

SCRUTINY COMMITTEE - COMMUNITY – 4 MARCH 2014

QUESTION FOR PORTFOLIO HOLDER UNDER STANDING ORDER NO.20

Question from Cllr Mitchell for the Portfolio Holder – Housing and Customer Access

At the September Scrutiny meeting a forecasted overspend of £254,015 to the HRA budget was reported to this committee.

At the following meeting in November a forecasted overspend of £588,860 was reported to this meeting.

Today a forecasted overspend of £1,037,024 is being reported to this committee under item 9 of the agenda.

In overall terms, the HRA has therefore moved from a budgeted surplus of £879,760 to a forecast deficit of £157,264, which represents a movement in percentage terms of minus 118%.

The recommendation asks us to assure ourselves that satisfactory actions are being taken by Officers to address these overspend.

However, as the Portfolio Holder responsible for this area may I ask what you have done to date to bring this budget under control?

Answer

Wide ranging actions have been encouraged and supported that are now being taken by officers to tackle the underlying issues that are putting pressure on the HRA. However, there are no easy solutions and the fact is that the HRA is having to cope with the combined effects of welfare reform, new ways of working in terms of 'designing against demand', the limitations of an incremental approach to budget setting (which isn't linked to actual demand), an unexpectedly high level of voids, the wettest winter for nearly 250 years and the consequences of a deep recession (and cuts to public services) that has left a number of marginalised and in some cases quite vulnerable people living in our properties who can't or won't look after them.

The Assistant Director Housing has been actively encouraged to look into the causes of the significant budget variations and start to put in place an action plan to tackle these, and that action plan is detailed in the report. The plan signals a fresh approach to the way the Council maintained and managed its council houses that would ultimately save the authority money in the long-run.

More regular visits to properties will be carried out in an attempt to nip problems in the bud. One of the wettest winters on record contributed to more repairs to leaks and damp problems than usual. This, along with a number of other factors such as the Coalition Government's welfare reforms, resulted in the Council's housing revenue account, which is wholly funded by the rents paid, spending £1 million more than anticipated. However, there is more than enough money in the HRA to meet this additional spending.

The action plan sets out 11 ways of better managing its stock and dealing with maintenance issues. These include:

- *Setting up a dedicated team to deal with properties that are becoming empty, keeping a close eye on costs*

- *Inspecting all properties when notice is received and advising the tenant on the work they need to complete at the property before moving. People will not be able to transfer to another Exeter City Council property if their current home is in a poor state of repair*
- *Work has been done to understand the reasons behind the overspend. The results are being used to plan a major restructure of housing, which will take place later in the year*
- *All homes will be visited more frequently and tenants advised what they need to do if they have not looked after their property well. Checks will be made to make sure the work is done and if it hasn't been then tenants run the risk of eviction*
- *Where tenants cause damage and don't put it right, follow up action will be taken to recover the money the Council has to spend. Recently an outgoing tenant received a bill for £2,336 following unauthorised work to their kitchen.*

In addition, it is proposed to set up a task and finish group so that the Members can fully understand all the complex issues and perhaps come up with some new ideas and fresh working practices that will help progress matters.