

**COMMUNITY AND ENTERPRISE OVERVIEW & SCRUTINY COMMITTEE**  
**8 JUNE 2016**

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 Wednesday, 8 June 2016

**PRESENT: Councillor Ron Hampson (Chairman)**

Councillors: Paul Cunningham, Peter Curtis, Ron Davies, Rosetta Dolphin, George Hardcastle, Sara Parker, Gareth Roberts and David Roney

**SUBSTITUTES:** Councillors: Glyn Banks (for Ian Dunbar) and Paul Shotton (for Mike Reece)

**APOLOGIES:** Councillors: David Cox and Alison Halford

**CONTRIBUTORS:** Councillor Helen Brown, Cabinet Member for Housing; Chief Officer (Community & Enterprise); Senior Manager (Customer Support); and Finance Manager

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

**1. APPOINTMENT OF CHAIR**

As Councillor Ron Hampson had been appointed to this role at the Council's Annual General Meeting on 10 May 2016, this decision was endorsed by the Committee.

**RESOLVED:**

That Councillor Ron Hampson be confirmed as the Chairman of the Committee.

**2. APPOINTMENT OF VICE-CHAIR**

Councillor Ron Hampson nominated Councillor George Hardcastle as Vice-Chair of the Committee. This was duly seconded and supported by the Committee.

**RESOLVED:**

That Councillor George Hardcastle be appointed Vice-Chair of the Committee.

**3. DECLARATIONS OF INTEREST (INCLUDING WHIPPING DECLARATIONS)**

There were no declarations of interest.

#### **4. MINUTES**

The minutes of the meetings of the Committee held on 13 April and 9 May 2016 had been circulated to Members with the agenda.

#### **RESOLVED:**

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

#### **5. WELFARE REFORM – INCLUDING UNIVERSAL CREDIT**

The Senior Manager, Customer Support, presented an update on the implementation of Universal Credit (UC) and progress being made by the Council and its partners to manage the impact of welfare reforms. The report also highlighted some emerging issues from reforms to date and those yet to be introduced. The Council's proactive response to managing the reforms had been identified as good practice and Welsh Government had commissioned the Council to deliver training on welfare reforms across other Authorities in Wales (currently being undertaken by the Advice and Homelessness Manager). A workshop would be held on 8 July to brief Flintshire Council Members.

The Senior Manager gave an overview of the UC implementation programme where the phased rollout of the full service meant a rise in the number of claimants. To raise awareness and help prepare for the changes, the Neighbourhood Housing Service was engaging with tenants and providing training to Housing officers. The report detailed a range of issues experienced with elements of UC processes such as delayed housing costs within UC awards which could be viewed as a risk to private landlords. In addition, some low-paid workers would be subject to some level of in-work conditionality which required them to increase their working hours or income levels, to avoid having their UC award sanctioned. During an update on the effects of the Bedroom Tax in Flintshire, it was explained that pre-tenancy checks were being carried out as a safeguarding measure. Information was also shared on the potential significant impact of restricting Housing Benefit awards and the need for greater focus on alternative housing options for vulnerable people and single people under 35 who were at risk from the changes. In relation to the benefit cap, Council officers were working with Job Centre Plus and communicating with households for whom there could be severe financial consequences.

The Chairman spoke about the potential risk if there was a reduction in the number of private landlords willing to rent to UC claimants. The Senior Manager commented that delayed payments should not be an issue if the transition to UC was managed effectively.

Councillor Paul Shotton praised the work being done by the Council's Housing Solutions team and stressed the importance of all Members attending the forthcoming workshop. He raised concerns about delays in housing cost payments to UC claimants, particularly for those employed on zero hours contracts.

In response to concerns about the restricted Housing Benefit awards for single people under 35, the Chief Officer said that various options were being considered including house sharing and re-designating stock. She also highlighted the importance of outcomes from the national review of supported accommodation.

Following a query from Councillor Paul Cunningham on alternative payment arrangements, officers gave an explanation on the process for making direct payments to landlords.

Councillor Rosetta Dolphin suggested that the workshop could have been held at an earlier stage in the process. Her concerns were around housing provision for the under-35 single people group and the need to look at different approaches to house sharing to ensure the right mix of people.

Councillor Peter Curtis felt that the prospect of in-work conditionality to avoid sanctions on UC awards was unreasonable and that the reforms were a burden upon local authorities.

Councillor Glyn Banks agreed and said that landlords should be scrutinised as much as the low paid workers who would be subject to this. He added that more affordable one-bedroom units were needed for single people.

The Senior Manager stated that shared housing provision could not be ruled out in the current climate and would be considered in more detail as part of the Member workshop. Work had begun on identifying good practice examples elsewhere and how this could be best managed, however it was noted that unlike registered social landlords, the Council was unable to offer two separate tenancies.

Councillor Gareth Roberts said that shared accommodation worked well in some areas, and he took the opportunity to praise officers, and in particular the Advice & Homelessness Manager for his work on the report.

Councillor George Hardcastle welcomed the efforts of the team in seeking to mitigate the impact of welfare reforms at an early stage.

**RESOLVED:**

That the Committee note the report and continue to offer support to the ongoing work that is being undertaken by the Council, together with its partners, to manage the full impact of the present and future welfare reforms from falling upon Flintshire's most vulnerable households.

**6. APPROVAL OF LENDING TO NEW HOMES TO FUND A DEVELOPMENT OF 62 AFFORDABLE NEW HOMES ON THE WALKS, FLINT**

The Chief Officer (Community & Enterprise) presented an update on the development of 62 new affordable homes on The Walks, Flint and the agreement for the Council to lend capital finance to New Homes to facilitate the development. Following information shared at the previous meeting of the

Committee, this report dealt with the affordable housing element of the development which aimed to broaden the housing offer to individuals and meet the needs of the Council's housing market assessment. Members were also reminded that the development supported one of the key strategic priorities in the Council's Improvement Plan.

The Chief Officer spoke about the growth of NEW Homes and the cautious approach being taken to its first new build development. Whilst detailing the funding options available to the company, she referred to a range of factors such as the scale of the development, the need for flexibility and the restrictions on private sector leasing. The proposal for the Council to borrow from the market and lend to NEW Homes would benefit both parties and had been agreed in principle by Cabinet, subject to endorsement at full Council. Advice on this approach to funding had been taken from authorities in England and if agreed for Flintshire, would be the first example in a Welsh authority.

Councillor Peter Curtis referred to future uncertainty, particularly in light of the efficiency targets to be met by the Council, but welcomed the steady approach being taken by NEW Homes. The Chief Officer was confident that the proposal was the best arrangement for the Council, offering a new income stream and meeting the expectations of NEW Homes. The Finance Manager explained that planning work had involved projected figures, acknowledging that any future changes to interest rates may have an impact on costs of the development, depending on the start date of the housing scheme.

In welcoming the scheme, Councillor David Roney raised concerns about the impact on progress with other proposed developments. The Chief Officer gave a reminder that approval had been given to other developments as part of the Strategic Housing & Regeneration Programme which sought to deliver 500 new homes at a range of sites across the county. In respect of some of the smaller sites, investigations had identified a number of issues which had stalled progress and the agreed approach moving forward was to establish cluster developments. Following comments from Councillor Ron Davies on developing the Melrose Centre in Shotton, the Chief Officer agreed to provide all Members with a general update on all schemes.

In response to questions from Councillor Paul Shotton, the Finance Manager said that the business plan for NEW Homes included consideration of re-purchasing repossessed units and utilising gifted units. In respect of affordable housing at The Walks, rent would be set at 90% of the market rent at the time of the scheme build, thereafter predicted in line with market growth.

Councillor Gareth Roberts questioned the 125 year lease period as opposed to 99 years, and was advised that that this was dependent on the risk appetite of the external finance companies.

Councillor Glyn Banks highlighted the need for an early start on the scheme due to the potential for a rise in interest rates. The Chief Officer and Finance Manager pointed out the need to ensure that the Council met all State Aid requirements and that the Council on-lending would cover the Council's costs with an additional return. In response to further queries, it was confirmed that the

Council had applied to seek suspension of the Right to Buy and would seek assurance from the new Welsh Government on its intention to end that arrangement. In terms of architectural resources, explanation was given on the use of external architects in conjunction with in-house officers, with consideration being given to employing in-house architects as the development programme progressed. The Chief Officer suggested that the Finance Manager - Technical Accountancy would be able to advise on the Council's borrowing limitations at the forthcoming full Council meeting.

**RESOLVED:**

- (a) That the Committee notes Cabinet support for NEW Homes to develop 62 affordable properties on the Walks at Flint at a build cost of £7.397M and that its board has agreed to seek approval from the Council to provide capital finance to fund the development;
- (b) That the Committee supports the Cabinet decision to delegate responsibility to the Section 151 Officer and the Monitoring Officer:
  - Approval of the terms of the loan as described in paragraph 1.50 of this report
  - Approval of the terms of the loan agreement and any associated documents following satisfactory due diligence.
- (c) That the Committee supports the inclusion of the NEW Homes The Walks development costs in the Council's Fund capital programme in 2016/17 to be funded by prudential borrowing;
- (d) That the Committee notes the Cabinet recommendation to Council changes to necessary strategies and policies including; Treasury Management Strategy, Prudential Indicators, Minimum Revenue Provision Policy and Accounting Policies;
- (e) That the Committee notes the Cabinet recommendation to dispose of HRA land at the Walks to NEW Homes (subject to Welsh Government consent) for c£187K, subject to final valuation of abnormal costs; and
- (f) That the Committee notes that NEW Homes will develop a joint Marketing and Estate Management Strategy (including a Local Lettings Policy) with the Council for The Walks.

**7. FORWARD WORK PROGRAMME**

In presenting the current Forward Work Programme for consideration, the Facilitator advised that the Quarter 4/Year End Improvement Plan Monitoring Reports had been deferred to the next meeting in July. Due to the number of items scheduled for that meeting, it was agreed to move the item on Housing Regeneration Programmes to the following meeting in September.

The Facilitator would liaise with officers to schedule further items in the Forward Work Programme now that the meeting dates had been agreed.

**RESOLVED:**

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

**8. MEMBERS OF THE PRESS AND PUBLIC IN ATTENDANCE**

There was one member of the public and one member of the press in attendance.

(The meeting started at 2.00 pm and ended at 3.20 pm)

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**Chairman**