

COMMUNITY AND ENTERPRISE OVERVIEW & SCRUTINY COMMITTEE
23 JANUARY 2017

Minutes of the meeting of the Community and Enterprise Overview & Scrutiny Committee of Flintshire County Council held in the Delyn Committee Room, County Hall, Mold on Monday, 23rd January, 2017

PRESENT: Councillor Ron Hampson (Chairman)

Councillors: David Cox, Paul Cunningham, Rosetta Dolphin, Ian Dunbar, George Hardcastle, Hilary Isherwood, Sara Parker, Gareth Roberts and David Roney

APOLOGIES: Councillor Ron Davies and Mike Reece; and Councillor Derek Butler, Cabinet Member for Economic Development

CONTRIBUTORS: Councillor Aaron Shotton, Leader and Cabinet Member for Finance; Councillor Helen Brown, Cabinet Member for Housing; Chief Officer (Community & Enterprise); Interim Senior Manager (Council Housing); Revenues Manager; Housing Strategy Officer; and Principal Accountant

IN ATTENDANCE: Community and Enterprise Overview & Scrutiny Facilitator and Committee Officer

38. DECLARATIONS OF INTEREST (INCLUDING WHIPPING DECLARATIONS)

There were no declarations of interest.

39. MINUTES

The minutes of the meeting held on 15 December 2016 were submitted.

RESOLVED:

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

40. DRAFT HOUSING REVENUE ACCOUNT (HRA) BUDGET 2017/18 & CAPITAL PROGRAMME 2017/18

The Chief Officer (Community & Enterprise) presented the draft Housing Revenue Account (HRA) budget for 2017/18 and HRA business plan for consideration. Any comments raised would be referred to Cabinet on 14 February 2017 before seeking approval by full Council on the same day.

A presentation by officers covered the following areas:

- Self-financing
- 30 year business plan
- Other income
- Service charges 2017/18
- HRA efficiency proposals
- HRA investment decisions/cost pressures

- HRA Capital Programme 2017/18
- 2017/18 budget

The Chief Officer gave a reminder of the aims within the business plan to continue to meet obligations within the Choices Document, and to achieve the Welsh Housing Quality Standard (WHQS) by 2020. On rent policy, she explained the basis of the proposals to increase rent by 2.5% plus up to £2 for 2017/18, along with weekly rent increases of £1 for garages and 20p for garage plots. Any proposed changes to service charges would be determined following the outcome of public consultation due to start in June 2017.

On the Capital Programme for 2017/18, the Interim Senior Manager (Council Housing) explained that progress was on track to deliver the 200 new Council homes across the county over the next five years as part of the Strategic Housing and Regeneration Programme (SHARP).

Councillor Rosetta Dolphin felt that the increase in garage rent was high and asked how many garages would be taken out of use. Officers explained that this formed part of the environmental workstream to ensure the best use of garages and associated land by addressing under-occupation, poor condition and areas of high demand. A balanced view was needed on garage rent as the amount currently set by the Council was low compared to some other authorities and was insufficient to cover major repairs/replacement.

In moving the proposals, Councillor George Hardcastle thanked the officer team for their work.

Councillor David Roney referred to previous comments on the benefits of installing solar panels on new housing developments. The Chief Officer reaffirmed the commitment to include this within financial considerations for future schemes, but said that the effectiveness of solar panels depended on the positioning of the properties. Councillor Aaron Shotton acknowledged the importance of energy efficiency measures and pointed out that solar panels had been installed at a range of sheltered accommodation across the county. His suggestion to share information with the Committee on the Flintshire standard for new build homes was agreed by the Chief Officer.

On the SHARP programme, Councillor Hilary Isherwood spoke about the importance of building homes for lifetime use and exploring the most cost-effective methods of heating. The Chief Officer said that the Flintshire standard for homes had been designed to accommodate various adaptations if needed in the future and that the most affordable heating options were used, particularly for rural areas where there was no access to mains gas.

Councillor Ian Dunbar said that consideration should be given to converting to gas heating due to the rising price of oil. He also asked that thanks be extended to Gavin Griffith for his help on adaptations undertaken at a property in his ward. In response to comments on the number of new houses to be built at the dairy site in Connah's Quay, Councillor Helen Brown said that options for the site would be explored with the local Member. On the first point, the Chief Officer said that the option remained open for tenants to switch to gas in areas with connections to gas mains.

During discussion on solar panels, Councillor Dolphin suggested that it may be helpful to show the payback over the period.

Councillor Paul Cunningham praised the investment in employment and training initiatives by the Council within SHARP.

RESOLVED:

- (a) That the Committee supports the HRA budget for 2017/18 as set out in the business plan;
- (b) That the Committee supports a rent increase of 2.5% (plus up to or minus £2) as set out in the business plan with target rents applied for new tenancies;
- (c) That the Committee supports a garage rent increase of £1 per week and a garage plot rent increase of £0.20 per week; and
- (d) That Members support the proposed HRA Capital Programme for 2017/18 as set out in Appendix D.

41. HOUSING RENT ARREARS

The Revenues Manager presented an operational update on income collection in the Housing Revenue Account (HRA), including implications to date of the welfare reform programme and key risks arising from the impending full rollout of Universal Credit.

The report contained a table showing movement in rent arrears over a six year period. Projections for the end of 2016/17 indicated total rent arrears of around £1.19m, equating to 3.5% of the annual rent yield, which was a slight improvement on the previous year. The increasing challenges of welfare reforms were highlighted, particularly in relation to the Benefit Cap and Spare Room Subsidy where figures showed the impact on rent arrears and the additional burden on the HRA. The report detailed the Council's approach in encouraging early intervention and engagement with tenants to prevent the risk of escalating rent arrears.

The Interim Senior Manager referred to a suggestion previously made to consider deferring work in the Welsh Housing Quality Standard (WHQS) programme for those tenants who were in serious rent arrears. However, this approach was not recommended due to there being no provision in the national guidance and the cost implications involved in delivering work in this way. The Revenues Manager explained that strategies were already in place to tackle rent arrears including robust action for those who chose not to engage with the Council. Following a question from the Chairman, he explained the availability of Discretionary Housing Payments as a short-term solution only.

Councillor George Hardcastle thanked officers and said that the impact of welfare reforms on rent collection was inevitable.

Councillor Ian Dunbar questioned how some tenants had been able to accumulate significant amounts of rent arrears. Councillor Helen Brown said that there were a number of cases involving tenants settling their debts on the day of eviction following action taken by the team. The Chief Officer advised that the implications of further welfare reforms and associated risks to rent collection would be discussed at the meeting in March 2017. The Revenues Manager reiterated the support available to work with tenants on reducing the risk of rent arrears as far as this was practicable, however there were some cases where tenants had the ability to pay but delayed this until faced with the prospect of eviction. In the case of county court action, consideration was given to individuals' ability to pay when making the judgement and the Council was required to accept those payment terms. Repayment terms over a prolonged period were closely monitored to ensure that obligations were met.

Councillor Rosetta Dolphin spoke of the difficulties for those who were unable to keep up with their rent payments due to welfare reforms. She asked how many of the tenants subject to the Spare Room Subsidy had requested a transfer to smaller council homes which were in high demand. The Chief Officer said that these figures would be included in the update report to the March meeting. She referred to the Council's policy in adopting a different approach to individuals who were seeking a genuine solution in this way, however only a small percentage of tenants had asked to transfer and were prioritised. The Revenues Manager explained that the majority of tenants impacted by the Spare Room Subsidy were not currently in rent arrears and that evidence showed that most tenants preferred to remain in their property and bear the extra cost rather than pursue a transfer.

The customer-focussed approach was welcomed by Councillor Hilary Isherwood who said that tenants deliberately avoiding payment until the point of eviction should be penalised. The Revenues Manager shared these frustrations but gave assurance that court fees were recovered in addition to the full rent amount. On Discretionary Housing Payments, he advised that funding was guaranteed for 2017/18 but was uncertain beyond that.

The Chief Officer expressed her concerns about the increasing adverse impact on more tenants arising from the next phase of welfare reforms which would be reflected in the next update to the Committee.

Councillor Gareth Roberts spoke about local Member involvement and the introduction of direct payments to the landlord as means of helping tenants.

RESOLVED:

- (a) That the Committee notes the latest projections on rent arrears for the year ending 2016-17;
- (b) That the Committee endorses the measures being taken to support tenants and to deliver sustainable tenancies;
- (c) That the Committee supports the robust steps taken to recover arrears from tenants who, despite all preventative measures, make little or no effort to pay; and

- (d) That the Committee endorses the recommendation not to link rent arrears with the rollout of the WHQS Programme and to continue to deal with rent arrears using existing procedures and protocols.

42. COMMUTED SUMS AND SHARED EQUITY REDEMPTION PAYMENTS POLICY

The Housing Strategy Officer presented the report to seek support on changes to the use of commuted sums and the approach to shared equity redemption payments. The recommendations were based on the context of recent Section 106 agreements and the Council's commitment to build affordable homes through the Strategic Housing and Regeneration Programme (SHARP).

The proposed management and monitoring process in dealing with commuted sums and shared equity involved financial oversight by the Housing and Regeneration Programme Board, with expenditure and outcomes reported annually to the Committee.

In response to a question from Councillor Rosetta Dolphin, the officer explained that Section 106 contributions could also be used for educational or leisure purposes, however this policy dealt only with the affordable housing element and offered more flexibility in maximising commuted sums.

Councillor Ian Dunbar welcomed the report and referred to discussions by the Planning Strategy Group on cases where commuted sums could not be spent in the immediate community and were used to benefit wider areas.

RESOLVED:

- (a) That the Committee supports:
 - (i) Where a commuted sum is paid to the Council in lieu of on-site affordable housing provision, these monies must be prioritised for the relevant Community Council area;
 - (ii) Where a commuted sum is received and on site affordable housing has been provided as part of the Section 106 agreement, the monies can be utilised as part of the Council's priority for developing affordable homes across Flintshire through SHARP;
- (b) That the Committee supports the approach to the shared equity redemption payments as set out in the report; and
- (c) That the Committee receives an annual monitoring report on the commuted sums and shared equity redemption payments.

43. FORWARD WORK PROGRAMME

The following actions were agreed:

- The next meeting on 1 February 2017 to be held at County Hall, Mold to consider the Single Access Route to Housing (SARTH) and to bring forward the North East Wales Homes Board Update from March 2017. The Housing Renewal Policy to be deferred to a later meeting and the Customer Services Strategy Update to be moved to 8 March 2017.
- The meeting on 8 March 2017 to be held at County Offices in Flint to allow for a tour of the completed showhome at The Walks development.
- The items scheduled for 14 June 2017 to be re-scheduled to enable agreement on the Committee's Terms of Reference at this first meeting of the new Council term. The meeting would also include an informal session for officers to explain the portfolio areas.

RESOLVED:

- (a) That the Forward Work Programme be amended; and
- (b) That the Facilitator, in consultation with the Chair of the Committee, be authorised to vary the Forward Work Programme between meetings, as the need arises.

44. MEMBERS OF THE PRESS AND PUBLIC IN ATTENDANCE

There was one member of the press in attendance.

(The meeting started at 2.00 pm and ended at 3.30 pm)

.....
Chairman