

**THE MINUTES OF THE MEETING
OF THE AUDIT SCRUTINY COMMITTEE
HELD ON MONDAY 24 OCTOBER 2005**

Present: Councillor Mrs G Bleasdale (Chair)
Councillors E Bell, A Collinson,
R Davison, H High, Mrs M Nugent
and P Stradling

Also Present: Councillor D Myers – Executive Member for
E-Government and Scrutiny Liaison

1. **THE MINUTES OF THE LAST MEETING** held on 3 October 2005, a copy of which had been circulated to each Member, were confirmed.
2. **THE MINUTES OF THE MEETING OF THE EXECUTIVE** held on 11 October 2005, a copy of which had been circulated to each Member, were submitted.

RESOLVED that the information contained within the Minutes, be noted.

3. **PUBLIC QUESTION AND ANSWER SESSION**

There were no members of the public present.

4. **WORK PROGRAMME ISSUES**

(i) **Use of Reserves - Housing Revenue Account 2005/06 (HRA)**

D Temple, Head of Financial Management, was in attendance to discuss the use of reserves for 2005/6 in respect of the HRA. This had been deferred at the last meeting of the Committee.

He reported that Members had previously received financial monitoring reports with regard to the HRA which advised that it was estimated that the projected reserves in the HRA would be around £3.25m. The minimum prudent level of reserves for the HRA was £800,000.

Members had questioned why these reserves had not been committed and he advised that following the Housing Inspection in March 2005, when East Durham Homes achieved a 1 star rating, Consultants Housing Quality Network had been engaged to assist the Council in achieving the necessary minimum 2 star rating. The Consultants were currently assessing what needed to be done to achieve this and their recommendations were expected in the near future.

It was anticipated that additional financial support would be required to implement some of Housing Quality Network's recommendations and therefore it was proposed that some of the HRA reserves would be committed to support these. If these proposals were accepted by the Council, it was expected that HRA reserves would be a lot lower than envisaged by the year end.

RESOLVED that the information given, be noted.

5. **COMMUNICATION AND PUBLICITY**

There were no items to report.

6. **ANY OTHER BUSINESS
VOID PROPERTIES**

S Brown, Service Compliance Manager, was in attendance to give Members an update on performance in relation to void properties.

A briefing paper was circulated to each Member which detailed past and current performance in relation to the total number of voids. The 2005/6 target for the average time taken to re-let properties was 40 days and the target for the total number of voids, represented as a percentage of the housing stock, was 4%. Performance at the end of the second quarter for 2005/06 currently stood at 56.8 days and 5.4%.

She advised that performance in the first quarter of 2005/6 stood at 84 days and the reasons for the “fall off” in performance were set out in the briefing paper. These included the introduction of a new allocations policy in April 2005, the introduction of a new computer system, performance indicators had been calculated incorrectly in previous years and there had been a significant increase in the number of high cost voids being repaired since the change in the marketing strategy.

The briefing paper also gave details of the current position in relation to the cost of repairs to void properties. The budget for 2005/06 was £897,629 and to the end of August 2005, 258 voids properties had been repaired. Works were funded from the void capital budget at an estimated cost of £2,239 per property. A projected overspend of £779,242 was anticipated and a report had been submitted to the HRA Business Working Group outlining three main options to resolve the shortfall:-

- restrict repairs and stay within existing budget;
- restrict repairs and increase existing budget;
- increase existing budget to meet projected shortfall.

The recommended option was to increase the capital void works budget by £800,000 to meet the shortfall. This would allow high cost voids to be brought back into use as per the Business Plan Working Group recommendations and allow for projected normal turnover of stock. This was under consideration at present.

Members discussed the void situation, and were concerned that the Performance Indicators had been calculated incorrectly. In addition, whilst it was acknowledged that the situation was being addressed, Members stressed the need for a Strategy to deal with void properties to bring them up to standard, particularly as the demand for housing was on the increase.

RESOLVED that the information given, be noted.

