



# Executive Committee

15<sup>th</sup> October 2013

## MINUTES

### Present:

Councillor Bill Hartnett (Chair), and Councillors Juliet Brunner, Brandon Clayton, John Fisher, Phil Mould, Mark Shurmer and Debbie Taylor

### Also Present:

Councillor Michael Braley

### Officers:

D Allen, M Bough, M Cox, C Flanagan, D Hancox, S Hanley and S Morgan

### Committee Services Officer:

I Westmore

### 59. APOLOGIES

Apologies for absence were received on behalf of Councillors Rebecca Blake and Greg Chance.

### 60. DECLARATIONS OF INTEREST

There were no declarations of interest.

### 61. LEADER'S ANNOUNCEMENTS

The Leader advised that Item 6 on the agenda, 'Delivering New Affordable Housing', was being considered without the required notice being given on the Executive Work Programme due to the urgency of the decision around potential syndication onto a Mortgage Rescue Scheme and that the Chair of the Overview and Scrutiny Committee had been advised thus.

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Chair

**62. MINUTES**

**RESOLVED that**

**the minutes of the meeting of the Executive Committee held on 17<sup>th</sup> September 2013 be confirmed as a correct record and signed by the Chair.**

**63. COUNTY AIR QUALITY ACTION PLAN**

The Committee received the County Air Quality Action Plan which was being submitted to all Worcestershire local authorities for approval. It was reported that, as there were no Air Quality Management Areas in Redditch, there was not a requirement that the Council sign up to the Plan but Officers advised that adoption by Redditch would ensure consistency across the County and would allow the Council to benefit from involvement in discussions over air quality going forward.

**RESOLVED that**

**the Countywide Air Quality Action Plan be adopted and agreement be given to supporting and assisting progress of the measures identified in the Plan that will provide effective resolution to areas of poor air quality and assist in preventing the requirement to declare any Air Quality Management Areas in Redditch.**

**64. DELIVERING NEW AFFORDABLE HOUSING**

A report was received which outlined proposals for the Council to develop homes and other options to increase the amount of affordable housing in the Borough to meet affordable housing demand. Officers had investigated the possibility of building Council homes on land owned by the authority but had also considered a number of other options to increase the stock of affordable housing.

The background to the proposals put forward was a cap on the Housing Revenue Account (HRA) of £122M which was the present level of the total HRA debt and an existing HRA Capital reserve of £9.4M which could be used to support capital or revenue expenditure.

Officers presented Members with a predicted average cost for building properties which was considerably greater than the current average cost of buy-back on Right to Buy properties and for this and similar reasons it was not considered viable or efficient to push ahead with house-building by the authority at the present time.

It was reported that there was an opportunity for the Council to become a syndicated partner in a Mortgage Rescue Scheme with the possibility in the 2013/14 financial year of achieving significant grant funding from Central Government in the process. Given that this would lead to the Council's housing stock being enhanced at an average cost of approximately £63K per property and would remove the risk of eviction for a number of households this was proposed as an option to pursue. The grant funding was only available until 31<sup>st</sup> March 2014 and it was therefore suggested that urgency procedures might be required following the meeting to expedite this course of action.

A number of Members spoke in favour of the Mortgage Rescue Scheme. The suggestion that the Council did not build its own houses was discussed in depth. Some Members felt that it was appropriate in the present circumstances for the Council to take a calculated risk and use the HRA Capital Reserve to build new properties with anticipated rent helping to bridge the shortfall in currently available capital. It was pointed out that the New Homes Bonus, as well as forming a part of the General Fund, could not be relied upon as a source of funding as there was consultation around elements transferring to the Local Enterprise Partnerships (LEPs) in 2015. Aside from questioning the prudence of diverting the HRA Capital Reserve to house-building, Officers also noted that there were other pressures such as the need to maintain the Decent Homes standards and the potential for the introduction of Universal Credit to impact upon rental income in the short term. A separate residential housing fund within the General Fund was also raised as a possibility but it was noted that this would not offer up affordable housing. The Leader undertook to seek to provide an example to Councillor Brandon Clayton of a Registered Social Landlord's (RSL) rents that were comparable to Council rents following the meeting.

#### **RESOLVED that**

- 1) the Executive Committee notes the report and the current financial position of the HRA;**
- 2) due to the various risks and unknowns in the HRA business plan the Council does not build new homes in the short term;**
- 3) Members note the options within the report at 3.12 and task Officers to provide a further report on the options for further consideration of the Executive Committee;**
- 4) authority be delegated to the Head of Housing Services and Head of Legal, Equalities and Democratic Services to enter into a Service Level Agreement with WM**

**Housing to become a syndicated partner for the Government Mortgage Rescue Scheme;**

- 5) **authority be delegated to the Head of Housing Services to agree each individual case for purchase through the Government Mortgage Rescue Scheme;**
- 6) **Officers undertake a review of the Government Mortgage Rescue Scheme to determine if further funding needs to be invested and report back to the Executive Committee before 31 March 2014;**
- 7) **the Committee notes the intention to use urgency procedures to consider the recommendation to Council at 8), below, prior to the next available meeting of the Council in view of the timescales involved in establishing a Mortgage Rescue Scheme; and**

**RECOMMENDED that**

- 8) **authority be delegated to the Executive Director of Finance & Resources and Head of Housing Services to use up to £400,000 from Housing Revenue Account reserves for the Government Mortgage Rescue Scheme and support.**

**65. VOLUNTARY AND COMMUNITY SECTOR GRANTS PROGRAMME 2014/15**

A report had been submitted which set up proposed funding splits for the various parts of the Voluntary and Community Sector Grants Programme for 2014/15.

Officers confirmed that the overall budget for the Grants Programme was the same as in the preceding year and also a number of years prior to that, the amount available not having been altered for some considerable time. In response to the contention that this represented a real terms decrease in funding over time it was noted that the level of grant-funding to the authority from Central Government had been falling far more significantly over the same period.

**RECOMMENDED that**

**the following themes and percentages of funding be allocated for the 2014/15 voluntary and community sector grants process: (see report for details on themes: these themes link into the Strategic Purposes for Redditch Borough Council – See chart - Appendix 1 to the report)**

- **Independent Communities** = £130,000 – see 3.3.1
- **Community Development** = £ 55,000 – see 3.3.2
- **Thriving Communities** = £ 20,000 – see 3.3.3
- **Community Welfare** = £ 20,000 – see 3.3.4
- **Stronger Communities Grant Programme** = £ 15,000 – see 3.3.5
- £1,000 be allocated from the Grants budget for the use by the Grants Team to deliver:
  - a) **networking and promotional events;**
  - b) **advertising and communication support;**
  - c) **newsletters.**

**66. MONITORING REPORT - WRITE OFF OF DEBTS - APRIL - AUGUST 2013**

Members considered a report which detailed the action taken by Officers with respect to the write-off of debts during the first four months of 2013/14 and set out the profile and / or level of the outstanding debt.

**RESOLVED that**

**the contents of the report be noted.**

**67. OVERVIEW AND SCRUTINY COMMITTEE**

The Committee received and considered the minutes of the meeting of the Overview and Scrutiny Committee held on 10<sup>th</sup> September 2013.

**RECOMMENDED that**

Scrutiny Task Group Recommendations Monitoring Process

- 1) **the reference that “the Overview and Scrutiny Committee will review implementation of recommendations made in any report not sooner than twelve months after consideration of its report by the Executive Committee” be removed from the Council’s Constitution; and**

**RESOLVED that**

- 2) **the minutes of the meeting of the Overview and Scrutiny Committee held on 10<sup>th</sup> September 2013 be received and noted.**

**68. MINUTES / REFERRALS - OVERVIEW AND SCRUTINY COMMITTEE, EXECUTIVE PANELS ETC.**

There were no minutes or referrals under this item.

**69. ADVISORY PANELS - UPDATE REPORT**

The latest update on the activity of the Council's Advisory Panels and similar bodies was considered by the Committee.

**RESOLVED that**

**the report be noted.**

**70. ACTION MONITORING**

The latest version of the Committee's Action Monitoring report was received by the Committee.

**RESOLVED that**

**the Action Monitoring report be noted.**

The Meeting commenced at 7.00 pm  
and closed at 8.01 pm

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Chair