

CABINET : 19TH OCTOBER, 2011

Written Responses by Cabinet Members to Questions Asked by Members of the Public at the Cabinet Meeting on 19th October, 2011

1. Questions from Mr Paul Page on the Future of Council Housing

Extract from the minutes of the Cabinet – 19th October, 2011

- 1.1** “A number of questions were submitted by Mr Paul Page in relation to Item 11 on the agenda – “Future of Council Housing” and, in the absence of Mr Page, who had to leave the meeting, the Chair requested Councillor Harry Harpham (Cabinet Member for Homes and Regeneration) to respond to Mr Page in writing and advise him of the opportunities to raise questions in person at future meetings of the City Council, Cabinet, a Community Assembly or appropriate Scrutiny Committee. “

- 1.2 Written Response of Councillor Harry Harpham (Cabinet Member for Homes and Regeneration) dated 25th October, 2011, to the questions of Paul Page.**

Item No. 11 - Future of Council Housing Report

Paragraph 6.6.2 “An in-house service offers scope for significant savings”: How much are these savings estimated to be and could these savings also offer scope for improved tenant services or / and additional services for tenants?

Response

Potential savings will be subject to external verification and information will be made available as part of the consultation process. At this stage, the Council is confident that an in-house service would be cheaper to run because there would not be additional costs associated with running a separate organisation. Yes. All savings will stay within the Housing Revenue Account and so can only be used for housing services. This means that any savings made would offer real scope for investing in improved and additional services for tenants.

Page 1 summary: What does the Council want to consult tenants about prior to the ballot and what feedback is it seeking?

Response

During the consultation, the Council will record feedback from tenants, leaseholders and other stakeholders on the options. The consultation will culminate with a tenant ballot in February 2012. More detailed

consultation on the type and level of services to be provided will take place after the decision on the future management option has been made in March 2012. However, the initial consultation will also provide an opportunity to record feedback on services so that this can help shape the later consultation.

Page 1 summary: What information does it intend to put before the tenants regarding the option/s to be voted on?

Response

The Council will provide tenants with balanced and neutral information about both options. The Council will ensure that tenants have enough information to enable them to make an informed choice at the ballot.

2. Questions from Karen Greenhalgh concerning Hanover/Lansdowne Cladding Project and written responses dated 28th October, 2011 of Councillor Harry Harpham (Cabinet Member for Homes and Regeneration)

Extract from the minutes of the Cabinet – 19th October, 2011

Karen Greenhalgh asked the following questions relating to the Hanover/Lansdowne estate refurbishment to which Councillor Harry Harpham (Cabinet Member for Homes and Regeneration) responded as shown:-

2.1 Could the Cabinet agree to waive the policy of not passing on grants to leaseholders?

2.2 Response

There is no policy not to pass on grants to leaseholders and Cabinet cannot agree to waive a policy it doesn't have. Service charges are payable under the lease for costs incurred by the Council in carrying out works to the structure, exterior and communal parts of the building (all of which remain in the ownership of the Council). If the reasonable proportion of these costs due under the lease is not recovered from leaseholders then it must be borne by the Housing Revenue Account.

The question may refer to the legal powers to reduce major works charges to take into account funding from grants in the Social Landlords Mandatory Reduction of Service Charges (England) Directions 1997. Unfortunately, the reduction was mandatory only in respect of service charges for the costs of works covered by specified schemes (SRB or Estate Renewal Challenge Fund) where government grants were applied for and awarded prior to the work starting, so that the costs incurred had already been paid.

Following the completion of this scheme, Sheffield City Council can apply and may be eligible to secure funding under the Community Energy

Saving Programme (CESP) which a government initiative is working directly with energy providers and suppliers. At this time, the level of funding is estimated and will not be known until December 2012 when the CESP Programme ends. As yet, there has not yet been a decision if and how any funds secured by the Council would be used. Leaseholders, in common with all residents of the building will however, receive the intended benefit of the scheme which is to help low income households reduce fuel bills and improve energy efficiency

- 2.3** Do you think charging people in the bottom 10% of society £10,000 plus to achieve carbon targets is acceptable? Transform South Yorkshire , one of the nine Housing Market Renewal (HMR) Pathfinders has spent grant money refurbishing the homes of poor owner occupiers. Failing housing markets were tackled, not sustainability.

Could the Council say how it is fair that leaseholders have been unable to be included in any policies to assist the poor and are being financially hammered for a Decent Homes project? Leaseholders were not included in accessing "Pathfinder Grants". Was this due to Council policy?

2.4 **Response**

In respect to the position of leaseholders, under the terms of the lease, the Council are responsible for repairing and making improvements to the structure and exterior of the block and thereafter to charge leaseholders their share of costs incurred. Indeed, the Council could be seen to be not adhering to its role under lease if it didn't carry out required works. We do however, recognize that such cost can be high and we, like most other Councils, (who hold a significant number of flats and maisonettes), have developed a range of payment options to cater for the cross section leaseholders we have on our estates. Particularly for vulnerable leaseholders who are unable to obtain a traditional loan or can not afford to make regular month payments, we have developed a series of measures to cater for this. This includes a deferred repayment loan where the leaseholder does not have to make any payment at all until the property is sold on or transferred. The loans are secured against the property and interest is chargeable at the Local Authority mortgage lending rate. This is a variable interest rate which is current around 6%. Information about all our payment options has been sent out to leaseholders at Lansdowne and Hanover as part of the consultation process and we have encouraged leaseholders to talk to us if they have concerns or if they require more information. Again we can reiterate if anyone who feels they may face hardship should ring the Financial Services Unit on 2736338 to make an appointment.

In response to the references to Transform South Yorkshire and 'Pathfinder grants', it can be confirmed that those resources (which have now been cut) couldn't be used for improvements to Council properties such as these.