

Questions/Comments

- The Chair of Finance Committee confirmed that Finance Committee was confident that the HRA was in a healthy position to use the reserves identified in section 2.2 of the report to fund capital works. Committee had decided that the levels of reserves for Renewals, fund, repairs fund, workforce planning, investment reserve, furniture investment reserve and major repairs reserves be maintained.

- In response to a comment about the pension fund, R Atkinson said that the deficit in the local government pension fund would be met by higher employer/employee contributions. He also confirmed that the use of the pensions reserve did not require any consultation as it was the organisation's responsibility to balance its reserves.

- A Board Member asked whether crime and disorder required a distinct heading within the Priority Investment Calculator. S Breslin said that

currently this fell within the Health and Safety/other legal requirement category.

- The Chair commented that the model had been developed on a set of judgements and he would be interested to know how weightings had been developed. D Langhorne said that the model had been trialled on low-level schemes to make sure that the weightings were relevant. The Chair said that if during application of the model any changes were found to be necessary to the priorisation process, then Board would want to be informed.

RESOLVED – that

(i) the use of £4million from Housing Revenue Account reserves to fund capital projects be agreed;

(ii) progress with prioritised schemes be reported to Property Committee;

(iii) amendments to the prioritisation process be reported to Board.

108 REVIEW OF AREA BOARDS

Submitted: Report by Director of Tenancy Services (previously circulated, copy attached to Official Minutes).

At the request of the Chair, the Chair of the Time Limited Committee commented that this was an accurate report on the work of the Time Limited Committee. The review had been challenging and had revealed that engaging with people at a local level was not being achieved at area board meetings. The review had identified a range of mechanisms were people where actively involved in a less formal manner. The cost of running the area boards was not a significant amount of money, however the committee considered that it did not represent value for money and could be utilised elsewhere.

In presenting the report, N Scott reminded Board that when Your Homes Newcastle was set up there was a requirement for larger ALMOs to have area boards.

Since the setting up of the area boards in 2005, all area boards had difficulties in recruiting members and had experienced problems with attendance. Area boards had no decision making powers and there had been a lack of tenant engagement with the formality of the meetings not encouraging public attendance. The review had shown that there was a range of other mechanisms for people to engage at a local level, including City Council Ward Committees.

The Time Limited Committee had concluded that the organisation needed to be responsive to the needs of local communities and recommended that the area boards in their current structure be dissolved and a programme of themed neighbourhood meetings across the city be introduced.

Questions/comments

- A Board Member offered the suggestion that the Newcastle Tenants Federation might be able to stimulate citywide interest in attending regular meetings at the Federation offices.

  N Scott said that Your Homes Newcastle had a positive relationship with the Tenants Federation and worked with them on specific issues. Officers from Your Homes Newcastle attended a number of group meetings and he and S Breslin met monthly with the Tenants Federation. N Stephenson added that she had been involved with the Review and supported the recommendations to promote interest at a local level. She added that the Tenants Federation was moving to themed and geographical meetings to resolve local differences.

- A Board Member commented that generally meetings that had an impact/influence on the community were well attended and this had been the case with meetings set up locally by the Tenants Federation.

- A Board Member pointed out that the recommendations asked board members to attend neighbourhood meetings on a regular basis and it was important that this commitment be recognised as a responsibility of board members, especially independent members who perhaps had less contact with tenants that tenant and council board members.

- A Board Member asked that where existing engagement and involvement structures were used, it was important to make sure that these were representative.

- A Board Member asked whether there would be a perception that people hadn't been fully consulted about the proposal to dissolve area boards. He also commented that the meetings in the new model should have other content. N Scott confirmed that area board members and the Tenants Federation had been consulted and were confident that the review had been thorough. As well as themed meetings, the new model would engage people in estate inspections and would increase the accountability of local staff in key performance areas.

- The Chair commented that he would have expected more detail about how the replacement scheme would work, but thought it right to make an early decision to end the area boards given that there was no case for their continuation. That gave officers time between now and the annual general meeting to work up the new arrangements and report

to Board.

- A Board Member, a member of the Time Limited Committee, said that, in contrast to YHN's Area Boards, Area Groups were well attended and that people also generally attended Ward Committees where they could raise issues with Your Homes Newcastle staff.

RESOLVED - That

(i) the Area Boards in their current form be dissolved following the Annual General Meeting in September 2009;

(ii) a programme of citywide neighbourhood meetings be developed and the detail programme be reported to the July Board meeting;

(iii) Newcastle City Council and Department of Communities and Local Government be consulted about the proposal to dissolve area boards and introduce citywide neighbourhood meetings;

(iv) Board Members note the commitment to attend neighbourhood meetings.

109 ITEMS FOR INFORMATION

RESOLVED – That the following items be received for information:

(i) Chief Executive's Report

(ii) Health and Safety Quarterly Report

(iii) Delegated Decisions 13 March to 14 April 2009

(iv) Committee Feedback

(v) Petitions Monitoring

(vi) Minutes of Finance Committee held on 19 March 2009 and Governance and Personnel Committee held on 3 February 2009.

It was noted that a report relating to the Petition about the decision not to fit windows in Church Road and Clarkshill Walk, Newburn, would be submitted to Property Committee. If appropriate, a site visit would be arranged and Board Members would be welcome to attend.

110 EXCLUSION OF PRESS AND PUBLIC

RESOLVED – that in accordance with the organisation's Access to Information provisions, the press and public be excluded for the remainder of the meeting.