

HOUSING OVERVIEW & SCRUTINY COMMITTEE
23 SEPTEMBER 2013

Minutes of the meeting of the Housing Overview & Scrutiny Committee of Flintshire County Council held at Delyn Committee Room, County Hall, Mold CH7 6NA on Monday, 23 September 2013

PRESENT: Councillor Ron Hampson (Chairman)

Councillors: David Cox, Peter Curtis, Rosetta Dolphin, Jim Falshaw, Alison Halford, George Hardcastle, Brian Lloyd, Mike Reece and Gareth Roberts

APOLOGY:

Councillor: Amanda Bragg

CONTRIBUTORS:

Cabinet Member for Housing, Director of Community Services, Head of Housing, Head of Finance, Community Support Services Manager
Head of Legal and Democratic Services for minute number 19

IN ATTENDANCE:

Housing and Learning Overview & Scrutiny Facilitator and Committee Officer

16. ANNOUNCEMENT BY THE CHAIRMAN

The Chairman explained that at a previous meeting, the presence of the Rent Arrears Team had been requested. The Head of Housing introduced the members of the team and explained that a report on Welfare Reform would be considered at the next meeting of the Committee.

Councillor Alison Halford said that Members had requested the attendance of the team to hear their comments following the introduction of the Welfare Reform changes.

The Senior Housing Officer Rents said that it had been a challenging time and added that the team of tenancy support officers had worked hard with tenants to ensure that they received the help and support that they needed. All of the tenants had been informed of what they needed to pay prior to the introduction of Welfare Reform and for the first quarter since its introduction, the impact had not been as significant as had been expected. In response to a question from Councillor Halford about whether there were some tenants who would not pay, the Senior Housing Officer said that there were procedures in place which could result in evictions if tenants did not pay what they needed to.

Councillor George Hardcastle said that there had been concerns about rent arrears which would worsen in the future but thanked the officers for doing an excellent job.

17. DECLARATIONS OF INTEREST (INCLUDING WHIPPING DECLARATIONS)

No declarations of interest were made.

18. MINUTES

The minutes of the meeting held on 10 July 2013 had been circulated with the agenda.

RESOLVED:

That the minutes be approved as a correct record and signed by the Chairman.

19. DEVELOPING THE FLINTSHIRE HOUSING OFFER THROUGH ESTABLISHMENT OF A HOUSING COMPANY

The Head of Housing introduced a report to explain potential long term strategic aspirations for housing provision in Flintshire and to seek support in principle to the establishment of a housing company that could be instrumental in delivering this vision.

The Council had a range of housing services for which there had been positive improvement at a time when residents of the County were facing increasing difficulty in accessing affordable housing due to economic pressures, welfare reform and the challenges in accessing mortgage finance. The number of new homes being developed to meet emerging needs had been stagnant for the last few years despite planning approvals being provided and land being available for development. Officers, with the support of Senior Members, were working on a number of new initiatives to meet local needs and grow the Council's service delivery offer and had found that a number of new opportunities could not be taken forward satisfactorily due to the constraints placed on the Council through its current arrangements for service delivery. The Head of Housing detailed the potential service developments which included:-

- private sector leasing – exploring leasing options with private landlords but there were currently limits on the tenancies the Council could offer
- elderly homes owners who were prevented from accessing more suitable accommodation (for health reasons) as they received insufficient priority on the Council's waiting list
- regeneration schemes – when looking at homes to be developed, the Council wanted to be able to offer assured rather than secure tenancies but again there were limits on the tenancies that could currently be offered
- gifted units – the benefit of this arrangement was that the Council had properties it could let to meet local needs for social and affordable housing

Discussions had been undertaken with colleagues from Legal and independent advice had been sought and one possible way to deliver several of these aspirations would be to establish a housing company, which was detailed in paragraph 3.09.

The Head of Legal and Democratic Services said that there were implications to setting up a housing company but added that once the issues raised had been addressed and the Council was satisfied with the level of protection and flexibility it provided, there was no reason it could not be undertaken.

Councillor Peter Curtis queried what would happen if a property was leased from an elderly person and they were re-housed and their property was let but the elderly person then passed away. He also said that landlords would prefer to have a say of who their property was let to and felt that the proposals were a good idea but raised concern about possible problems. In response, the Head of Legal and Democratic Services said that mechanisms would need to be in place to bring the tenancy to an end if the homeowner passed away and the family wanted to sell the property. He said that the provision of a management company would allow for greater flexibility to do this than was currently in place. The Head of Housing said that some homeowners were currently prevented from accessing social housing as they would be deducted points based on the value of their dwelling, but added that the home owner leasing their property to the Council would not mean that they jumped the queue for social housing. She confirmed that the home owner would also not be able to choose the tenant. Work needed to be undertaken about appropriate notice periods if the family wanted to sell the property following the home owner's death.

Councillor Rosetta Dolphin welcomed the idea but raised concern that there were issues that could mean additional costs to the council. She also queried where the gifted units were and asked whether these properties would be in place of 106 monies such as for educational contributions. The Housing Strategy Officer advised that gifted units were in Penyffordd, Penymynydd, Abermoddu and Hawarden. They were usually on large developments of 40 to 45 dwellings and the numbers provided was calculated on a sliding scale. She explained that the gifted units would be in addition to other planning permission obligations required from the developer such as educational contributions. On the issue of who was placed in the properties, the Head of Housing said that the Council needed more mixed tenure housing and from April 2015 would be able to discharge homeless duty into the private rented sector. The Housing and Learning Overview & Scrutiny Facilitator advised that a joint meeting with Environment Overview & Scrutiny Committee was to be arranged to consider proposals about empty homes.

The Head of Legal and Democratic Services commented on the gap in the market rents and those charged by the Council and said that the option to set up a housing company would allow flexibility to provide properties for a cheaper rent with fewer restrictions than those requested by some private landlords.

Councillor Alison Halford raised concern about the small amount of information contained in the report and about the elderly homeowners passing away during the period of leasing their property to the Council. She also referred to the verbal update provided at Cabinet on 17 September 2013 and queried if there was a conflict of interest. Councillor Halford spoke of other 'arms length' companies that had been set up in the past. The Head of Legal and Democratic Services said that a written report on the issue was to be submitted to Cabinet on 15 October 2013. Councillor Halford also queried whether existing rental agencies would be tendered to establish whether they could provide the services proposed in the report.

The Head of Housing said that other Councils had successful trading companies in place and in response to the concerns raised by Members, she provided assurance that the company would be well managed. The Head of

Legal and Democratic Services said that the Council would be to be able to terminate the tenancy and return the property back to the family if the homeowner passed away during the period of them leasing their property to the Council. The company would be under the control of the Council and it was anticipated that it would have a high level of Member influence. He reminded Members that no decision had been taken at present and that views were being sought before taking the proposals forward.

Councillor Halford felt that the proposals should be agreed in principle but that more information was required. Councillor Gareth Roberts commented on schemes which already existed at Cae Mefir and Llys Jasmine and added that a trading company would not be required if the work could be undertaken by a Housing Association.

Following a discussion, it was agreed that the proposals be supported but that further information be provided in a workshop to which all Members would be invited.

RESOLVED:

- (a) That the aspirations for developing the housing service be supported;
- (b) That the development of proposals to establish a housing company for consideration at a future Cabinet meeting be supported; and
- (c) That a workshop be arranged to provide additional information on the proposals and that all Members be invited.

20. DEVELOPING THE PRIVATE RENTED SECTOR TO HELP MEET THE NEED FOR MORE AFFORDABLE HOUSING

The Director of Community Services introduced the report to inform Members of the work undertaken to date as part of the WLGA supported Private Rented Sector Improvement Plan and to seek Members views on how the Council should work with the sector to achieve the key outcomes of growth, quality and accessibility.

He detailed the background to the report and explained that in Flintshire the levels of private rented housing was just below to the national average at 11.5% however, there was a lower than average social rented sector at 15% compared to 17% nationally. Flintshire had developed a Private Rented Sector Improvement Plan which was structured around five objectives which were detailed in the report. The Director of Community Services explained that the lower number of both privately rented and socially rented properties in Flintshire would become increasingly problematic, as a highly competitive rental market would restrict access generally and particularly to those from vulnerable groups requiring support. Reductions in the availability of mortgage finance and the need for a large deposit had also resulted in more people seeking to rent rather than buy. The result of this was that private landlords had the ability to 'cherry pick' their tenants and may therefore overlook vulnerable groups, who may be deemed to be of greater risk. In quarter 1 of 2013/14 42 people were accepted as homeless compared to 21 people for the same quarter in 2012/13. Welfare

benefit changes were also impacting on the sector and Discretionary Housing Payments (DHP), which could be made available for a short fixed term period to those tenants in receipt of Housing Benefit or Council Tax and in difficulty paying their rent, had increased by 42% during April/May 2013 compared to the same period in 2012/13.

The Director of Community Services explained that new duties and responsibilities would be placed on private landlords which may deter them from entering and/or remaining in the private rented market in the future and these included mandatory licensing, which was likely to come into force during 2015. A further impact on landlords was that during 2016, it would become illegal to rent out properties with an energy rating of F and G, which could require many to make further improvements to their properties and could be an issue for older properties and those of solid walled construction.

The Community Support Services Manager said that an additional pressure was that from 2015 a change to legislation meant that the local authority had a duty to prevent more homelessness and could discharge duty into the private rented sector. An inspection had been undertaken to establish how prepared the authority was for the changes and this had indicated that Flintshire County Council was well prepared. She commented on the work which had been undertaken to date which included enhancing the Flintshire Bond Scheme and improving existing private sector arrangements. A temporary officer had been appointed to undertake this role and had been funded through the homelessness prevention budget. The officer would be tasked with consulting with landlords and potential landlords to see what incentives could be put in place to encourage property owners to work with the Council and these were detailed in the report. An event for landlords was to be held on 19 October 2013 to show them what the Council could offer and to obtain the views of landlords on what they felt was important.

Councillor Alison Halford asked how the issue of private landlords not wanting to rent to those needing social housing would affect the proposals and in referring to paragraph 2.13 asked whether the Council had to take some responsibility to update landlords prior to the introduction of the changes in 2015.

The Community Support Services Manager said that officers were aware that private landlords could choose who they wanted to rent to, and the work currently being undertaken by the authority was to develop ideas on how to provide some security to landlords to take away any fear of renting to those in need of social housing. The Head of Housing commented on six properties in Flint and the work undertaken with the landlord to let to those in need of social housing instead of renting to private tenants. She spoke of the legal duty on the Council to house people and said that some of the incentives to landlords could include undertaking the gas and electricity checks on their behalf. She added that there were a small number of tenants who could be disruptive or antisocial but the Council could put safeguards in place to encourage landlords to rent to tenants that they would not normally consider. On the issue of cost benefit analysis, if solutions could be found which would be cheaper than the cost of housing a family in bed and breakfast accommodation then these would be developed. The Head of Housing added that landlords would be required to be

licensed from 2015 and this would place additional pressures on Environmental Health colleagues.

In response to a question from Councillor Jim Falshaw about the Council's responsibility, the Community Support Services Manager said that for leased properties, the Council's responsibility would be for the inside of the property and the landlord would be responsible for the outside. The Head of Housing added that the services reported were available through private letting agents but the authority was trying to encourage the landlords to work with the Council. The rents would be at local housing allowance rents which would be lower than market rents so this option would not be suitable for all landlords but it was felt that there was a market for working with private landlords. In response to questions from Councillor Dolphin, the Community Support Services Manager said that there would not be a strict rule about the size of property but an assessment would be undertaken to ensure that the prospective tenant could afford the rent. There would need to be a range of properties available for rent to suit all needs and she added that incentives could include not charging an arrangement fee as a percentage of the rent each month could cover costs.

Councillor Peter Curtis queried why landlords would rent their property through the Council if the rent that they would receive would be lower. The Head of Housing said that other incentives for landlords could include lower management fees and the tenancy agreements would have conditions about the upkeep of the property at the end of the rental period.

Councillor David Cox said that confidence in the housing market was currently very low so this could be a kick start to the housing economy. Councillor Gareth Roberts said that the advantage of licensing was that it would be undertaken by people who wanted to be licensed so could discourage some landlords.

RESOLVED:

That the Flintshire Private Rented Sector Improvement Plan be supported.

21. FLINT TOWN CENTRE (HOUSING REGENERATION)

The Head of Housing introduced a report to consider the next steps in progressing delivery of the Housing element of the Flint town centre master plan.

She detailed the background to the report explaining that approximately 40 households remained occupied which was 12 months ahead of schedule and most who had vacated their properties had been housed in the local area. One block of maisonettes had been demolished with a number of others close to being demolished by the end of the financial year. The six strategic objectives for the plan for Flint were reported and paragraph 3.04 provided further information on the principles of a Compulsory Purchase Order (CPO) if this was required. If approval was given to the making of a CPO, it was intended to instigate the process as soon as possible. However, this did not mean that the Council would have to rely on the CPO but it did allow for the flexibility to do so, should it become necessary.

It was reported that two remaining leaseholders had rejected the offers made but officers would continue to engage with them in an attempt to reach an agreement. Five of the maisonettes were originally owned by Clwyd Alyn Housing Association and the Council had a number of options to deal with the Clwyd Alyn interest on the site and these were detailed in the report. Option 3 (agreeing a 'deal in the round') was the recommended option and the aim of the approach was that there would be no financial outlay for the Council in cash terms. This arrangement would involve the Council providing land for future developments to an agreed value.

The Head of Housing provided details of the current tenure mix in Flint town centre and explained that the broad tenure mix being planned was for 40 homes for social rent developed by a Registered Social Landlord and/or the Council, 15 homes for Rent to Buy, 105 homes at affordable (LHA) rents and 20 homes at market rents. Appendix C provided a summary of each of the model options and risks and would be applied to arrive at final proposals once key principles had been agreed. The Head of Housing explained the key questions to determine the final decision making and these were detailed in the report. A development brief for Flint was also attached to the report and this was intended to compliment the vision for the regeneration of Flint town centre following the proposals contained in the Flint Strategy and Master Plan 2021.

Councillor Rosetta Dolphin welcomed the plan and asked if Flint Town Council had been consulted. She felt that the 'deal in the round' was the best option. The Head of Housing confirmed that a presentation had been given to Flint Town Council some time ago and that further discussions would take place.

Councillor Peter Curtis welcomed the progress made in re-housing tenants which was ahead of schedule. He asked if what was shown in the development brief was how the town centre would look or how it could look. The Head of Housing indicated that it was a guide and that if it was adopted by the Council, any future planning applications would be cross checked against the development brief to ensure that they complied with the guidance. Councillor Curtis asked for details of the amount that would have to be borrowed if the Council decided to take on all of the properties. The Head of Housing said that development of 180 houses would cost £12m. She said that the properties would become self financing as the rental income generated would more than cover the amount of lending to build the houses. The Head of Finance said that some complex financial modelling work had been undertaken and that £12m was a ballpark figure. There were a number of ways that the Council could fund this but further details would need to be worked through. She added that this was an exciting opportunity.

Councillor Mike Reece felt that this was good news and asked if any of the tenants had been at risk from the recent fire in the area. The Head of Housing said that some sheds had been set alight and a tenant in one of the neighbouring maisonettes had been moved out of her property temporarily. The authority was starting to face more challenges and was looking to put additional measures in place to control the security of the site. In response to a question from the Chairman about the timescale for emptying the properties, the Head of Housing said that discussions were continuing with the remaining householders.

Councillor Alison Halford felt that it was a fantastic report which should be celebrated. She congratulated the officers for their work on the project and proposed that the recommendation in the report be accepted.

Councillor David Cox thanked the Head of Housing and her team for their work on the report and for the meetings that had been held and the consultation undertaken with the residents of the maisonettes. He also supported the acceptance of the recommendation. Councillor Gareth Roberts welcomed the suggestion for long term leases.

The Head of Housing said that providers of similar schemes had been asked for information and the potential implications were being considered and added that soft market testing had been undertaken.

The Chairman queried whether those who had been re-housed were happy with where they had been placed. The officer said that it had mostly been positive but that there had been a few challenges.

RESOLVED:

That Members support:-

- the development brief so that it can be adopted as supplementary planning guidance
- the use of Compulsory Purchase Orders (CPO) powers if necessary
- the resolution of Clwyd Alyn's interest in 7 maisonettes
- the tenure mix and "key principles" for the scheme which will then form a firm recommendation as to the delivery model for new homes

22. PERFORMANCE REPORTING

The Housing and Learning Overview & Scrutiny Facilitator introduced the report to provide an update on the streamlined and corporate approach to performance reporting.

The Facilitator explained that the reports for quarters one and three would be more aligned to the Improvement Plan which had been adopted by the Council on 25 June 2013 and quarters two and four would look similar to the performance reports that the Committee had received previously. The first quarter one report would be submitted to the meeting scheduled for 16 October 2013.

RESOLVED:

- (a) That Members support the new approach to performance reporting and
- (b) That the report be noted.

23. FORWARD WORK PROGRAMME

The Housing and Learning Overview & Scrutiny Facilitator introduced the report to consider the Forward Work Programme of the Committee.

The Facilitator detailed the items to be considered at the meeting scheduled for 16 October 2013 which was to be held at the Flintshire Connects office in Holywell. She reminded Members that a Welfare Reform briefing for all Members was to be held on 8 November 2013 at 1pm in the Alyn & Deeside Room.

Following a question from Councillor Rosetta Dolphin, the Facilitator explained that the review of garage sites was one of the topics which would be considered at a joint meeting of this Committee and Environment Overview & Scrutiny Committee, which had not yet been arranged.

RESOLVED:

That the Forward Work Programme be noted.

24. MEMBERS OF THE PUBLIC AND PRESS IN ATTENDANCE

There were no members of the public and three members of the press in attendance.

(The meeting started at 10.00 am and ended at 12.07 pm)

.....
Chairman