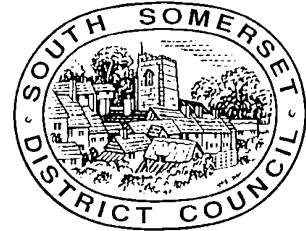


South Somerset District Council

Notice of Meeting



Scrutiny Committee

Making a difference where it counts

Tuesday 4th April 2017

10.00 am

**Council Chamber B, Council Offices
Brympton Way, Yeovil BA20 2HT**

(disabled access and a hearing loop are available at this meeting venue)



The following members are requested to attend this meeting.

Chairman: Sue Steele
Vice-chairmen: Dave Bulmer and John Clark

Jason Baker
Amanda Broom
Val Keitch
Tony Lock

David Norris
Sue Osborne
Garry Shortland
Rob Stickland

Linda Vijeh
Martin Wale
Vacancy

If you would like any further information on the items to be discussed, please contact the Democratic Services Officer on 01935 462596 or democracy@southsomerset.gov.uk

This Agenda was issued on Monday 27 March 2017.

Ian Clarke, Assistant Director (Legal & Corporate Services)

**This information is also available on our website
www.southsomerset.gov.uk and via the mod.govapp**



Information for the Public

What is Scrutiny?

The Local Government Act 2000 requires all councils in England and Wales to introduce new political structures which provide a clear role for the Council, the Executive and non-executive councillors.

One of the key roles for non-executive councillors is to undertake an overview and scrutiny role for the council. In this Council the overview and scrutiny role involves reviewing and developing, scrutinising organisations external to the council and holding the executive to account

Scrutiny also has an important role to play in organisational performance management.

The Scrutiny Committee is made up of 14 non-executive members and meets monthly to consider items where executive decisions need to be reviewed before or after their implementation, and to commission reviews of policy or other public interest.

Members of the public are able to:

- attend meetings of the Scrutiny Committee except where, for example, personal or confidential matters are being discussed;
- speak at Scrutiny Committee meetings (limited to up to 3 minutes per person and at the Chairman's discretion usually no more than a total of 15 minutes is allocated for public speaking); and
- see agenda reports.

Meetings of the Scrutiny Committee are held monthly on the Tuesday prior to meetings of the District Executive at 10.00am in the Council Offices, Brympton Way, Yeovil.

Agendas and minutes of these meetings are published on the Council's website www.southsomerset.gov.uk.

Further information can be obtained by contacting the agenda co-ordinator named on the front page.

Recording and photography at council meetings

Recording of council meetings is permitted, however anyone wishing to do so should let the Chairperson of the meeting know prior to the start of the meeting. The recording should be overt and clearly visible to anyone at the meeting, but non-disruptive. If someone is recording the meeting, the Chairman will make an announcement at the beginning of the meeting. If anyone making public representation does not wish to be recorded they must let the Chairperson know.

The full 'Policy on Audio/Visual Recording and Photography at Council Meetings' can be viewed online at:

<http://modgov.southsomerset.gov.uk/documents/s3327/Policy%20on%20the%20recording%20of%20council%20meetings.pdf>

Scrutiny Committee

Tuesday 4 April 2017

Agenda

Preliminary Items

1. Minutes (Pages 4 - 9)

To approve as a correct record the minutes of the previous meeting held on 28 February 2017.

2. Apologies for absence

3. Declarations of Interest

In accordance with the Council's current Code of Conduct (as amended 26 February 2015), which includes all the provisions relating to Disclosable Pecuniary Interests (DPI), personal and prejudicial interests, Members are asked to declare any DPI and also any personal interests (and whether or not such personal interests are also "prejudicial") in relation to any matter on the Agenda for this meeting.

4. Public question time

5. Issues arising from previous meetings

This is an opportunity for Members to question the progress on issues arising from previous meetings. However, this does not allow for the re-opening of a debate on any item not forming part of this agenda.

6. Chairman's Announcements

Items for Discussion

7. Verbal update on reports considered by District Executive on 2 March 2017 (Page 10)

8. Reports to be considered by District Executive on 6 April 2017 (Page 11)

9. Disposal of Third Party Properties - Draft Report of the Task and Finish Group
(Pages 12 - 24)

10. Verbal update on Task and Finish reviews (Page 25)

11. Update on matters of interest (Page 26)

12. Scrutiny Work Programme (Pages 27 - 28)

13. Date of next meeting (Page 29)

Agenda Item 1

South Somerset District Council

Draft Minutes of a meeting of the **Scrutiny Committee** held at the **Main Committee Room, Council Offices, Brympton Way, Yeovil BA20 2HT on Tuesday 28 February 2017.**

(10.00 am - 12.25 pm)

Present:

Members: Councillor Sue Steele (Chairman)

Jason Baker	John Clark
Mike Beech	Val Keitch
Amanda Broom	Sue Osborne
Dave Bulmer	Rob Stickland

Officers

Colin McDonald	Corporate Strategic Housing Manager
Ian Potter	Revenues and Benefits Manager
Helen Rutter	Assistant Director (Communities)
Jo Gale	Scrutiny Manager
Becky Sanders	Democratic Services Officer

117. Minutes (Agenda Item 1)

The minutes of the meeting held on 31 January 2017 were approved as a correct record and signed by the Chairman.

118. Apologies for absence (Agenda Item 2)

Apologies for absence were received from Councillors David Norris, Garry Shortland, Linda Vijeh and Martin Wale.

119. Declarations of Interest (Agenda Item 3)

There were no declarations of interest.

120. Public question time (Agenda Item 4)

There were no members of public present at the meeting.

121. Issues arising from previous meetings (Agenda Item 5)

The Chairman invited the Scrutiny Manager to provide an update on the progress of seeking answers to queries raised during consideration of the item regarding Somerset Waste Partnership at the previous meeting.

The Scrutiny Manager reminded members that at the previous meeting it had been agreed that answers would be sought to the questions that had been raised, and for any not answered officers would approach the appropriate parties for further information. She referred to information that had been circulated to members outside of the meeting, and the remaining unanswered queries were presented on screen.

Members all agreed that the following outstanding queries and recommendations should be sent to the appropriate parties via a formal letter from the Chairman of Scrutiny on behalf of the Committee.

- To Somerset Waste Partnership:
 - Make the equalities impact assessment for the New Waste Treatment facility and associated Waste Transfer stations available including the details of all mitigation work that has been conducted and is planned to be carried out by the Waste Board and any service providers.
 - Amend the presentation of their Agendas and Summary of decision notices to make it clearer when an item is a decision making item and therefore is subject to the 5 day call in period or is an update/information only item.

- Somerset County Council:
 - Highways department to help us by providing information relating to any highway conditions attached to the Permission for the Waste Transfer site at Dimmer and how the residents' of Clanville can have their concerns surrounding the B3153 considered to see if any mitigation measures could be taken forward.
 - Minerals and Waste Policy Team revisit the wording in the Somerset Waste Core Strategy and make recommendations to Council to alter the policy to more clearly define what a Strategic Facility is to prevent confusion around Transfer Stations in the future.
 - Provide information on the website regarding the make-up of the Waste Scrutiny arrangements and links to agendas and minutes.
 - Amend the presentation of their Agendas and Summary of decision notices to make it clearer when an item is a decision making item and therefore is subject to the 5 day call in period or is an update/information only item.

122. Chairman's Announcements (Agenda Item 6)

The Chairman provided a very brief update on the Transformation Board, noting there was not much to report and members were awaiting the monthly newsletter to be circulated. A Board meeting was scheduled for next week where it was hoped the current situation and progress would be more clear. Vice Chairman, Councillor John Clark also noted that at the previous meeting it had been raised that Scrutiny members were not receiving agenda papers in advance of the Transformation Board meetings, and the matter was on the agenda for the next Board meeting.

Vice-Chairman, Councillor Dave Bulmer, informed members that the last meeting of the Strategic Alliance had been cancelled. He had questioned with the Leader of the Council what the future was with the Alliance, and it had been confirmed that it was still wanted.

123. Verbal update on reports considered by District Executive on 1 February 2017 (Agenda Item 7)

The Chairman noted that the Scrutiny comments had been considered and were included in the District Executive minutes which had been circulated.

124. Monitoring SSSDC National Non Domestic Rates Discretionary Relief Policy (Agenda Item 8)

The Scrutiny Manager presented the item and reminded members of the original Task and Finish Group a few years ago which had recommended future monitoring of the NNDR Discretionary Relief Policy.

The current group had looked at the original ambitions and also going forward. She explained there had been clarification about rural pubs criteria for relief into the future, and details about Small Business Rate Relief had been included in the Autumn Statement. Provisions had also been made to provide a 100% relief for properties that receive mandatory Rural Rate Relief that are also small and consequently have a low rateable value.

The group had therefore focussed on small scale charitable relief, and had recommended that small charities with an RV below 12,000 were topped up so that it was equivalent to small business rate relief. It was also recommended that Economic Development provide more advice for small businesses.

There was no discussion and members were content to support and endorse the report and recommendations of the Task and Finish Group.

125. Discretionary Housing Payment Policy - Overview and Scrutiny Task and Finish Group Report (Agenda Item 9)

The Scrutiny Manager noted that unfortunately the Chairman of the Task and Finish Group had been unable to attend the meeting.

The Revenues and Benefits Manager provided a brief background to Discretionary Housing Payments and wider welfare reforms. He noted one of the difficulties for officers in making decisions and judgements was regarding the income and expenditure element of applicant's circumstances. The Task and Finish Group had particularly looked at the expenditure element and forming a basis for a framework that officers could use. He explained that a number of outside organisations including Shelter and Mind had been invited to meetings to help establish figures that might be appropriate in varying situations. All the information had led to the proposed revised policy coming forward.

He explained that the Scrutiny Manager had reviewed the proposed revised policy again since the agenda had been published, and had suggested some slight amendments for greater clarity – these being:

- Clarity about the DHP shortfalls – page 80
- Slight word changes to points F, G and 2 on page 83

The Scrutiny Manager highlighted to members the recommendations contained within the Task and Finish Group report. There was no discussion, and members were content to support and endorse the recommendations and report of the Task and Finish Group.

126. Reports to be considered by District Executive on 2 March 2017 (Agenda Item 10)

Members considered the reports within the District Executive agenda for 2 March 2017 and made the following comments:

District-wide Voluntary Sector Grants 2017/18 (Agenda item 6)

- Members noted the slight reduction in grant to Access for All. Given the staff reductions at SSDC as we go through Transformation, Scrutiny queried if now was the right time to cut the funding to the Access for All.
- Members noted the good work of Citizens Advice South Somerset (CASS) and queried if they would be under increased pressure due to the wider roll-out of Universal Credit? Some members were concerned that CASS may require more money due to the current environment and peoples change in circumstances and sought re-assurance that there was a process to measure how well CASS were managing.
- Page 15 – top line of table refers to number of clients helped – Members queried the type of help provided and for what?
- Page 35 participation at Youth Days – the target wasn't met and members queried if there was any particular reason for this?
- Page 42 – bullet point refers to the InspirED project whereby schools will be able to engage with Take Art. Scrutiny queried if schools needed to pay for this and if not what the funding criteria is.
- Page 42 - members noted the participation figures for some Take Art activities had significantly reduced and queried if there was any reason for the trend?
- Page 45 – members noted the craft exhibition with the National Trust. Members acknowledge the National Trust is a membership organisation and members sought reassurance that people were not required to be a member in order to view the exhibition.
- In general Scrutiny felt narratives would be useful in future reports to explain targets or provide reasons for targets not being met.

Council Tax Penalties & Civil Penalties in Housing Benefit (Agenda item 7)

- Page 54 – Civil penalties and housing benefit – members noted that the paragraphs did not detail what the penalty is.
- Scrutiny noted the paragraph about Equalities was missing from the report, and sought reassurance that an Equalities Impact Assessment had been completed.

- Members also wished to clarify their understanding that April would effectively be an amnesty period.

Proposed Changes to Business Rates Relief Policy (Agenda item 8)

- Scrutiny endorsed the report and recommendations of the Task and Finish Group.
- Scrutiny supported the recommendations in the District Executive report.

Review of Discretionary Housing Payments Policy (Agenda item 9)

- Scrutiny noted that since the agenda had been published that the Scrutiny Manager and the Revenues & Benefits Manager had reviewed the proposed revised policy again and had suggested some slight amendments for greater clarity – these being:
 - Clarity about the DHP shortfalls – page 80
 - Slight word changes to points F, G and 2 on page 83
- Scrutiny endorsed the report and recommendations of the Task and Finish Group.
- Scrutiny supported the recommendations in the District Executive report.

Quarterly Corporate performance and Complaints Monitoring Report – 3rd Quarter 2016/17 (Agenda item 10)

- Members commented that few of the performance measures provided monitoring information about standards or services as we progress through transformation.
- Scrutiny asked for narratives/suggested reasons for the fly-tipping indicators, especially as a rise is reported under PI 011.

District Executive Forward Plan (Agenda item 11)

- Scrutiny queried if the item scheduled for May - Intelligent Enforcement Proposal for Council Car Parks – was the item about Automatic Number Plate Recognition or if it was for something different?

127. Verbal update on Task and Finish reviews (Agenda Item 11)

Members noted the updates provided by the Scrutiny Manager on each of the Task and Finish Groups currently in progress:

Street Trading – Members explained that they had reviewed the consultation responses and were now working with the Licensing Manager to agree the details and compile the report and recommendations.

Consent for Disposal - The Corporate Strategic Housing Manager attended the committee to provide an overview of the latest situation across the district. Members agreed to re-open this Task and Finish group to specifically focus on existing policies and procedures to see if they are fit for purpose and achieving. As part of their work the

Task and Finish Group had raised some concern about the links of disposal of properties to the Rural Lettings Policy. He provided figures to illustrate the impact of the policy to date and the wider issues. Members agreed to give this further consideration and to assess the realistic outcomes that could be achieved by conducting a Task and Finish Exercise.

Council Tax Support – A new Task and Finish group has formed to look at the policy and if, and how, the policy/scheme could be amended to manage the decrease in government grant for administration costs.

Community Council for Somerset – The Scrutiny Manager noted there had been no progress since the last meeting of Scrutiny Committee.

128. Update on matters of interest (Agenda Item 12)

Councillor John Clark noted there was not much to update regarding Devolution following the recent report to full Council. He noted that the local authorities were now hoping to move forward with a Joint Committee and the green paper should be published soon for consultation.

Members then discussed the possibilities of undertaking a Task and Finish exercise regarding devolution, and during a scoring process there was much discussion. Concerns were raised about the resources available and the time frames involved.

At the end of discussion there was general agreement that a decision on whether to convene a Task and Finish Group for Devolution should wait until the Scrutiny Chairman had met with the Chief Executive to discuss resources. Members also felt that if a Devolution Task and Finish exercise was to go ahead then a possible review of the Rural Lettings Policy would need to be put on hold.

129. Scrutiny Work Programme (Agenda Item 13)

There were no updates and members noted the Scrutiny Work Programme.

130. Date of next meeting (Agenda Item 14)

Members noted the next meeting of the Scrutiny Committee would be held at 10.00am on 4 April 2017, in Council Chamber B, Brympton Way.

.....
Chairman

Agenda Item 7

Verbal update on reports considered by District Executive on 2 March 2017

The Chairman will update members on the issues raised by Scrutiny members at the District Executive meeting held on 2 March 2017.

The draft minutes from the District Executive meeting held on 2 March 2017 have been circulated with the District Executive agenda.

Agenda Item 8

Reports to be considered by District Executive on 6 April 2017

Lead Officer: Jo Gale, Scrutiny Manager
Contact Details: joanna.gale@southsomerset.gov.uk or 01935 462077

Scrutiny Committee members will receive a copy of the District Executive agenda containing the reports to be considered at the meeting on 6 April 2017

Members are asked to read the reports and bring any concerns/issues from the reports to be discussed at the Scrutiny Committee meeting on 4 April 2017.

The Chairman will take forward any views raised by Scrutiny members to the District Executive meeting on 6 April 2017.

Please note:

The Press and Public will be excluded from the meeting when a report or appendix on the District Executive agenda has been classed as confidential, Scrutiny Committee will consider this in Closed Session by virtue of the Local Government Act 1972, Schedule 12A under paragraph 3 (or for any other reason as stated in the District Executive agenda):

“Information relating to the financial or business affairs of any particular person (including the authority holding that information).”

It is considered that the public interest in maintaining the exemption from the Access to Information Rules outweighs the public interest in disclosing the information.

Agenda Item 9

Disposal of Third Party Properties – Draft Report of the Task and Finish Group

Lead Officer: Joanna Gale, Scrutiny Manager

Contact Details: joanna.gale@southsomerset.gov.uk or 01935 462077

Purpose of the Report

The Overview and Scrutiny Committee had noted the cumulative number of requests for disposals (where consent was being sought from a Housing Association to dispose of a property that was formerly owned by the Council) and had concerns of the gradual erosion of rural social housing. A review of the process surrounding the disposal of third party properties was conducted; this draft report outlines the review methodology and the recommendations of the Task and Finish group.

Action Required

Scrutiny Committee members are asked to consider the draft report (as attached) of the Task and Finish Group and endorse the recommendations to District Executive.



Draft

Disposal of Third Party Properties

Overview and Scrutiny Committee Task and Finish Group Report

March 2017

Chair's Foreward

In January 2016, the Overview and Scrutiny Committee considered a Call-In Request in respect of a Portfolio Holder decision giving consent to dispose of a rural property by Yarlinton Housing Group. Whilst the Committee voted not to support the Call-In, the Committee noted the cumulative effect of such disposals and the gradual erosion of rural social housing and decided Scrutiny should programme a review of the policies, working practices and the outcomes achieved.

In April 2016 Overview and Scrutiny Committee commenced a review into the process surrounding the disposal of third party properties (where consent was being sought from a Housing Association to dispose of a property that was formerly owned by the Council). The Committee's concern was that rural social housing stock could be lost where there was still a need for it and that this could have a detrimental impact on the sustainability of SSDC's rural communities.

This report details the review process of the Task and Finish group and makes a recommendation with regard to the process moving forward.

I would like to take this opportunity to thank the officers and housing association representatives who supported us on this review to make informed decisions and produce this report.

Sue Steele

Scrutiny Committee Chair

Task and Finish Group membership:

Sue Steele - Review Chair
Jason Baker
John Clark
Nick Colbert
Val Keitch
Sue Osborne
Gina Seaton

SSDC Officers

Colin McDonald – Corporate Strategic Housing Manager

Kirsty Larkins – Housing and Welfare Manager

Emily McGuinness – Scrutiny Manager

Housing Association Representatives

David Hall – Regional Director, Stonewater

Phillippa Yeates – Development Manager, Stonewater

Mandella Edwards – Regional Manager, Hastoe Housing Association

Jez Morris – Head of Housing Services – Magna Housing Association

Phyllida Culpin – Former Director Customer and Community Services – Yarlinton Housing Group (YHG)

Jim Bruckel – Head of Lettings and Income – YHG

Mark Beard – Former Director of Operations – Knightstone Housing Association

The aim of the Task and Finish group was to assess the effectiveness of the consent to dispose process and the overall impact of third party disposals across South Somerset.

The review group met on several occasions from April 2016 through to January to 2017:

- Establish the background of the consent to dispose process
- Identify and review all sources of evidence with regard to rural social housing need
- Establish the impact of the disposal of social housing in rural areas
- Understand the perspective of Housing Associations
- Assess the wider impact of this in terms of the Rural Lettings and Choice Based lettings Policy
- Make recommendations moving forward

Background of the Process

A confidential report on the proposed disposal of a property formerly owned by SSDC by a Housing Association was provided to the District Executive on 4th October 2012. The District Executive made the following decision with regard to consent to dispose of a third party property:

“Delegated to the Portfolio Holder, in consultation with the Ward Member(s), responsibility for consent to any future such requests with respect to individual properties formerly owned by the council and subsequently transferred to a Housing Association, including those transferred under the former trickle transfer policy;”

This decision has formed SSDC policy re: consent for disposal for third party properties since then.

Please note this policy:

- Does not include properties previously funded by the Homes and Communities Agency (HCA) or its predecessor, the Housing Corporation. Such properties are NOT subject to the District Executive decision, even if the Council was co-sponsor of the original funding after 1st April 2003 (when ‘LASHG’¹ was ‘abolished’, effectively ending re-imburement of our funds by the Housing Corporation).
- Will appear to affect YHG more than any other Housing Association because the majority of their stock is former Council housing taken over at the time of the large scale voluntary transfer (LSVT). Yarlinton Housing Group was originally known as South Somerset Homes (SSH) and was created with the specific purpose of transferring all of the remaining council housing stock.

¹ Local Authority Social Housing Grant

Why do Housing Associations wish to dispose of properties?

Under the Coalition Government 2010-2015 there was a review of the way in which central Government funded new HA development. The Coalition Government decided to continue to provide capital subsidy towards new social housing provided by the HA sector, but to make the grant 'stretch further' by a number of measures including the proposed disposal of some existing stock. This resulted in Housing Associations undertaking to raise defined sums as part of their 2011-15 funding contract with the HCA through the disposal of a limited number of properties when they became vacant. The funds raised are used to help subsidise housing associations currently contracted programme to make public funds stretch further.

The key consideration from the point of view of the Housing Association is the relative costs of maintaining/upgrading the property. Given the HCA expectation that monies shall be raised from disposals, it clearly makes sense to dispose of those properties which lie at the end of the expenditure curve, including the cost of bringing the property up to the expected energy efficiency (measured by the 'SAP²' rating). However another consideration is the cost of managing isolated properties. HA's will also consider the relative value of each property, in terms of OMV³

Process to inform recommendations

The Task and Finish group met with the Corporate Strategic Housing Manager who provided a detailed overview of the current considerations and processes that both Housing Associations and SSDC undertake to reach a decision to dispose of a property. A briefing note that was provided for this meeting providing further detail is attached at Appendix A.

In May of last year the group then proceeded to meet with representatives from the 5 largest social housing providers across the district, the conclusions drawn from this evidence session were:

- Housing Associations will give further consideration to the possibility of priority marketing of their properties to local people, but require quantitative evidence before they will invest time exploring this proposal further. *In reality SSDC can only provide quantitative evidence of those people who are local or have a local connection that require social housing and have expressed a need, this information can be lifted from the Choice Based Lettings [common housing register] database, we have no means of identifying those who are local or have a local connection that could rent or purchase a property on the open market.*

² SAP stands for Standard Assessment Procedure, which doesn't immediately explain that it is really about levels of energy efficiency!

³ OMV = Open Market Value – the price likely to be reached when sale of a property is unconstrained

- All parties agree that important to proactively engage with Parish Councils so that local communities are aware of how to bid for properties and when these properties become available.
- Only some Housing Associations have Asset Management Strategies providing details of the policy/process that governs how properties will be disposed.
- In deciding if a property should be disposed Housing Associations consider potential renovation costs, SAP ratings and if the property falls within its core area.
- Replacement properties for disposed properties are not necessarily in the same locality or even the same district, the location is determined by demand, return (the size of and number of properties that can be built) and the business needs of the organisation.

In conclusion the Task and Finish group determined:

- Although South Somerset District Council transferred it's housing stock to preserve it, it now has very limited ability to influence Housing Associations decisions with regard to the disposal of properties.
- There is no implicit duty for Housing Associations to reinvest funds raised from a disposal in the same locality or even the same authority area.
- The frequency of requests for disposals is increasing particularly from Yarlinton Housing Group (YHG) who are going through the motion of consultation but are not giving regard to the information and evidence that is provided in the consultation response.
- The majority of disposals put forward by YHG are in rural areas (parishes with populations below 3,000) which has had a disproportionate effect on the provision of social housing in such communities, exacerbating the higher levels of conversion from social to private housing that was already happening as a result of the disproportionate take up of the Right to Buy and (since LSVT) preserved Right to Buy.
- The increased disposals in rural areas by YHG has also impacted on the operation of the rural allocations policy which is also under review.
- As there are no examples of YHG changing their position as a result of the supposed consultation, SSDC officer and member time is being taken up for no practical purpose

- SSDC are providing fewer consents yet YHG are still increasing the number of rural disposals. The HCA only check the Housing Association has consulted with the Local Authority and has followed its own policy. The HCA do not conduct a review of the decision to dispose if the decision is not supported by the Local Authority.
- The disposing of third party social housing properties will continue as the Housing Associations are now operating much more commercially are therefore looking to maintain and develop properties that provide the greatest return. The Housing and Planning Act 2016 states that Housing Associations will no longer require HCA approval with effect from April 2017.
- There has been a complete disregard for the disproportionate impact of the disposal of social housing in rural communities and consequently for individual Local Authorities.

Recommendations:

The Task and Finish group recommends:

- The process agreed on 4th October 2012 for the consent to dispose of third party properties stops with immediate effect and in its place a notification to ward members is issued for information. This will save the Strategic Housing Team from continuing to source evidence to aid the Portfolio Holder to make a decision regarding consent that is not properly considered and enable the team to use their time to greater affect – reviewing the impact of the loss of this housing in terms of the Rural Lettings and Choice Based lettings Policy
- SSDC request Yarlinton Housing Group provide the earliest notification possible to South Somerset District Council that they will be disposing of a property, this will enable councillors to inform local residents.
- SSDC draw the lack of rural proofing with regard to the arrangements to dispose of properties to the attention of the Department of Communities and Local Government and the HCA.
- The Task and Finish group continues to work with the Corporate Strategic Housing Manager with the focus of ensuring the risk of such disposals is fully understood and is reflected in SSDC rural lettings policy.

Housing Association Disposals:**File Note****Background**

A confidential report on the proposed disposal of a property in Yeovil by Magna Housing Association was provided to the District Executive (DX) on 4th October 2012. The District Executive approved that any future such requests for endorsement of disposal with respect to individual properties formerly owned by the council and subsequently transferred to a Housing Association, including those transferred under the former trickle transfer policy, be delegated to the Portfolio Holder in consultation with the relevant ward member/s.

Yarlington Housing Group was originally known as South Somerset Homes (SSH) and was created with the specific purpose of transferring all of the remaining council housing stock in the district under 'large scale voluntary transfer' (LSVT). At the time of the LSVT both the Council and SSH undertook to ensure that major repairs and refurbishment works would be completed on all relevant transferring stock within a fifteen year period.

Bids from various Housing Association partners have been approved by the Homes and Communities Agency (HCA) for the five-year period (2015-20). Under the current arrangements Housing Associations have undertaken to raise a defined sum through disposal of a limited number of properties when they become vacant, using the funds raised to help subsidise their currently contracted programme, thus making available public funds stretch further in terms of the number of new homes acquired or built.

All such disposals by a Housing Association require individual HCA consent. In turn the HCA expects to see consent from the relevant Local Housing Authority.

Isolated properties

Typically Housing Associations have identified isolated properties or those with a relatively high call on future maintenance costs as potential for meeting their disposal obligations. This increases the chances of an individual property being considered for disposal being in a rural area, especially where the 'SAP⁴' rating is further reduced by a lack of access to mains gas.

For most Housing Associations it is likely that properties identified for potential disposal are those previously funded by the Homes and Communities Agency (HCA) or it's predecessor, the Housing Corporation. Such properties are NOT subject to the DX decision, even if the Council was co-sponsor of the original funding after 1st April 2003 (when 'LASHG'⁵ was 'abolished', effectively ending re-imburement of our funds by the Housing Corporation).

⁴ SAP stands for Standard Assessment Procedure, which doesn't immediately explain that it is really about levels of energy efficiency!

⁵ Local Authority Social Housing Grant

However those ‘inherited’ through the former trickle transfer policy are affected by the DX decision and, once again, these are more likely to be in the most rural areas.

Yarlington properties

For Yarlington there is a greater chance that the identified property will be affected by the DX decision simply because the majority of their stock is former Council housing taken over at the time of the LSVT. Of the Yarlington disposals to have taken place to date, only one property was HCA funded (gained through mortgage rescue).

Yarlington still own a small number of ‘swedish houses’ – a type of timber construction – which have not been subject to the same review and replacement as the more notorious concrete forms of system build. These isolated properties do not lend themselves to an economic solution to bring them up to Decent Homes⁶ standard either in terms of individual refurbishment plans or (as with many of the former PRC sites) demolition and replanning of the estate. Where only one of a pair of semi-detached houses remains, Yarlington's preferred route is, then, to dispose of these properties privately as and when they become vacant. Several of the approved disposals to date have been swedish houses.

Housing Association Considerations

The key consideration from the point of view of the Housing Association is the relative costs of maintaining/upgrading the property. Given the HCA expectation that monies shall be raised from disposals, it clearly makes sense to dispose of those properties which lie at the end of the expenditure curve, including the cost of bringing the property up to the expected energy efficiency (measured by the ‘SAP’ rating). However another consideration might be the relative ‘need’ for the property. In one case Yarlington identified a property which had been let six times in the previous eight year period. Other Housing Associations may consider the cost of managing an isolated property, especially if they don't own any other stock for ten miles or more.

Local Housing Authority Considerations

The key consideration from the point of view of the Local Housing Authority is whether the funds raised will produce housing which will meet a greater level of need than the property subject to the proposed disposal. In the case of the properties transferred by the Council under the former trickle transfer property, preservation of some social housing in smaller rural communities was one of the main reasons for these individual transfers.

The strategic housing unit independently checks the level of expressed demand for the size of property in the location, primarily by reference to the number of households registered on Homefinder⁷ eligible for the size of property and indicating the location as their first choice of parish. Depending on location this may include a review of similar expressed needs for neighbouring parishes or wards. Consideration is also be given to possible changes to the property – for example changing a 3-bed house with a downstairs bathroom into a 2-bed house with an upstairs bathroom. In such cases not just the immediate needs (as expressed on Homefinder) but also the projected future needs will be taken into account.

⁶ Decent Homes standard was first set out by Government shortly after the LSVT and covers a very similar range of minimal requirements to those promised to council tenants as ‘catch up repairs’ under LSVT

⁷ Homefinder is the county wide housing register and choice based lettings system.

The DX decision requires consultation with the relevant ward member/s and it may be that a ward member identifies other factors, for example, in one case the ward member wished to consult with the Parish Council, in another the ward member identified how to resolve car parking issues.

These considerations need to be balanced against the obligation that Housing Associations are under to achieve some disposals and the economics of each individual case.

Whilst the argument might be accepted that it is uneconomic to bring a property up to an acceptable SAP rating, one other consideration is whether the prospective purchaser will be in a position to undertake such works. One other option, which the Portfolio Holder has suggested is that the Housing Association be asked to consider disposal of the property to Somerset Care & Repair who will be able to bring the property up to a reasonable standard, albeit not the same standard aspired to by Housing Associations, and let it as a private property on a market rent within the Local Housing Allowance⁸. He has also asked that Yarlinton consider disposal to local purchasers only, but this has been rejected on the grounds that the Housing Association must achieve the best possible price for the property.

Opportunities for replacement

The first call on any receipt realised will be the remaining debt associated with that property, before any net receipt can be used within the current development programme. In many cases there will be no immediate opportunity for a replacement property and in the rural examples there may be no prospects of a new site ever coming up.

In theory there is no ring-fencing of monies raised, provided sufficient funds are utilised in the current HCA programme. It is therefore possible that monies raised could be deployed in a different local authority area, let alone in a different settlement.

In order to preserve as much local recycling as possible, but mindful of the practicalities of locating new sites, SSDC consent has typically been with the caveat that the monies are redeployed 'in the local area'. In one case the property to be disposed was in Yeovil and SSDC consent was caveated on the realised funds being deployed in Yeovil.

Process for reaching formal SSDC decision

Once the Council has been alerted to a potential disposal by Yarlinton (or any other Housing Association for a property that falls under this policy) and provided with sufficient background information, the Strategic Housing Unit contact the relevant ward member/s and provide detail of the proposals. A formal report is then produced for the Portfolio Holder which reflects the views of the relevant ward member/s once these are known. As with all such reports, this is published in the Executive Bulletin both as a 'decision to be taken' and, following that, as a 'decision taken'. In one case it was not possible to discuss with one ward member due to his circumstances, but a report was produced which reflected the views of the other two.

⁸ This is effectively the limit in the local area per property type for private sector rents to be covered by Housing Benefit

Consent withheld

Consent has been withheld on two occasions. The first of these was a property in Marston Magna where the recommendation could have been to consent to dispose if it were not for the fact that there was a homeless household in the village requiring exactly that size of property. However within weeks another vacancy arose in the village which Yarlington were able to offer to the homeless household. Following this a second decision reversed the original decision and the consent was given.

The second is the much more recent case, in Curry Rivel, which has only just been published as a formal decision.

The other more recent case, at Rimpton, is the only example where the report has reflected the views of the ward member but recommended a different decision.

Process for tracking use of monies

Whilst Yarlington have been given consent to sixteen disposals since the new funding arrangements came in, fifteen of which have been subject to the expected redeployment within the local area (the other being specifically subject to redeployment in Yeovil), until now no mechanism has been in place to track these funds and no cross referencing has taken place with the confirmed development programme to ensure that the funds are redeployed appropriately.

It is understood that the realisable sums raised from sale of former LSVT properties are not subject to the same rules as RCGF⁹ and DPF¹⁰, both of which carry a time limit for redeployment and both of which have an implied geographic tie. The sums raised through these disposals are not hypothecated to specific new build schemes by the HCA, but the Council can seek assurances that a similar amount has been invested in local schemes.

Yarlington disposals to date			
Property address	Date of consent	Executive Bulletin/s	Funds raised (net where known)
6 & 8, Swedish Houses, Over Stratton, South Petherton	11 th June 2012	predates policy decision	£212,882
3, Steart Hill, West Camel	18 th January 2013	557 & 558	£103,941
22, Milford Road, Yeovil	16 th August 2013	587 & 588	£80,000
12, Swedish Houses, Over Stratton, South Petherton	1 st November 2013	598 & 599	£101,500
1, Stibbear Lane, Donyatt	13 th June 2014	628 & 629	£155,200
9, Park Way, Bruton	Not with SSDC consent		£121,500
17, West Street, Stoke sub Hamdon	23 rd July 2014 ¹¹	Not subject to policy	£186,500 ¹²
19, Pope's Cross, Curry Mallet	12 th December 2014	653 & 654	£74,500

⁹ Recycled Capital Grant Fund made up of the subsidy element previously allocated to a property – typically RCGF covers the proceeds from sale of further shared ownership tranches

¹⁰ Disposable Proceeds Fund made up of capital funds raised through other disposals.

¹¹ Consent subject to monies being used to create an alternative 4 bed property

¹² Gross receipt – does not take into account outstanding debt and sales fees etc

28, Font Villas, West Coker	16 th January 2015	656 & 657	£116,500
1, Vale View, Aller	30 th January 2015	658 & 659	£ 111,500
4, Townsend, Shepton Montague	30 th January 2015	658 & 659	£130,000 ¹³
53, Earle Street, Yeovil	20 th March 2015	665 & 666	£92,000 ¹⁴
1, Owl Street, Stocklinch	12 th May 2015	672 & 673	£195,000 ¹⁵
5, West End, Marston Magna	21 st August 2015	684 & 685	£140,000 ¹⁶
23, Woodhayes, Henstridge	4 th September 2015	686 & 686	£144,950 ¹⁷
8, Fairview Terrace, Limington	23 rd October 2015	672 & 673	£175,526 ¹⁸
2 Townsend, Shepton Montague	13 th November 2015	674 & 675	£100,000 ¹⁹
19, Higher Bullen, Barwick	13 th November 2015	674 & 675	£106,000 ²⁰
Total raised			£2,347,499²¹

Yarlington disposals in pipeline

Property address	Current position
20, Dyers Road, Curry Rivel	Consent withheld – decision 18 th December 2015, Executive Bulletins 679 & 680 refer.
2, Daisymead, Rimpton	Report recommended agreement to dispose; called in to Scrutiny, Executive Bulletins 679 & 680 refer

¹³ ditto

¹⁴ ditto

¹⁵ ditto

¹⁶ ditto

¹⁷ ditto

¹⁸ ditto

¹⁹ ditto

²⁰ Ditto

²¹ Includes some gross receipts – estimated net figure approximately £2,075,000 taking into account estimated undeclared sales fees and share of debt.

Agenda Item 10

Verbal update on Task and Finish reviews

The Task and Finish Review Chairs or Scrutiny Manager will give a brief verbal update on progress made.

Current Task & Finish Reviews

- Street Trading
- Council Tax Support
- Community Council for Somerset

Agenda Item 11

Update on matters of interest

Lead Officers: Jo Gale, Scrutiny Manager
Contact Details: joanna.gale@southsomerset.gov.uk or 01935 462077

Action Required

That members of the Scrutiny Committee note the verbal updates as presented by the Scrutiny Manager.

Purpose of Report

This report is submitted for information to update members of the committee on any recent information regarding matters of interest to the Scrutiny Committee, and for the Scrutiny Manager to verbally update members on any ongoing matters.

Scrutiny Work Programme

Meeting Date	Agenda Item	Issue for Main Scrutiny Cttee	Budget	Background/Description	Lead Officer/ Lead Member
9 th May 2017	Street Trading	✓		Final report of the Task and Finish Group	Nigel Marston
TBC	Troubled Families Programme	✓		Members requested an update report on the progress of the troubled families following a report covering the work of South Somerset Together, Local Strategic Partnership. A specific report request needs to be compiled.	Helen Rutter
TBC	Review of Economic Development Strategy	✓		This Strategy is due for review and Scrutiny members have previously been involved in the review and development of this Policy. The Lead Officer has agreed that Scrutiny involvement will be factored in to the review process and we will be kept informed regarding the most appropriate point for effective Scrutiny engagement.	David Julian / Cllr Jo Roundell Greene.
30 th May 2017	Review of Performance Indicators	✓		Officers previously indicated to the Scrutiny Committee that work was planned to review the current suite of performance indicators. This work is dependent on the revision of the Council Plan and assurance has been given that provision will be made for effective Scrutiny engagement in this process.	Andrew Gillespie Charlotte Jones Cllr Ric Pallister
TBC	Increased Joint Working Between Police Forces			At the meeting of Scrutiny Committee on 30 August 2016, the SSDC representative on the Police and Crime Panel requested that there be a report looking at the proposals for increased joint working between police forces across the South West.	

The Somerset Waste Board and Somerset Waste Partnership Forward Plan of key decisions can be viewed at:

<http://democracy.somerset.gov.uk/mgListPlans.aspx?RPId=196&RD=0>

Current Task & Finish Reviews

Date Commenced	Title	Members
June 2016	Review of Street Trading Policy	Requested by Service Manager to look at reviewing current Street Trading Policy with a view to producing a report for November 2016 Council. Cllrs Jason Baker, Neil Bloomfield, Val Keitch, Rob Stickland and Martin Wale.
8 August 2016	How the Community Council for Somerset and South Somerset District Council could work better together to achieve more and better outcomes for the community.	<p>Scrutiny Committee members invited Community Council for Somerset to work with them to identify areas where closer working could be of benefit to each organisation. Cllrs Clare Aparicio Paul, Mike Beech, John Clarke, Val Keitch, Mike Lewis and Alan Smith will be following this up by looking at sample projects to learn how to navigate obstacles such as data sharing agreements.</p> <p>A presentation with a representative from the One Team was requested at Scrutiny Committee on 31 Jan 2017.</p>
February 2017	<p>Council Tax Support 2018/19</p> <p>Monitoring the effectiveness of the current scheme and how best to manage the reductions in the Administration grant as part of efficiency savings and as a consequence of the changes with Universal Credit</p>	Cllrs Jason Baker, Val Keitch, Andy Kendall, David Norris, Sue Osborne, Sue Steele, Alan Smith, Rob Stickland, Derek Yeomans

Agenda Item 13

Date of next meeting

Members are requested to note there will be an additional special meeting of Scrutiny Committee on Tuesday 18 April 2017 at 10.00am in the Council Chamber, Brympton Way, Yeovil.

Members are also requested to note that the next routine meeting of the Scrutiny Committee will be held on Tuesday 9 May (a week later than normal due to the elections) at 10.00am in Council Chamber A, Brympton Way, Yeovil.
