

## **COMMUNITY & HOUSING OVERVIEW & SCRUTINY COMMITTEE**

**3 JULY 2023**

Minutes of the meeting of the Community & Housing Overview & Scrutiny Committee of Flintshire County Council held as a hybrid meeting on Monday 3 July, 2023.

### **PRESENT: Councillor Helen Brown (Chair)**

Councillors: Pam Banks, Gillian Brockley, Tina Claydon, Geoff Collett, Rosetta Dolphin, Ray Hughes, Kevin Rush, Dale Selvester and Linda Thew

**SUBSTITUTIONS:** Councillors: Bernie Attridge (for Dennis Hutchinson) and Ted Palmer (for David Evans)

### **ALSO PRESENT:**

Councillors: Bill Crease and Allan Marshall (initiators of the call in)

Councillors: Marion Bateman, Dave Hughes, Dennis Hutchinson, Paul Johnson and Christine Jones attended as observers

**CONTRIBUTORS:** Councillor Sean Bibby (Cabinet Member for Housing & Regeneration); Chief Executive; Chief Officer (Housing & Communities); Senior Manager (Housing, Welfare & Communities); Service Manager (Revenues and Procurement) and Service Manager – Housing Assets and Strategic Finance Manager – Commercial & Housing

### **IN ATTENDANCE:**

Overview & Scrutiny Facilitator

## **14. DECLARATIONS OF INTEREST**

Councillor Ted Palmer declared a personal interest as a Council tenant.

## **15. CONSIDERATION OF A MATTER REFERRED TO THE COMMITTEE PURSUANT TO THE CALL IN ARRANGEMENTS**

The Overview & Scrutiny Facilitator advised that the Cabinet had considered a report on 'Communal Heating Charges 2023/24' at a meeting held on 20 June, 2023. The decision (Record of Decision 4106) had been called in by Councillors: Bernie Attridge, Bill Crease, Allan Marshall, Dale Selvester and Linda Thew. Copies of the Cabinet report, Record of Decision and Endorsement of Call in, which identified the reason for the call in, were included in the agenda pack.

The Facilitator explained the procedure for the call in of a Cabinet decision as detailed in the supporting document which was included in the agenda.

The Chair invited the signatories to present the reasons for the call-in to the Committee.

## **16. COMMUNAL HEATING CHARGES 2023/24**

Representations from call in signatories

Councillor Bernie Attridge thanked the Committee for considering the call in notice and commented on the discussion previously held by the Committee around communal heating charges prior to Cabinet approval. He reminded Members that the Committee at its meeting in June 2023 had requested that Cabinet consider spreading the proposed increases over a longer period of time to lessen the financial impact on Council tenants. He said that he had attended the Cabinet meeting and reported that nothing had changed since Scrutiny had considered the report and questioned whether an options appraisal had been carried out to consider spreading the costs over up to 3 years as this information had not been included in the report. He reminded Members of the previous decision taken from tenants to remain with the Council which was the biggest vote of confidence of the service provided by the Council at that time. He said that the increase in communal heating charges was a political decision and whilst advice from officers could be received, unless a decision being taken by Members was unlawful, Members did not have to accept the advice from officers.

Councillor Attridge commented on the level of rent being lost due to the number of void properties and raised concern around the financial impact the increase in communal heating charges would have on tenants whilst the Council continued to lose money due to void properties. He raised concerns around the use of communal areas and that tenants would have to pay for heating charges when they were not using the space, or the space was being used by groups not living in the properties. He comments on the current cost of living crisis and that some tenants were having to choose to heat their homes or eat and for this reason, he asked Cabinet to re-consider the increase in communal heating charges.

Councillor Bill Crease commented on his own heating costs in relation to the proposed increases to tenants and said that he was concerned when viewing the report to see that some of the increases showed an increase from £486 to £2800 per annum, which he said represented 25% of someone's old age pension. He said that these charges were directed at the most vulnerable residents in the County who would not be in a position to cover the proposed increases.

Councillor Linda Thew commented that an increase like the one proposed was inhumane. She said that whilst Members had been told that residents were informed to expect an increase, she did not believe that they would have been expecting such a high increase. She said that the increase would impact vulnerable residents who were unlikely to have any other means on income and supported Councillor Attridge's suggestion that the increase be implemented over a longer period of time. She asked if all measures had been taken to ensure that the properties were energy efficient.

Councillor Dale Selvester referred to the energy cost increases at his own home, which whilst expected, were less than what was being proposed as part of the communal heating charges. He commented on his previous role as a housing officer and said that during that time, communal areas at properties were always very hot and felt that heating controls in these areas should be addressed prior to raising the costs for tenants. He said that Councillors were elected to

represent tenants and provide affordable housing and questioned how the increased costs made those properties affordable.

Councillor Allan Marshall said that he had been in discussions with housing officers around condensation and mould at properties. He said that he had watched the Cabinet meeting, where it had been reported that there were no individual heating controls at the properties, as they would be rolled out over the next 12 months. He said that the Leader of the Council, during the meeting, had thanked Members and officers for their work around the installation of cladding at the Flint high rise buildings and that the evidence that the cladding was thermal efficient could be seen by the number of windows open. He asked how the metering of hot water was done for individual flats and also if individual controls were being given to tenants to turn their heating on and off intermittently, could this have an effect on condensation and mould at the properties. He also asked if details on the materials used for the cladding at the Flint high rise buildings could be provided following the meeting.

#### Responses from the decision makers

The Cabinet Member for Housing & Regeneration said that he was concerned about the figures being quoted by signatories of the call in, as these referred to the initial costs based on the increases from the energy provider which had increased by 515%. He referred to table 2 within the report which showed the revised charges based on measures taken by the Council to significantly reduce the charges, bringing down the increase to 197%. He appreciated that this was still a considerable increase to tenants but contested that Cabinet had done significant work to reduce the cost being billed to tenants.

The Housing Assets and Strategic Finance Manager advised that the actual charges to tenants were shown at table 2 which showed a reduction in the original charges of 44%. Officers had considered comparative data from British Gas and social tenants which showed that an average household was charged between £933 for a 1 bed property and £1346 for a 3 bed property, this showed that the proposed costs were in the range of an average household based on comparative data. She also advised that following the introduction of the Heat Network, tenants would only pay for their individual bill and would have more control over the heating and be able to manage their heating as well.

The Chair asked when the Heat Network would take place. The Service Manager – Housing Assets advised that this would be carried out over the next 12 months. It was proposed that individual metres would be installed in tenants' properties, giving them individual controls. All radiators within tenants' properties would be isolated with tenants being able to set the temperature of the radiators as well as being able to turn them on and off. Advice would be provided to tenants around condensation and mould.

The Chair asked the signatories of the call-in if they had further questions.

Councillor Crease said that the revised increase shown at table 2 still represented 10/12% of the income of a single pensioner. He said that he understood that the energy costs needed to be paid for but commented on the suggestion previously made around spreading the costs over a longer period of

time to assist vulnerable tenants who would not have budgeted for such an increase.

Councillor Attridge said that he could see from table 2 in the report that the price increases for a 1 bed property would rise from £6.20 a week to £18.85 a week and questioned how this was right. He said that he had spoken to tenants to ask if they had received any communication from the Council and had not spoken to any tenant who had received a letter and asked that a copy of the letter be provided following the meeting. He commented on previous communication to tenants around Sheltered Housing which in the past had been held up as good practice to be used by all departments of the Council, but he did not believe this was the case in this instance. He asked the Cabinet Member whether options to spread the costs over a longer period had been provided to him along with the impact this would have on the Housing Revenue Account (HRA) prior to the Cabinet decision.

The Cabinet Member confirmed that he had asked officers to look at the costs of spreading the charges over a longer period and asked the Housing Assets and Strategic Finance Manager to provide the explanation provided on why this was not possible to Members.

The Housing Assets and Strategic Finance Manager explained that the difficulties in spreading the charges over 3 years was twofold. Gas prices remained volatile and considering data available, even with a 12.7% reduction this year, there would be a hike of up to 50% next year and again the following year. At the current time tenants were receiving support and it was not guaranteed that this would be available in the coming years if the increases were delayed. It was important that the charges were equitable, and all other social tenants had been paying the increases over the last 12 months and therefore the cost of writing off the charges would be recovered against all HRA tenant rents.

The Chair asked what the cost would be if the increase charges were written off. The Housing Assets and Strategic Finance Manager advised that as it stood with annualisation the amount would be £80,000.

The Service Manager (Revenues and Procurement) commented on the communication to tenants and advised that last year when global energy prices were escalating it was considered that this would have an impact on communal heating charges. The Council reached out to tenants last year to inform them that it would be highly likely that the increase in charges would be substantial, but they were unknown at that stage. Following this, another letter was sent to tenants, and this had resulted in 1 enquiry from a concerned tenant. He also advised that the charges would be over 50 weeks which followed the same charges for rent with 2 free weeks a year.

The Chair commented on the communications sent to tenants around water charges and the concerns raised only when the charges were shown. She felt that the same would happen with communal heating charges given that only 1 enquiry had currently been received.

The Chair asked if any members of the Committee wished to raise a question.

Councillor Ted Palmer questioned the disparity between the charges for 1 bed properties across Flintshire and asked whether they should be the same. The Service Manager – Housing Assets advised that this related to the type of property, complex and layout and how the heating systems were used. His team would be reviewing the heating systems with some having recently been renewed. Additional levels of controls would be added so that tenants could alter them to their needs.

Councillor Rosetta Dolphin asked the Cabinet Member to confirm if the increases he had quoted were a proposed increase of £900 annually which she said seemed high. She also asked if any decreases in costs, seen as a result of the Heat Network would be passed on to tenants. The Cabinet Member confirmed that the figures he was quoting of an annual charge of £1397 was in reference to a 3 bed property in Mold which was an annual increase of £900.

The Service Manager – Housing Assets responded that additional controls would be installed for tenants who would be moved onto individual bills. With regards to decreases, the Council needed to be careful as there was a current bill that had to legally be passed onto the tenant in terms of their energy usage but when they move to individual metres and bills, The Council could not put tenants in the position of having an individual bill and still carrying a debt with the Council. The Housing Assets and Strategic Finance Manager explained that as soon as the Heat Network was in place and individual usage had been set up, the Council could start to collect information on their actual usage and the charge would be based on the current tariff and their usage.

Councillor Pam Banks thanked officers for the work carried out on installation at properties in her ward. She said that she had also watched the Cabinet meeting and supported the comments made by Councillor Attridge that there had been very little discussion prior to a decision being taken. For that reason, she said that she would support the report being considered again by Scrutiny.

Councillor Selvester commented that he did not feel that the knock on effect of increasing the charges was being considered. He felt that the properties would become unpopular which would have a negative effect on void figures and increase the number of hard to let properties.

Councillor Attridge also commented on void properties and questioned the decision not to write off the charges at a cost of £80,000 in comparison to the levels of rent being lost through the number of void properties. He said that he would not give up on tenants from across Flintshire who shouldn't be subject to the increased charges which he said was a political decision. He said he would be seeking support to refer this report back to Cabinet to re-consider their decision.

The Chair invited the initiators of the call in to sum up.

Councillor Attridge felt that the case had been made to ask Cabinet to re-consider this decision. He said that many tenants were choosing whether to heat their properties or not and the increased charges would put more financial

pressure on some of the most vulnerable tenants. He asked the Committee to support this report being re-considered by Cabinet.

Councillor Thew said that tenants currently didn't have the option to turn their heating down and therefore felt that it was unfair to impose the increased charges on them with some tenants simply being unable to afford them.

Councillor Crease said that he had listed over the last 15 months as a new Member to financial pressures faced by the Council due to austerity and have had to accept certain decision due to this but felt that the decision on increasing the charges to vulnerable tenants should be considered with compassion and not only because it was prudent.

The Chair invited the decision makers to sum up.

The Housing Assets and Strategic Finance Manager understood that the increase in charges were much higher than Members had seen in previous years but advised that they were as a result of the volatility with the energy market. She reminded Members that communal heating charges were classed as a special service that only affect certain tenants within the HRA. She advised that the HRA guidance outlined that communal charges should be accurately assessed and should be fully recovered from the users of that service only.

The Service Manager (Revenues and Procurement) outlined the support provided to tenants and said that this would continue. He advised that the Council had the best rates across Wales for handing out Government grants to support tenants and that if future schemes were announced the Council would make a success of those also. Support arrangements were in place and would be tracked to support tenants who needed it and also that no legal action would be taken against those tenants who genuinely could not afford the charges.

Councillor Attridge asked if the HRA guidance was guidance or law which had to be followed. The Housing Assets and Strategic Finance Manager advised that Welsh Government (WG), a number of years ago, had introduced the HRA Manual which was a code of practice for accounting purposes.

The Cabinet Member highlighted the reasons provided by officers around the financial impact spreading the costs over a number of years would have on the HRA. He said that increases in energy costs had affected all tenants who were not all able to access Government support and there needed to be equity for all Council tenants.

The Chair invited the Facilitator to remind Members of the options for decision-making as detailed in item 3 of the agenda.

Councillor Bernie Attridge in proposing Option 3, which was seconded by Councillor Dale Selvester, requested a recorded vote and the requisite number of Members stood in support of this.

On being put to the recorded vote, the proposal was lost as follows:

**For the proposal:**

Councillors: Bernie Attridge, Pam Banks, Helen Brown, Dale Selvester and Linda Thew

**Against the proposal:**

Councillors: Gillian Brockley, Tina Claydon, Geoff Collett, Rosetta Dolphin, Ray Hughes, Ted Palmer and Kevin Rush

Councillor Rosetta Dolphin proposed Option2, which was seconded by Councillor Ted Palmer.

On being put to the recorded vote, the proposal was carried as follows:

**For the proposal:**

Councillors: Gillian Brockley, Tina Claydon, Geoff Collett, Rosetta Dolphin, Ray Hughes, Ted Palmer and Kevin Rush

**Against the proposal:**

Councillors: Bernie Attridge, Pam Banks, Helen Brown, Dale Selvester and Linda Thew

**RESOLVED:**

That, having considered the decision, the explanation be accepted but not endorsed by the Committee.

**17. MEMBERS OF THE PRESS IN ATTENDANCE**

There were no members of the press in attendance.

(The meeting started at 10.00 am and ended at 11.07 am)

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**Chair**