



The Gateshead Housing Company Board of Directors

Thursday, 16 January 2014 at 10am
To be held in the Board Room at Keelman House, Fifth Avenue
Business Park, Team Valley, Gateshead

Agenda

Item	Business
1.	Apologies for Absence
2.	Declarations of Interest
	<u>ITEMS FOR DECISION</u>
3.	Minutes (Pages 3-9) To approve as a correct record the minutes of the meeting of the Board held on 21 November 2013
4.	Matters Arising
5.	Proposed Rent Increases for TGHC Owned Properties 2014/15 (Pages 10-13) Report of Head of Corporate Services
6.	TGHC Community Fund Proposal (Pages 14 – 19) Report of Managing Director
	<u>ITEMS FOR INFORMATION</u>
7.	Minutes of Audit Committee held on 14 January 2014 To be tabled

Contact: Stuart Gibson Tel: (0191) 433 5308 Date: 9 January 2014

Item	Business
8.	<p>Minutes from Meeting of Keelman Homes Board held on 21 November 2013 (Pages 20-23) Attached</p>
9.	<p>Right to Buy Update (Pages 24-30) Report of Director of Customers and Communities</p>
10.	<p>Council Decisions on Further Measures to Mitigate the Impact of Welfare Reform (Pages 31-42) Report of Director of Customers and Communities</p>
11.	<p>TGHC Co-location to the Civic Centre – Progress Report (Pages 43-46) Report of Managing Director</p>
12.	<p>Items for Information The following information item is available to download from the company's website: -</p> <ul style="list-style-type: none"> (i) Petitions Update (ii) Outstanding Issues (iii) Forward Plan
13.	<p>Feedback from Outside Bodies and Events</p>
14.	<p>Date and Time of Next Meeting Thursday 20 March 2014 at 10am at Gateshead Civic Centre.</p>
15.	<p>Exclusion of the Press and Public The Board may wish to exclude the press and public during consideration of the remaining business in accordance with the categories of the company's Access to Information Rules</p>



BOARD OF DIRECTORS

21 November 2013

PRESENT:

Directors

Barbara Dennis (Chair)
Sheila Boutieh
Robert Buckley
Joanne Carr
George Clark
Mick Davison
Pauline Dillon
Paul Foy
Eileen Gill
Helen Hall
John Hamilton
Peter Mole
Joachim Moussouanda Mouanda
Gordon Spring

Advisers

Jon Mallen-Beadle	Managing Director
Neil Bouch	Director of Customers and Communities
Natalie Hewitt	Head of Corporate Services
Phil Gallagher	Head of Investment and Development
Julie McCartney	Head of Neighbourhood Services
Stuart Gibson	Governance and Risk Officer

Apologies

Kathryn Ferdinand

58 ELECTION OF CHAIR AND DEPUTY CHAIR

RESOLVED – That Barbara Dennis and Peter Mole be appointed as Chair and Deputy Chair until the first Board Meeting after the next Annual General Meeting.

59 MINUTES

The minutes of the Board Meeting held on 19 September 2013 were approved as a correct record.

60 MATTERS ARISING

(a) Board Tour

The tour to look at key sites to enable Board Members to familiarise themselves with issues being discussed at the Board/committees has been fixed for Thursday 16 January 2013 after the Board Meeting.

(b) Welfare Reform

There will be an hour long session on welfare reform at the Board Planning Day on 9 December 2013, including an external speaker from Northern Housing Consortium.

(c) TGHC Community Fund

A report on the review of the Community Fund will be presented to the Board Meeting in January 2013.

61 COMMITTEE MEMBERSHIP

The Board received details of the membership of committees for the next year and the appointment of the chairs to each of the committees.

Due to there being less interest in serving on Audit Committee, some Board Members have agreed to sit on three committees.

It was also agreed that the membership of the other three committees be increased from seven to eight. Three members would still need to be present to be quorate.

RESOLVED – That the committee membership and chairs appointed to the committees for the next year be noted.

62 CODE OF GOVERNANCE

The Board received proposals identified by the Audit Committee on 16 October 2013 to meet the actions identified in the Action Plan following agreement to adopt the National Housing Federation: Excellence in Governance as the Company's Code of Governance.

RESOLVED – That the following proposals be approved: -

- The Chair of the Board be appraised by the Chair of Audit Committee and Chair of Resources Committee, with input from the Managing Director.
- No amendments be made to the Recruitment Policy regarding the number of board members of other housing providers.
- The current application form for the appointment of Independent Directors be reviewed.

- Further investigations be carried out into arrangements around Board Champions within other ALMOs.
- The Protocol for Meetings of the Board and its Committees be deleted.
- The Board receive the minutes of Keelman Homes for information.
- Volunteers to sit on time limited task group to look at the current induction process be sought.
- The updated Code of Conduct for Directors of the Company be approved, subject to an additional paragraph in relation to a tenant directors rights.
- The Action Plan be updated and posted on the Board Members Website.

63 WHISTLEBLOWING POLICY

The Human Resources Committee approved an updated Whistleblowing Policy at its meeting held on 21 October 2009. The Policy has not been reviewed since then.

A recent Internal Audit review of counter fraud highlighted that the current policy needed updating, particularly in respect of changes introduced as a result of the Enterprise and Regulatory Reform Act 2013.

The Resources Committee, at its meeting held on 5 November 2013, recommended approval by the Board of the updated Whistleblowing Policy, subject to a few amendments.

RESOLVED – That the updated Whistleblowing Policy be approved.

64 REVIEW OF LEASEHOLD MANAGEMENT POLICY

The Customers and Communities Committee, at its meeting held on 7 November 2013, recommended approval by the Board of a revised Leasehold Management Policy which has been developed in conjunction with leaseholders.

RESOLVED – That the revised Leasehold Management Policy be approved.

65 BOARD MEETINGS 2014

RESOLVED – That the following schedule of Board Meetings in 2014 be approved: -

Thursday 16 January 2014 at 10am
 Thursday 20 March 2014 at 10am
 Thursday 15 May 2014 at 10am
 Thursday 10 July 2014 at 10am
 Thursday 18 September 2014 at 10am
 Thursday 20 November 2014 at 10am

66 MINUTES OF COMMITTEES

The minutes of the following committees were submitted: -

- Audit Committee – 16 October 2013
- Assets, Development and Investment Committee – 17 October 2013
- Resources Committee – 5 November 2013
- Customers and Communities Committee – 7 November 2013

RESOLVED – That the minutes be noted, subject to an amendment to the minutes of the Assets, Development and Investment Committee.

67 CO-LOCATION TO THE CIVIC CENTRE

The Board received an update on progress with vacating Keelman House and co-locating to Gateshead Council's Civic Centre.

Formal notice to end the lease on 24 July 2014 was served by the Council's Legal Services on the Company's behalf.

Access to Keelman House has recently been granted to allow a survey to be carried out on behalf of the landlord for future marketing purposes. It is expected that this will inform any schedule of dilapidations. A full schedule of dilapidations will be agreed and then negotiations will commence on receipt of the schedule of dilapidations to come to a commercial deal with the landlord.

If no agreement can be reached on a settlement figure, it may be necessary to carry out re-instatement works to Keelman House. To ensure there is sufficient time to carry out any re-instatement works prior to the break in the lease, a target date to vacate Keelman House has been set for 31 March 2014.

A floor plan has been provided for the space that the Company will be occupying at the Civic Centre which will accommodate all employees currently based at Keelman House. There is also adequate space to include the Rent and Income Team currently based at Wrekenton office who will also be re-located to the Civic Centre.

The allocated space will enable the Company to be accommodated in its own dedicated pavilion, which was important in terms of maintaining its culture and identity.

Employees have been notified that the move is expected to commence in the second week of February, with a provisional 6-week period for the move. Details of which teams will re-locate first have yet to be finalised but the intention would be to move the call centre operations first to ensure that any disruption to customer service is minimised.

There are currently two main areas to resolve in respect of car parking and customer service provision and progress addressing both these issues was reported.

The internal working group will continue to meet to inform the project plan in relation to the move and provide updates to employees on progress against the programme.

There is unlikely to be any financial savings as a result of the move as the cost of rent and service charges will be similar to what is currently being incurred at Keelman House.

RESOLVED – That the information be noted.

68 PERFORMANCE – SECOND QUARTER 2013/14

The performance results at the end of the second quarter 2013/14 were submitted.

There are currently 47 key performance indicators which are included within the delivery plan and which are monitored and reported to the Board on a quarterly basis.

At the end of the second quarter: -

- 22 indicators traffic lighted green, which shows that the annual target set for these indicators has been achieved. This is up from 20 in the second quarter 2012/13.
- Four indicators are traffic lighted amber, which shows that the target has not been met but performance has improved on the previous year. This is an increase from three at the end of the second quarter 2012/13.
- Seven indicators are traffic lighted red, which shows that the target has not been met and performance has fallen compared to the previous year. This is down from 18 indicators at the end of the second quarter 2012/13.
- 14 indicators are not yet measurable/baseline year, which is up from five at the end of the second quarter 2012/13.

The analysis therefore indicates that at the end of the second quarter, performance relating to 26 out of the 33 measureable performance indicators can be traffic lighted as on target or improving, which relates to 79% of the indicators. This shows a significant improvement from 56% as at the end of the second quarter 2012/13 and the Company will continue to drive further performance improvements during 2013/14.

RESOLVED – That the information be noted.

69 SERVICE STANDARD PERFORMANCE – SECOND QUARTER 2013/14

The second quarter performance results against the Company's service standards at the end of the second quarter 2013/14 were submitted.

At the end of the second quarter:-

- 31 indicators were traffic lighted green, which shows that the targets have been met. This is up from 29 in the second quarter 2012/13.
- One indicator is traffic lighted amber, which shows that the targets have not been met but performance has improved from the previous year. This matches performance in the second quarter of 2012/13.
- Five indicators were traffic lighted red, which shows that the targets have not been met and performance was worse than in the previous year. This is down from nine as at the second quarter 2012/13.
- 17 indicators were not measurable against a target at the end of quarter 2, which is down from 21 at the second quarter 2012/13.

Overall, performance relating to 32 out of the 37 measurable service standard performance indicators can be traffic lighted as on target or improving, which relates to 86% of our indicators. This is a significant improvement from 76% as at the second quarter 2012/13.

RESOLVED – (i) That the information be noted.

(ii) That future service standard performance reports also include a summary sheet.

70 ITEMS FOR INFORMATION

The following item was posted on the Company's website: -

- Forward Plan

RESOLVED – That the information be noted.

71 FEEDBACK FROM OUTSIDE BODIES AND EVENTS

The following feedback from outside bodies and events was reported: -

- The agenda for the Board Planning Day on 9 December 2013 was submitted.
- The Core Brief which gives key company information to employees and ways to ask questions and put forward suggestions was submitted.
- Barbara Dennis reported two key issues that were discussed at the last NFA Board Meeting. They are carrying out a detailed review of governance with the new managing agent. They are also preparing for the General Election and producing a manifesto which includes energy efficiency and has identified TGHC as one of the organisations of good practice for the work done at Kibblesworth.

RESOLVED – That the feedback from outside bodies and events be noted.

72 DATE AND TIME OF NEXT MEETING

The next Board Meeting will be held on Thursday 16 January 2014 at 10am in the Board Room at Keelman House, Fifth Avenue Business Park, Team Valley, Gateshead.

73 EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED – That the press and public be excluded from the meeting during consideration of the remaining business in accordance with the indicated categories of the Company's Access to Information Rules.



**Report to Board
16 January 2014**

Title: Proposed Rent Increase for TGHC Owned Properties 2014/15

Report of: Head of Corporate Services

Purpose of Report

1. To seek approval of the proposed increase to the rents for 2014/15 for The Gateshead Housing Company owned properties.

Background

2. The TGHC Rent and Service Charge Setting Policy was approved by the Board on 21 January 2010 with a subsequent update on 12 May 2010.
3. The Rent and Service Charge Setting Policy details that the initial rent period for an assured tenancy must be in place for a minimum of 12 months. Any properties let during 2013/14 will not see a rent increase in April 2014.
4. However, we will increase the rents should any properties become void as the new tenants would be due to pay rent at the 2013/14 rental costs. These rents will be increased in line with the provisions within the Rent and Service Charge Setting Policy which allow for rents to be increased by inflation plus a maximum of 1%. We will undertake the rent increase in line with the guidelines as set out by the Homes and Communities Agency as they are within the parameters provided for in our Rent and Service Charge Setting Policy.

Proposed increase

5. TGHC own seven properties directly as follows:-
 - St Cuthbert's – 3 x 4 bed houses;
 - Victoria Bungalow;
 - Brandling School House;
 - Rowlands Gill Caretakers; and
 - Kibblesworth Lounge.
6. The rent increase has been proposed in line with the HCA guidelines of RPI + 0.5% and is included in the Appendix. RPI in September was 3.2%, which provides for an increase of 3.7%, which is an average weekly rental increase for St Cuthbert's of £3.42 and for the other properties of £3.23.

Impact on Tenants

7. The impact on tenants is in relation to the increased rent and service charges which are detailed in the Appendix. TGHC's Rent and Income Team are available for support and advice to tenants who may have difficulty paying.
8. The Rent and Service Charge Setting Policy details the reviews in relation to the rent and service charges and also provides tenants with the means to appeal any decisions made in relation to their rent and service charges.
9. Any welfare reform implications affecting the tenants in TGHC properties will be discussed with them directly by the Rent and Income Team. Advice and support will be available for these tenants should they require any further intervention.

Risk Management Implications

10. The risks associated with the setting of rents and service charges are included within the operational risk register. The Rent and Service Charge Setting Policy will ensure that rents are set at a level to reduce the risks associated with setting incorrect rents.

Financial Implications

11. The Rent and Service Charge Setting Policy has financial implications in relation to the income to be received by the Housing Company – the rents have been set initially at a level that will ensure we can cover the amount provided from reserves and also to ensure that these are not substantially higher than current rents paid for similar properties in the Gateshead area.

Health Implications

12. There are no direct health implications arising from this report.

Value for Money Implications

13. There are no Value for Money implications arising from this report, however, this increase compares favourably with the average expected Council increase.

Equality and Diversity Implications

14. There are no equality and diversity implications arising from this report.

Consultation Carried Out

15. We advised tenants at the outset of their tenancy that they would not see an increase during the first year of their tenancy. We will be advising all tenants of the 2014/15 increase in writing where appropriate with 28 days notice.

Recommendation

16. The Board is recommended to approve the proposed rent increases for TGHC owned properties for 2014/15.

Rent Increase Calculation

Rents have been increased by 3.7%. Therefore, the rents have been set as follows for the varying types of properties:

<u>Property Type</u>	<u>2013/14 Rents 52 Weeks</u>	<u>2014/15 Rents 52 Weeks</u>	<u>2014/15 Rents 50 Weeks</u>	<u>Weekly increase</u>
St Cuthbert's	£92.11	£95.53	£99.35	£3.42
Victoria	£82.69	£85.76	£89.19	£3.07
Rowlands Gill	£89.54	£92.85	£96.56	£3.31
Brandling School	£89.54	£92.85	£96.56	£3.31
Kibblesworth Lounge	£86.48	£89.69	£93.28	£3.21



Title: TGHC Community Fund Proposal

Report of: Managing Director

Introduction

1. This report provides the Board with an overview of the work carried out to date through the Gateshead Housing Company Community Fund and provides recommendations for the future direction of the fund.

Background

2. The Gateshead Housing Company's Community Fund was set up in 2007 by the Company and its strategic partners (originally FHM, Morrison's and the Councils Local Environmental Services – FHM and Morrison's have since been replaced by MEARS).
3. The fund was established to give grants (in cash or in kind) to projects or schemes that met its original criteria. Primarily the fund was linked to the decent homes programme and encouraged partners to contribute an element of their decent homes income back into the community.

Fund Process

4. Grants between £500 to £5,000 can be made. The fund is administered by the Community Foundation for which an administrative charge is made (£8,500 for this financial year).
5. Each of the partners have pledged support in money and / or work 'in kind' on an annual basis. Applications for support are considered by representatives from each of the partner organisations at a panel meeting three times a year.
6. Currently the company is represented by the Chair, Managing Director, member of the Board, Involvement Manager and Communications Manager. There are also representatives from each partner organisation.
7. The funds financial year runs from April to March, with donations into the fund as follows:

Cash Donations for 2013/14

TGHC:	£25,000
Mears:	£12,500
Total:	£37,500

In-Kind Donations for 2013/14

Mears:	£12,500
LES:	£25,000
Total:	£37,500

Fund Criteria

8. There are three broad fund themes:

- Supporting people to overcome disadvantage
- Creating stronger communities
- Making the area a good place to live

With resources being used for the following activities:

- Providing services and activities that work.
- To help groups provide new services or expand or maintain existing services, but with an emphasis on the quality and effectiveness of what is provided.
- Creating stronger organisations to help organisations grow by supporting the organisational development costs as distinct from the cost of services and to strengthen the operation of the voluntary and community sector.

9. Grants of between £500 and £5,000 are available as either cash, in-kind or a combination of both.

10. The Community Foundation's usual grant making criteria will apply along with the following -

- Individuals will not be eligible to apply, only groups.
- One third of any group should be TGHC tenants – to be specified on the application form, checked at assessment stage.
- Salaries and core costs will be funded as part of core cost recovery.
- Grants will not be awarded to replace any local authority funding, however grants can be awarded to improve a local authority owned venue over and above what the local authority will do.
- Grants will not be awarded for on-going running costs or projects that are likely to require on-going support.
- Applicants need to assure us of ownership of a project once it has been completed (i.e. – a garden or play area).
- Groups can receive no more than one grant per year but can apply each year if required.
- Match funding – TGHC would prefer groups to raise some of the funding themselves. Conditional grants can be awarded with payment released once group provide evidence that match funding has been secured.

Emerging issues and proposed solutions

11. The number of applications to the fund has increased from an average of 10 in 2011/12 to 20 at the most recent meeting. There is an increased demand for the same pot of funding.
12. Gateshead Council is undergoing the asset transfer of a number of community centres to the committee of these centres, or another charitable organisation. Applications from community centres now face increased scrutiny as to the future of the centre, the capacity of the committee, and its level of unrestricted funds.

It is proposed that the fund can encourage applications from such groups to support the asset transfer process.

13. In recent meetings the panel has shown great reluctance to fund grass / pitch maintenance equipment due to cuts in funding for such activities. If the fund does not wish to support grass maintenance equipment then this needs to be made public to applicants.

It is proposed that the fund explicitly excludes such bids in the future.

14. The panel has made a decision not to fund sports kit as it is not seen to have a long term impact. As above, this needs to be made public to applicants.

It is proposed that the fund explicitly excludes such bids in the future.

15. An increasing number of applications are for on-going running costs of an organisation, including salaries, rent and utilities. This is likely to be the impact of funding cuts from other sources. However the fund does not support applications that are for on-going costs.
16. Unfortunately this has resulted in several very good applications that benefit a large number of tenants not being supported, for example Hearing Loss Support and Over the Edge. It could be considered if there are any exceptional circumstances as to when a project can be purely funded for running costs, for example as a 'bridging grant' before a larger grant is due to start.

It is proposed that the fund should be able to provide "bridging grant" as explained above.

17. The in-kind work (26% of total awarded) is under reported in terms of feedback to the Community Foundation. It is also reliant on the right person from the partner organisation visiting the project and carrying out the work if appropriate. This has taken some time recently, resulting in organisations either carrying out the work themselves due to timing issues, or delaying other projects and activities. It is proposed that this side of the fund is made more formal in terms of reporting back to the Community Foundation and the fund partners.
18. We also need to ensure that the communication between the partners and the successful applicants allows for the work to be carried out in a timely manner.

It is proposed to make this explicit in future application criteria.

Relationship with the Council's Capacity Building Fund

19. Gateshead Councils Capacity Building Fund supports organisations to build their capacity and sustainability as well as small grassroots community groups to help the Council achieve the following priorities identified within Council Plan 2012-2017:
 - Giving Children the best start in life
 - Improving health and wellbeing
 - Culture, creativity and high impact events
 - Green Gateshead
 - Creating capacity through volunteering
 - Creating the conditions for economic growth

20. The funding programme is open to any not for profit organisations based or working within Gateshead and can be one of the following:
 - Voluntary or community organisation with a constitution or set of rules
 - A registered charity
 - A Charitable Incorporated Organisation (CIO)
 - A Company Ltd by Guarantee
 - Social enterprise / CIC - a not for profit organisation which delivers charitable objectives as described under Charity Law where the social aim is the primary purpose, has an asset lock and can demonstrate public benefit. (organisations do not have to be a registered charity).
 - A co-operative – similar approach to above
 - A local branch of a national organisation

21. During the current round the fund which closed on 10 January 2014, the Council has set out that it would particularly like to support:
 - Communities and organisations to mitigate the impact of the Council's budget decisions and deliver Council Plan priorities
 - Organisations to become commission ready and able to compete for and deliver contracts.
 - Youth organisations, community centres and community libraries
 - Small, medium sized organisations and BME communities
 - Small grassroots organisations
 - Projects which help achieve the aims of the Gateshead Council Volunteer Plan to increase the number of volunteers in Gateshead, in particular around sport, the Olympic legacy, digital inclusion, students and businesses
 - Projects within neighbourhoods and communities which add value to and enhance local service provision.

It is proposed to work closely with the Council so the TGHC Community Fund complements the Councils Capacity Building Fund. In the first instance this would involve inviting a council officer to attend the fund meetings held with the partners and sharing details of applications to avoid any potential duplication.

Future role of the fund

22. Clearly our community fund is providing much needed support to a large number of voluntary organisations within Gateshead. It is important in the current economic climate that the fund continues to support the appropriate organisations. Whilst having its own separate identity the fund needs to make sure it complements the Council's fund.
23. Going forward, there needs to be consideration as to the priorities of the fund to reflect the changing economic climate, the impact of welfare reform on the community, and the state of the voluntary and community sector in Gateshead.

This report therefore proposes that the fund should focus on specific theme(s) as follows:

- Supporting projects that help tenants and their families overcome disadvantage by mitigating the impacts of welfare reform including areas of fuel and food poverty as well as capacity building of individuals
 - Creating stronger communities by supporting community groups who are undertaking an asset transfer
 - Improving the health and wellbeing opportunities for young people and the elderly.
24. This would not prevent other projects from applying, but give partners a focus on which to base decisions. However the message should be kept simple so that locally based community groups with limited resources can still apply.
 25. In proposing these additional priorities this report is also recommending a small increase in the TGHC cash grant from £25,000 to £35,000 (funded from employment costs saving being introduced from 1 April 2014) to reflect the increased demands being placed on the fund.
 26. The fund will be relaunched in April 2014 with renewed documents for applicants, an event arranged through GVOC to guide potential applicants, targeted meetings with programmes such as the BIG Local in Teams, increased use of social media, and joint PR between TGHC, the Council and the Community Foundation.

Link to Values

27. This report relates to the following company values: -
 - Being customer focused, innovative and professional.
 - Being honest, accountable and transparent,
 - Being a listening and learning organisation.

Risk Management Implications

28. By reviewing the role of the fund and agreeing its future criteria this report will ensure that the fund is relevant and targeted at applicants that can enhance the community our customers live in.

Value for Money Implications

29. There are no value for money implications directly arising from this report.

Equality and Diversity Implications

30. There are no equality and diversity implications directly arising from this report.

Financial Implications

31. The financial implications are set out in the report.

Health Implications

32. Although there are no direct health implications as a result of this report, the Community Fund has a positive impact on the health and wellbeing of Gateshead residents.

Environmental Implications

33. There are no environmental implications arising from this report.

Consultation carried out

34. The future role of the fund was discussed with Operational Managers and relevant stakeholders.

Impact on Customers

35. The funding criteria ensures that any successful applicants are working with our customers. Successful applicants play an important role in the community to enhance the lives of our customers.

Recommendations

36. It is recommended that: -
- The fund be supported for the financial year ending 31 March 2015;
 - The TGHC cash grant be increased from £25,000 to £35,000
 - The criteria be amended to include the new proposed priorities and specific exclusions as highlighted throughout the report and to ensure our fund and the Councils fund look to work more closely together.



(Company number: 06972673)

Minutes of meeting of the Board of Directors held in the Board Room at Keelman House, Fifth Avenue Business Park, Team Valley, Gateshead on Thursday 21 November 2013 at 12.30pm

Present:

Ordinary Trustees

Brian Kelly (Chair)
Joanne Carr
Anne Connolly
Paul Foy
Linda Hitman
Peter Mole
Hannah Shepherd

In attendance

Jon Mallen-Beadle (Company Secretary and TGHC Managing Director)
Neil Bouch (TGHC Director of Customers and Communities)
Natalie Hewitt (TGHC Head of Corporate Services)
Julie McCartney (TGHC Head of Neighbourhood Services)
Phil Gallagher (TGHC Head of Investment and Development)
Stuart Gibson (TGHC Governance and Risk Officer)

40 DECLARATIONS OF INTEREST

No interests were declared.

41 MINUTES

The minutes of the last meeting of Keelman Homes held on 19 September 2013 were approved as a correct record.

42 KIBBLESWORTH REGENERATION UPDATE

The Board received an update regarding the progress on site and any issues that have come to light since the previous update.

Of the 81 properties, all phases are fully occupied, with the exception of Phase 4 which has now been completed. Of the completed Phase 4 properties, two cannot currently be let due to a retaining wall at the rear boundary requiring a rebuild. The work is estimated to be completed by the end of November 2013.

The Public Art is being led by Gateshead Council's Art Team. Artists have been appointed who have worked with the local community to develop five individual pieces of art work that will be sited within the new development and some parts of the existing village. The art work is progressing and details of this were reported.

The on-site fixed play area within Phase 4 and the off-site play equipment within Kibblesworth Park have both now been installed. The Company is in discussions with Local Environmental Services around the ongoing maintenance and management of these facilities.

The Kibblesworth Celebration Event took place on 28 September 2013 and was formally opened by the Honourable Mayor of Gateshead. The day was well attended and considered a great success. There was significant interest in the remaining available shared ownership properties which it is hoped will generate further sales.

As the construction of the final phase has now completed, there are remedial works to the roads and pathways that are still to be finalised. TGHC are continuing to work closely with Keepmoat on resolving these as a matter of priority.

RESOLVED – That the Kibblesworth regeneration update be noted.

43 MANAGEMENT ACCOUNTS – SECOND QUARTER 2013/14

This is the first year a budget has been produced for Keelman Homes. Previous financial information has been managed by way of a cashflow, as the main income for Keelman Homes was grant income from the Homes and Communities Agency and loan income from Gateshead Council. The main expenditure was costs in relation to the construction of properties.

The Board approved the Keelman Homes budget for 2013/14 at its meeting on 30 January 2013.

The Board received an update on the management accounts for the second quarter of the financial year 2013/14.

The management accounts show Keelman Homes has made a deficit of £23,950 to the second quarter. Although Keelman Homes was expected to make a loss in this financial year, the loss in the period has been greater than budgeted, and a loss for the full year of £101,635 is being forecasted.

The increase in the deficit is due to both a decrease in the anticipated income compared to budget and an increase in the expenditure compared to budget. It is anticipated that this deficit will be met from reserves.

The three to five year budget plan will be provided at the next board meeting in January 2014.

RESOLVED – That the financial management of the revenue budgets for the second quarter of the 2013/14 financial year be noted.

44 KIBBLESWORTH SHARED OWNERSHIP UPDATE

The Board received an update on the marketing, allocation, price and customer interest in the 13 shared ownership properties at Kibblesworth.

Marketing has continued using a number of methods, which is expected to continue throughout the year.

To support the marketing of the properties the company has produced a 'frequently asked questions' brochure and shared ownership booklet.

As previously reported, Reeds Rains were appointed to provide some additional marketing of the remaining five unsold properties in August 2013. In order to support the marketing of the 5 bed property, Reeds Rains have been requested to make it their 'Property of the Week' from 4 November 2013.

An 'open house' event was also held with one of the 3 bed properties as part of the Kibblesworth Celebration Event on 28 September.

To date, 130 customers have expressed an interest and 20 completed applications have been sent for assessment by ISOS.

15 applications have been approved, three have been rejected and two are currently still being assessed by ISOS.

Three applications were approved by ISOS in relation to the one remaining 2 bed property. In addition, two applications have been approved in relation to the three remaining 3 bed properties and a further two applications are still in the process of being assessed by ISOS.

Gateshead Council Legal Services have completed the conveyancing process on the eight properties that have now been sold and the first month's rent has been collected with the completion of each sale.

Legal Services have been commissioned to complete all legal conveyance of a sale, at a rate of £432 per property plus £86.40 on solicitors' fees. To date, £4,147 has been paid to Gateshead Council.

Income received to date from the sale of properties is £438,603. Rental income projected for the year from the eight sold properties is £13,242.

Reed Rains fees could cost a maximum of £6,500 if the remaining five properties are all sold via their external marketing.

RESOLVED – (i) That the progress made to date on the marketing, allocation and sale of the shared ownership properties be noted.

- (ii) That the outcomes of research into other possible ways of generating interest in the 5-bed property be brought back to the next meeting in January 2014 and a final decision then be made at the Board Meeting in March 2014.

45 DATE AND TIME OF MEETINGS 2014

RESOLVED – That the following schedule of meetings of Keelman Homes in 2014 be approved: -

- Thursday 16 January 2014 at 12.30pm
- Thursday 20 March 2014 at 12.30pm
- Thursday 15 May 2014 at 12.30pm
- Thursday 10 July 2014 at 12.30pm
- Thursday 18 September at 12.30pm
- Thursday 20 November at 12.30pm

46 EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED – That the press and public be excluded from the meeting during consideration of the remaining business.

Report to the Board

16 January 2014



Title: Right to Buy Update

Report of: Director of Customers and Communities

Purpose of Report

1. To provide the Board with an update on the Government's announcement made on 3 January 2014 to further reinvigorate the Right to Buy during 2014.

Background

2. Board received an update in January 2013 regarding the Right to Buy and received details of a Government publicity campaign which took place in February 2013 that was designed to ensure that tenants are aware of their rights and that the Right to Buy offer was both accessible and easy to understand.
3. The Government confirmed that the 2013 Right to Buy publicity was developed in close co-operation with the Financial Services Authority and Council of Mortgage Lenders, to ensure that the emphasis is on responsible and affordable home ownership.
4. In early February 2013 a Right to Buy leaflet was delivered direct to households in Gateshead where there are high concentrations of social housing.
5. At the same time the Government established a dedicated Right to Buy website and a Right to Buy telephone helpline with call handlers briefed to answer basic queries about the scheme discuss eligibility rules and answer other commonly asked questions, as well as correcting any misinformation or myths. Once callers have been through the basics, those eligible and interested, are provided with further information, or are signposted to the next stages for example, to make contact with their landlord.
6. As part of the reinvigorated Right to Buy, in April 2012 the maximum discount was increased to £75,000. For London it was increased (in March 2013) to £100,000.
7. To be eligible for the Right to Buy you must have been a tenant for 5 years or more.

January 2014 Announcement

8. The Right to Buy discounts will be increased again during 2014.
9. The maximum discount for a house will increase from 60% to 70% of its value and the £75,000 cap on discount will start increasing in line with the consumer price index rate of inflation.
10. The announcement will see the maximum Right to Buy percentage discount for eligible social tenants in houses increase to 70%. This brings the discount for houses in line with the maximum discount available for eligible tenants living in flats
11. In addition the Government have identified a £100 million fund to improve access to mortgage finance and new Right to Buy agents will be established to guide people through the buying process.
12. Details of the announcement are contained within a Government press release issued on 3 January 2014 attached at Appendix 1.

Current position

13. The table below provides details of RTB applications and sales compared for the current year compared to previous years:

	2010/11	2011/12	2012/2013	2013/2014 (up to 27/12/13)
RTB Forms Requested	148	165	345	234
RTB Applications Received	63	71	261	193
RTB Completions	19	22	51	110

14. Appendix 2 provides details on the properties sold in 2013/14 by property type, by area office location. In addition the appendix provides details of the average valuation and sale price by property type in 2013/14.

Link to values

15. This report is aligned to the following company values:
 - Being a listening and learning organisation
 - Being honest, accountable and transparent
 - Being customer focused, innovative and professional

Impact on customers

16. Tenants who are eligible will benefit from the enhanced right to Buy discounts announced.
17. The housing register in Gateshead currently has 12095 applications.

Risk Management Implications

18. The risks and implications attached to any increase in sales will be identified within the HRA business plan which is currently in development.
19. In the event that the announcement results in an increase in the sale of flats we will need to keep under review the resources attached to leasehold management.
20. Prior to the January announcement which brings the discount for houses in line with those of flats Appendix 2 outlines that the properties most at risk of being sold are houses.
21. A briefing paper has been produced for employees providing details on the January announcement.

Financial Implications

22. For every completed sale the Council will continue to receive an allowance of £1,300 towards the costs of administering the Right to Buy process.
23. In the event that the January announcement results in additional sales above those forecast within self financing plans the Council have agreed with the government that they have the option of retaining those capital receipts for replacement homes for affordable rent.
24. The agreement states that a maximum of 30% of the costs of any new property can be met from the additional retained Right to Buy receipt, with the other 70% made up from borrowing or the landlord's own resources. However, the opportunity to supplement the Right to Buy receipts with borrowing is limited due to the fact that the Council is currently at the debt cap for the Housing Revenue Account (HRA).
25. Increased Right to Buy sales will have an impact on the HRA business plan and level of resources as a result of reductions to the Council's housing stock. Scenarios will be undertaken within the financial model to understand the potential resource implications for the HRA should the announcement result in significant changes to the number of Right to Buy disposals to ensure that the HRA continues to operate within the available resources.

Equality and Diversity Implications

26. There are no equality and diversity implications directly associated with this report.

Value for Money Implications

27. There are no values for money implications directly associated with this report.

Health Implications

28. There are no health implications directly associated with this report.

Environmental Implications

29. There are no environmental implications directly associated with this report.

Consultation carried out

30. The report outlines the Government's consultation and publicity on the Right to Buy scheme.

Recommendation

31. The Board is asked to note the contents of the report and receive future updates on the impact of Right to Buy.

Make Right to Buy your New Year's resolution

Discounts for tenants to be increased again in 2014.



The government will take further steps to reinvigorate the [Right to Buy](#) in 2014 so more hard-working tenants can aspire to buy their home, Communities Secretary Eric Pickles announced today (3 January 2014).

The maximum discount for a house will increase from 60% to 70% of its value, and the £75,000 cap will start increasing in line with the consumer price index rate of inflation. A £100 million fund will improve access to mortgage finance, and new Right to Buy agents will guide people through the buying process.

Revenue from additional sales will be ploughed back into delivering new affordable homes for rent, which will help drive up the rate of housebuilding across the country.

Mr Pickles said the changes showed the government's rock solid support for aspiration, and would ensure Right to Buy becomes a realistic New Year's resolution for thousands of social tenants across the country.

The Right to Buy gives something back to families who worked hard, paid their rent and played by the rules. It allows them to do up their home, change their front door, improve their garden - without getting permission from the council.

It gives people a sense of pride and ownership not just in their home, but in their street and neighbourhood, helping to build strong families and stable mixed communities.

Since 2011 the government has helped almost 50,000 households onto the housing ladder - over 13,400 social tenants through the Right to Buy and over 36,000 through [Help to Buy](#) and earlier schemes.

Mr Pickles said it was clear evidence that wherever people are in the housing market, there is help on hand for hard-working, aspiring homeowners.

Communities Secretary Eric Pickles said:

For years the Right to Buy was slowly strangled, with a miserly cap on discounts killing the prospect of home ownership for most social tenants.

We don't think governments should be in the business of vetoing aspiration. That's why we reinvigorated the Right to Buy. It's all part of our long-term economic plan to make Britain a country on the rise, where hard working people can be rewarded with the security and peace of mind that comes from owning their own home.

Eighteen months later and with over 13,400 hard-working tenants taking up the offer, it's clear the public shares our view. But we want to go further, that's why we will soon be increasing the maximum percentage discount for houses, and ensuring that the cash cap rises with inflation, so more social tenants can make Right to Buy their New Year's resolution for 2014.

We'll also continue to plough the cash from additional sales back into delivering new affordable homes for rent, which will help drive up the rate of housebuilding across the country.

Today's move will extend the government's commitment to help hard-working tenants and build more homes, which the Chancellor set out in the [Autumn Statement](#). This included:

- introducing a Right to Move for social tenants who need to relocate for a new job or training
- establishing new Right to Buy agents who will guide people through the buying process, and providing £100 million to establish a fund to improve access to mortgage finance
- a £1 billion 6-year investment programme to unlock new large housing sites that will deliver around 250,000 homes
- allowing councils to bid for up to £300 million of additional borrowing against their housing revenue accounts to provide new affordable housing for their local community

Further information

Today's announcement will increase the maximum Right to Buy percentage discount for eligible social tenants in houses to 70% - in line with the maximum discount for flats. The minimum percentage discount and the rate of increase year on year remain the same.

The maximum cash cap was increased in April 2012 to £75,000 as part of the reinvigoration of the Right to Buy. For London, it was increased in March 2013 to £100,000. These maximum cash caps will be increased annually in line with the consumer price index rate of inflation.

The government has already delivered over 170,000 affordable homes over the past 3 and a half years, with around £23 billion public and private investment planned between 2015 and 2018.

Media enquiries

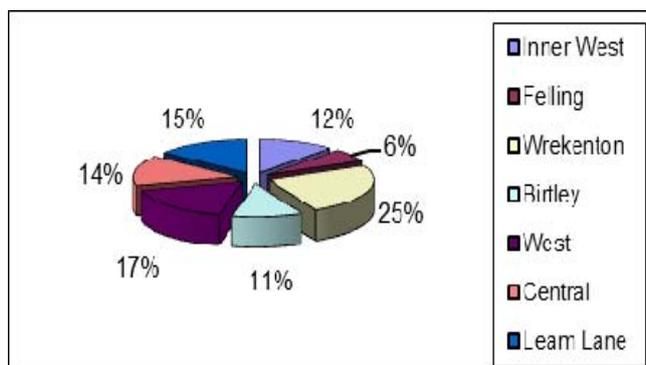
Email press.office@communities.gsi.gov.uk

3 January 2014

Sales in 2013/14 to date

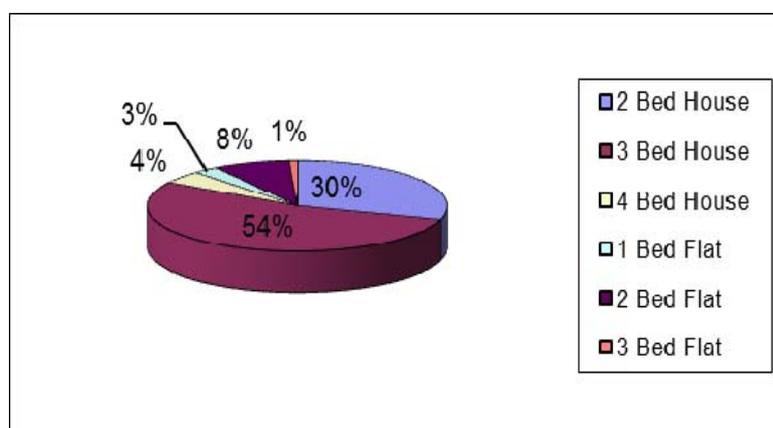
Office Area	Total
Inner West	13
Felling	7
Wrekenton	27
Birtley	12
West	19
Central	16
Leam Lane	16

110



Type & Bedrooms	No
2 Bed House	33
3 Bed House	59
4 Bed House	5
1 Bed Flat	3
2 Bed Flat	9
3 Bed Flat	1

110



Property Type	Average Valuation 13/14 £'s	Average Sale Price 13/14 £'s
2 Bed House	82,712	41,799
3 Bed House	90,547	44,134
4 Bed House	95,800	46,762
3 Bed Flat	68,000	29,920
2 Bed Flat	63,655	22,890
1 Bed Flat	52,500	24,890

Report to the Board

16 January 2014



Title: Council decisions on further measures to mitigate the impact of welfare reform

Report of: Director of Customers and Communities

Purpose of Report

1. To inform the Board of decisions taken by Gateshead Council which aim to mitigate the impact of welfare reform on council tenants.

Background

2. The Council's Cabinet, at its meeting on 17 December 2013, considered a report recommending further measures to mitigate the impact of welfare reform.
3. The report included information on discussions of the Sustainable Communities Place Advisory Group which had met in July and in November 2013. Officers of the housing company had presented information on the impact of welfare reform at both of these Advisory Group meetings.

Cabinet Report

4. The cabinet report of 17 December 2013 is attached as an Appendix to this report.
5. The further mitigations contained in the report and agreed by cabinet are:
 - subject to approval by DCLG (and subject to providing a clear business case and justification for the transfer within the council), to make available £300k from the Housing Revenue Account to top-up the 2013/14 fund for Discretionary Housing Payments (DHP) for council tenants.
 - to recommend Council to provide £500k per annum into the DHP pot in subsequent years from the HRA to assist Council tenants.
 - to recommend Council to approve an amendment to the Constitution by giving delegated powers to the Strategic Director, Finance and ICT in conjunction with the Strategic Director of Community Based Services to vary this amount if deemed necessary
6. The cabinet report also restates some of the earlier decisions, such as agreeing to carry out consultation on low demand one bedroomed older persons' bungalows and flats in order to increase the supply of one bedroomed properties.

7. The Appendix to the cabinet report (paragraph 8: 6th bullet “**redesignate stock**”) explains that actions to address properties that have become hard to let will be incorporated in a forthcoming report on the HRA Business Plan.

Link to Values

8. This report related to the company value of being honest, accountable and transparent.

Impact on Tenants

9. 2,439 tenants are currently affected by a weekly reduction in housing benefit for under-occupation. 295 tenants are in receipt of a discretionary housing payment.

Risk Management Implications

10. The impact of welfare reform is a key strategic risk for The Gateshead Housing Company.

Financial Implications

11. Gateshead’s allocation of DHP for 2013/14 is £428,392, with £403,558 spent or committed to date (£293,684 of this for council tenants). Any additional top-up from HRA will be reserved for council tenants.

Equality and Diversity Implications

12. The equality and diversity implications are outlined in the Cabinet report.

Value for Money Implications

13. The report states that the Council’s Strategic Director Finance and ICT confirms any transfer from the Housing Revenue Account to increase funds for DHP would be supported by a clear business case and justification for the transfer.

Health Implications

14. There are negative health implications if tenants experience difficulties managing income or struggle to sustain their tenancies.

Environmental Implications

15. There are no environmental implications directly associated with this report

Consultation carried out

16. It has not been necessary to carry out any consultation for this report.

Recommendations

17. The Board are requested to note the decisions taken by the Council.

TITLE OF REPORT: Mitigating the Impact of Welfare Reform on Council Tenants

REPORT OF: David Bunce, Strategic Director of Community Based Services

Purpose of the Report

1. To seek Cabinet and Council approval for further actions to help mitigate the impact of welfare reform on Council tenants.

Background

2. Prior to the summer recess, a Notice of Motion to Council recognising the 'devastating effects' of welfare reform and 'in particular, the bedroom tax is having on social housing tenants throughout Gateshead' was carried. A report to Cabinet on 5 November set out a series of measures which were being considered. This report will provide further information on impact, progress and recommendations.

Proposal

3. Since April 2013, working age households who under-occupy social housing no longer receive the full Housing Benefit (HB) entitlement. The amount they receive is reduced 14% if they under-occupy by one bedroom and 25% if they under-occupy by two or more rooms.
4. The initial response in preparation for this HB change, was to visit and advise the 2,838 Council tenants who would be affected. 2,319 faced a 14 percent reduction in the Housing Benefit they would otherwise have received and 519 a 25 percent reduction.
5. Cabinet responded by offering Council tenants who wished to move, additional priority for rehousing and also help with removal costs. Advice was given was to take in a lodger, advertise for a mutual exchange or move into the private sector. In addition, some properties were redesignated as being a smaller size, as the installation of a through floor lift or level access shower had made one of the bedrooms unusable for sleeping purposes.
6. Through work with Sustainable Communities Place Advisory Group on 3 July 2013, additional mitigations were identified:
 - Provision of additional new accommodation
 - Increased flexibility in the application of the rent arrears policy
 - Conversion of flats and maisonettes into smaller units of accommodation
 - Change the eligibility criteria to allow flats and maisonettes with shared entrances to be let to families with older children

- Increase the supply of one bed accommodation for working age households by lower the eligible age limit for some of the accommodation for the elderly
 - Redesignation of the size of accommodation to increase the sustainability of stock
 - Use housing revenue account (HRA) resources to fund discretionary housing payments (DHP).
7. Cabinet on 5 November agreed to consultation on policy changes to increase the supply of accommodation for working age Council tenants who were affected. Following further discussion with Advisory Group on 18 November, members were of the view an additional £300k should be provided from the Housing Revenue Account (HRA) during 2013/14 to top up the Discretionary Housing Payments (DHP) pot. This action would require approval from DCLG. Given concerns from Advisory Group that this amount may not be enough, it is proposed that £500k per annum is made available in subsequent years and delegated powers are granted to vary this amount if required. Further changes in relation to welfare reform and low demand stock will be incorporated in a subsequent report on the HRA Business Plan.

Recommendations

8. It is recommended that Cabinet:
- (i) Endorses the actions being taken by officers.
 - (ii) Agrees subject to Council and DCLG approval to provide £300k from the HRA in 2013/14 to help Council tenants by topping up the DHP pot.
 - (iii) Agrees to recommend Council to provide £500k per annum into the DHP pot in subsequent years from the HRA to assist Council tenants.
 - (iv) Agrees to recommend Council to approve an amendment to the Constitution by giving delegated powers to the Strategic Director, Finance and ICT in conjunction with the Strategic Director of Community Based Services to vary this amount if deemed necessary.

For the following reason:

To mitigate the impact of welfare reform on Council Tenants.

Policy Context

1. The proposals support the following aims of Vision 2030:
 - **City of Gateshead** - Building the homes we need for our growing population
 - **Sustainable Gateshead** - Providing good quality, affordable and energy efficient homes. Helping to grow the local economy and provide local jobs through housing investment
 - **Active and Healthy Gateshead** – Support the health and well-being of residents. Good quality affordable housing will reduce, and prevent, demand for more expensive critical health and social care services
2. The proposals are also set in the context of the Welfare Reform Act 2012

Background

3. From April 2013 onwards, working age households who under occupy social housing no longer receive the full Housing Benefit entitlement. The Government's Occupancy Standard requires a bedroom to accommodate a couple, an adult aged 16 years or older; two children aged 0-16 of the same sex or two children of any sex less than ten years of age. Prior to the introduction of the change, efforts were made to visit the 2,838 tenants due to be affected. Of these 2,319 faced a 14 percent reduction in the Housing Benefit they would otherwise have received (due to under-occupancy by one bedroom) and 519 a 25 percent reduction (as under-occupying two or more rooms).
4. Following policy changes, the Council was able to offer Council tenants who wished to move additional priority for rehousing and also help with removal costs. Other advice given was to take in a lodger, advertise for a mutual exchange or move into the private sector. Some properties were redesignated as being a smaller size, as the installation of a through floor lift or level access shower had made one of the bedrooms unusable for sleeping purposes.
5. Cabinet on 5 November were informed of further mitigations and agreed to consultation on changes in the lettings policy to increase the supply of accommodation for working age tenants.
6. In the first six months since the changes were implemented, there has been a reduction in Council tenants affected by 342 to 2,496; with 111 tenants moving since the policy change gave them increased priority. Rent arrears have risen £152k due to the changes in Housing Benefit; but the biggest impact of the benefit changes has been an increase in tenancy terminations and vacant properties. This is due to an increase by a third in terminations and less demand for some stock. It is estimated that over a year there will be over £1m additional repairs expenditure to void properties and an additional £185k vacant property rent loss. It is projected that the cost to housing management will be in excess of £1.5m.
7. Officers have been working with Sustainable Communities Place Advisory Group on additional mitigations to help support Council tenants. Seven further mitigations were identified on 3 July 2013:

- Provision of additional new accommodation
- Increased flexibility in the application of the rent arrears policy
- Conversion of flats and maisonettes into smaller units of accommodation
- Change the eligibility criteria to allow flats and maisonettes with shared entrances to be let to families with older children
- Increase the supply of one bed accommodation for working age households by lower the eligible age limit for some of the accommodation for the elderly
- Redesignation of the size of accommodation to increase the sustainability of stock
- Use of the housing revenue account to fund discretionary housing payments

8. It has become apparent that no single mitigation can help Council tenants affected; but by application of a number of measures, the Council can maximise the number of Council tenants we help out of their current untenable predicament. Further details of the proposed mitigations and progress to date are as follows:

- **New Build** - This work is in hand and it is expected this measures will help a some Council tenants affected by the changes in HB.
- **Increased Flexibility in the Application of the Rent Arrears Policy** – The proposal will help Council tenants where in a relatively short period of time, due to an increase in the ages of children in the household or the tenants themselves will become pensioners, the restriction will no longer apply.
- **Conversion of Flats and Maisonettes to smaller units of accommodation** - The Council has 5,133 flats and maisonettes, of which 3,123 are larger than one bedroom. The viability of converting some of the larger flats or maisonettes into one bedroom flats is being explored.
- **Change the Eligibility Criteria to allow Flats and Maisonettes with Shared Entrances to be let to Families with Older Children** – In line with the decision of Cabinet on 5 November consultation on changes in the Lettings policy has been agreed pending a further report on the outcome.
- **Lower the Eligibility Age limit for One bedroom Bungalows and Flats** – In line with the decision of Cabinet, an individual lettings and assessment for each identified scheme is being developed, which will inform the consultation programme.
- **Redesignate Stock**
The Council could consider redesignation of the size of existing accommodation, but only so if we have a valid reason to do so. This would need to be carried out as part of a whole stock review based upon sustainability of stock and include a reduction in rent charged. Some authorities who carried out redesignation without changes in rents, faced criticism from DCLG and the threat of withdrawal of Housing Benefit subsidy. There are currently 1,288 Council dwellings which have become increasingly hard to let. Actions to address this issue will be incorporated in a forthcoming report on the HRA Business Plan

- **Use of the Housing Revenue Account (HRA) to fund Discretionary Housing Payments (DHP)**

The Council was initially awarded £373k and recently a further £55k to provide temporary financial support to tenants in receipt of Housing Benefit facing hardship. The Council is permitted, subject to DCLG approval, to increase this pot by up to two and a half times using the HRA, provided these additional resources are used solely for the benefit of Council tenants. Following support from Advisory Group on 18 November, it is suggested that an additional £300k is made available in 2013/14 from the HRA to help Council tenants and £500k in subsequent years. Given concerns at Advisory Group that this may not be sufficient, it is suggested delegated powers are granted to officers to vary this amount if it is deemed necessary.

Further Mitigations

9. Alternative approaches to offset the Housing Benefit reduction for any tenant affected or provide incentive grants to take low demand properties are also being considered from a legal perspective.

Consultation

10. Consultation on the proposals has taken place with the Cabinet member for Housing

Alternative Options

11. The alternative option is to do nothing

Implications of Recommended Option

12. **Resources:**

- a) **Financial Implications** – The Strategic Director Finance and ICT confirms any transfer from HRA to DHP would be supported by a clear business case and justification for the transfer and also necessary DCLG approval sought
- b) **Human Resources Implications** – There are no human resource implications arising from this report.
- c) **Property Implications** - The report may lead to an increase in dwellings built by Keelman Homes.

13. **Risk Management Implication** - The actions proposed will assist the Council in its well-being duty. It is important care is taken consulting DCLG and on the legal and financial implications to prevent placing the Council in undue risk.

14. **Equality and Diversity Implications** - The report aims to increase sustainability of stock and equality for Council tenants.

15. **Crime and Disorder Implications** – The actions proposed may indirectly prevent an increase in crime and disorder.

16. **Health Implications** – The proposals may provide beneficial in terms of physical and mental health of Council tenants.

17. **Sustainability Implications** - The proposals aim to increase the sustainability of Council stock. Some churning in estates may be required if tenants relocate to find more affordable accommodation.
18. **Human Rights Implications** - There are no human rights implications arising out of the report.
19. **Area and Ward Implications** - All

Background Information

Notes of Sustainable Communities Place Advisory Group 3 May 2013

Notes of Sustainable Communities Place Advisory Group 18 November 2013

Notes of Place Advisory Group 3 May 2013

Purpose of the Meeting

The views of the Advisory Group were sought on mitigating the impact of Welfare Reform on Council Tenants where under occupation occurs.

The Advisory Group raised the following issues:

Building New Dwellings

The Advisory Group were supportive of new build properties.

It was suggested that the new builds include properties for older people. This may help with Re-housing in an older persons existing community and help to free up properties which are currently under-occupied.

- The Group recognised that it can be difficult to influence the type of new build properties coming forward as landlords/builders may have different approaches to that of a local authority.
- It was noted that any new build properties are not just to cater for those affected by welfare reform but there could be scope to look at this further within future phases of developments

Increased Flexibility in Application of Rent Arrears Policy

- It was suggested that there could be scope to balance rent arrears with a tenants individual circumstances with the potential for the Council to write off irrecoverable debt
- If rent arrears applied (in line with the above) it was suggested that this could be time limited, taking in to account individual circumstances
- It was suggested that the rent arrears policy be linked to DHP as a means of mitigation
- There were concerns raised if rent arrears were allowed to be accrued as there could be factors which could change in a person(s) circumstances and then they may not be in a position to repay

- The Group advised that there needs to be a pragmatic approach to this option of mitigation and there is a need to revise current protocols

Conversion of Flats and Maisonettes

- There was support for this option if demands can be met based on cost effectiveness
- It was suggested that current policies of allowing pets in maisonettes be looked at

Change of Eligibility Criteria to Allow Flats and Maisonettes with Shared Entrances to Families with Older Children

- The Group were supportive of allowing families, particularly with older children to reside in maisonettes.
- The Group recognised that the sustainability of flats would need to be taken into account and that consultation would need to be undertaken with existing residents and ward councillors.

Lower the Eligible Age Limit for One Bed Bungalows Flats

- The Group agreed that there would be a need to balance the needs of those people over the age of 60/65 years and those who would be newly eligible.
- There is also the need to be mindful of potential right to buy options that could impact on bungalows/flats

Redesignate Stock

- The Group recommended that this is an area that should be explored to the maximum and should be done in the context of meeting the needs of people within Gateshead and through a business planning process

Use HRA Funded Discretionary Housing Payments

- There was support from the group to further explore this option

General Comments

- The Group recommended that a further Advisory Group meeting be held to look further at the impact of Welfare Reform through case studies, the impact of Direct Payments and how Discretionary Housing Payments are allocated.
- A longer term view of the impact, increased costs to the Council and multi-agency work is need
- Can national statistics be provided on how much housing benefit is paid to private sector landlords and it was queried if there would be a positive impact if there was a national fair rent policy
- It was suggested that the impact on health, particularly mental health be considered when looking at Welfare Reform

Chair: Councillor B Goldsworthy

Members present: Councillors C Bradley, J Lee, P Ronan and S Ronchetti

Also Present: Councillors J Wallace, P Foy, L Caffrey, D Davidson, T Graham, L Twist and M Foy

Officer Attendance Michael Laing, Jackie Park, Neil Bouch, Kevin Johnson, Pam Richardson and Clare Morton

Notes of Place Advisory Group 18 November 2013

Sustainable Communities Place Advisory Group

18 November 2013

Report to Cabinet

Purpose of the Meeting

On 3 July 2013 the group considered the implications for Council tenants of restricting Housing Benefit where under-occupation occurs and provided views on the ways the impact could be mitigated.

The purpose of this meeting was to provide an update on impact, progress with mitigations and case studies of households in Gateshead.

The views of the group were sought in order to inform a report to Cabinet on 17 December 2013.

Advice provided:

The Advisory Group made the following comments:

- With regard to the impact on the Housing Revenue Account (HRA), the group noted the projection of over £1m in additional relet expenditure. It was recognised that some funds have been identified to mitigate the impact on the HRA.
- There were queries in relation to entitlement for Discretionary Housing Payments (DHP). The group noted that whilst there is a DHP policy, officers assess each application individually.
- The group was keen that opportunities to bid for more resources are taken.
- It was commented that many young tenants (under 25s) will be unaware of DHPs. The group welcomed the suggestion that all who would benefit from DHPs be proactively targeted.
- It was queried whether the resources allocated for DHPs is sufficient.
- As the resources allocated for DHPs are limited, it is essential that those who are most in need receive the payments. It was noted that tenants are assessed on their ability to pay rent and as part of this assessment their spending on non-essentials is taken into account.
- The group welcomed the case studies as a means of understanding the issues being faced by tenants.
- It was noted that the reduction in rents by Housing Associations is reducing their ability to build.

- The priority lettings to those affected by the under occupancy rules was praised, however, it was queried whether the properties they have vacated have since become hard to let. In which case it was said that it may be more viable to encourage tenants to remain in their properties but support them using DHPs. It was suggested that this be an area for further monitoring.
- The group agreed that redesignation be incorporated into the HRA Business Plan.
- The group agreed that a report be submitted to Cabinet at its meeting on 17 December 2013.

Chair: Councillor J Eagle

Members Present: Councillors C Bradley, J Lee and P Ronan.

Also Present: Councillors M Brain, L Caffrey, D Davidson, P Dillon H Hughes, K McCartney and J Turnbull.

Officer Attendance: Jackie Park (Community Based Services)
 Michael Laing (Community Based Services)
 Lisa Philliskirk (Community Based Services)
 Neil Bouch (The Gateshead Housing Company)
 Kevin Johnson (The Gateshead Housing Company)
 Jonathan Graham (The Gateshead Housing Company)
 Pam Richardson (Finance and ICT)
 Neil Porteous (Legal and Corporate Services)

Report to the Board

16 January 2014



Title: TGHC Co-Location to Civic Centre – Progress Report

Report of: Managing Director

Purpose of Report

1. To provide the Board with an update on progress with regard to The Gateshead Housing Company (TGHC) vacating Keelman House to co-locate head office operations from Gateshead Civic Centre.

Background

2. Further to the decision to break the lease at Keelman House and co-locate operations from the Civic Centre, an internal working group was established at TGHC to look at practical issues associated with the move and to inform employee consultation and contribute to the project.
3. In addition, meetings have been ongoing with colleagues from Gateshead Council, to consider legal and financial issues associated with breaking the lease and in finalising plans for the area of the civic centre which is to be occupied by us.

Progress to date

Keelman House

4. In relation to Keelman House, formal notice to end the lease on 24 July 2014 was served by colleagues in legal services and acknowledgement of this notice and a counter notice has subsequently been received. Property services are liaising with representatives from the landlord's agent in relation to progressing this.
5. A building survey was carried out on 6th January to establish a schedule of dilapidations. Property Services at Gateshead Council will be leading on any negotiation of financial settlement arising from this schedule.
6. As outlined in the previous board update, if no agreement can be reached on a settlement figure, it may be necessary to carry out re-instatement works to Keelman House and the Council (as Guarantor) and TGHC will be likely best placed to deliver these works. To ensure there is sufficient time to carry out any re-instatement works prior to the break in the lease, a target date to vacate Keelman House has been set for 31 March 2014.

7. NEPO have formally given notice to vacate Keelman House and will be leaving on 22nd January 2014.
8. In relation to contracts and services that are currently being paid for at Keelman House, these are being phased out where possible or continued on a rolling monthly basis.
9. Further to the discussion at the Board Meeting on 21 November, requests are being received and managed from third sector organisations with an interest in taking on available furniture following our move.

Civic Centre

10. The floor plan has now been finalised and a plan put into place for when employees will move to their new desks at the Civic Centre. The move will commence on 17 February and is expected that all employees will be relocated by the end of February.
11. Work has already commenced to create some additional office space and to carry out some work to the cabling for data and electrical points, this is expected to be completed by the end of January.
12. Service managers have provided a breakdown of information on each service area in terms of parking requirements, storage, equipment etc. which is being fed into the move internal working group.

Issues to Progress

Car Parking

13. Guidance on how the application process for car parking is managed has now been received and applications are being processed. Transport Strategy have advised that 40 - 50 spaces have been reserved for TGHC at the Civic Centre which will be sufficient for lease car holders, essential users and disabled badge holders, in line with current Council car parking policy.
14. They have also indicated that there will be adequate spaces available for any TGHC employees that require a space and that options for additional parking in and around the town centre are being considered. We continue to work closely with Transport Strategy around all car parking issues.

Customer Service Provision

15. Further to the issues identified in the Board update on 21 November, further discussions have taken place with Gateshead Council and agreement has been reached to provide a ground floor reception point for TGHC customers and visitors. Additional meeting room space has also been identified on the second floor.
16. This will be in addition to the Central Housing Office which currently operates from space on the first floor of the Civic Centre and has a reception desk and access to 3 interview rooms (2 of which are exclusively used by TGHC). Due to its town centre location and being positioned in the civic centre this office is already busy and deals with customer enquiries from across the borough.

17. The provision of a reception area on the ground floor will assist us in continuing to provide tenants and visitors with a good level of service and provide an opportunity to gauge the increase in footfall that is expected once we are located in a town centre building.
18. This will also support our objective to provide good customer service and allay any employee concerns regarding the proposed co-location.

Board and Committee Meetings following the move

19. The next Board Meeting will be held on Thursday 20 March 2014 at 10am at Gateshead Civic Centre.
20. The next meeting of Audit Committee will be held on Wednesday 16 April 2014 at 2pm at Gateshead Civic Centre.
21. The next meeting of Assets, Development and Investment Committee will be held on Thursday, 13 February 2014 at 2pm in Board Room 1 at Keelman House.
22. The next meeting of Resources Committee will be held on Tuesday, 25 February 2014 at 2pm in Board Room 1 at Keelman House.
23. The next meeting of Customers and Communities Committee will be held on Thursday, 27 February 2014 at 10am in Board Room 1 at Keelman House.
24. A full schedule of meetings for 2014 will be circulated in due course.

Next Steps

25. The internal working group are now meeting on a weekly basis to inform the project plan in relation to the move and receive updates on progress against the programme.
26. There has been regular communication with employees about the move and as details are firmed up this will need to increase. A list of frequently asked questions has been circulated regularly and updated following receipt of questions from officers. Where issues have been raised that cannot be answered these have been collated and fed back to the working group for consideration.
27. Employees have previously been advised that the timescale for the move is likely to be February to March 2014 and core briefings are going out to all staff on a regular basis with updates.

Link to values

28. This report relates to the following company values: -
 - Being honest, accountable and transparent
 - Being customer focused, innovative and professional
 - A commitment to all our employees

Health implications

29. There are no health implications arising from this report.

Risk Management Implications

30. There is a risk that if agreement cannot be reached on dilapidations and re-instatement works are not carried out in advance of the July lease break date, that there will be a further financial claim against the Company and Council. To mitigate against this risk an early date for vacating Keelman House has been agreed.
31. By co-locating to the Civic Centre, there is a risk that this will impact on the perceived independence of the company and there could be an impact on the culture of the organisation. To manage these risks the working group is comprised of representatives from across all service areas and both Trade Unions are represented on the group.

Financial Implications

32. There is unlikely to be any saving as a result of the move in terms of rent liability which will be similar to what is currently being incurred at Keelman House.
33. There may be an opportunity to look at efficiencies through a joint approach to the procurement of goods and services once the move has progressed and discussions are ongoing in this regard.

Equality and Diversity Implications

34. The Civic Centre is fully compliant with equality act legislation in terms of both accessibility and car parking provision and there are no perceived equality and diversity issues arising from this report.

Value for Money implications

35. There are no value for money implications arising from this report.

Environmental Implications

36. The environmental impact of the move will be positive in terms of reduced utility usage as a consequence of being based in a shared building. It is also anticipated that there will be a reduction in car usage through being in a building closer to other services.

Consultation Carried Out

37. The working group comprises employees from across all service areas and both Trade Unions are also represented. Employees have been kept informed in relation to the move and associated impact and this will continue over the coming months.

Recommendation

38. The Board is asked to note the contents of this report and confirm if they are satisfied with progress to date.