

HOUSING OVERVIEW & SCRUTINY COMMITTEE
23 JANUARY 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 Wednesday, 23 January 2013

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

Councillors: Amanda Bragg, David Cox, Peter Curtis, Ron Davies,
Rosetta Dolphin, Jim Falshaw, Alison Halford, George Hardcastle, Brian Lloyd,
Mike Reece, Gareth Roberts and Sharon Williams

SUBSTITUTIONS: Councillors: Haydn Bateman (for Glenys Diskin) and Patrick Heesom (for Ray Hughes)

APOLOGY: Director of Community Services

CONTRIBUTORS: Cabinet Member for Housing, Head of Housing, Advice and Homelessness Team Manager, Supporting People Manager, Housing Renewal Manager, Neighbourhood Housing Manager (North) and Housing Asset Manager

IN ATTENDANCE: Member Engagement Manager and Committee Officer

41. DECLARATIONS OF INTEREST (INCLUDING WHIPPING DECLARATIONS)

No declarations of interest were made.

42. MINUTES

The minutes of the meeting held on 5 January 2013 had been circulated with the agenda.

RESOLVED:

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

43. HOMELESSNESS & WELFARE REFORM

The Supporting People Manager introduced the report about the Welfare Reform Act 2012 and its implications for benefit recipients and Flintshire County Council.

The purpose of the report was two-fold in that it informed Members of the current work being undertaken to mitigate the effects of Welfare Reform and it sought comments from the Committee to key questions that would be used to develop policies within the Neighbourhood Housing Service for presentation at Cabinet.

The Advice and Homelessness Team Manager explained that in response to the Welfare Reform Act 2012, a Welfare Reform Programme Board had been

established. He highlighted the changes to housing benefit, work undertaken by the Council and recent trends in homelessness.

- The changes to the social security system would have the potential to reduce benefit income in households across all of Flintshire's economies.

It had been assumed by the government that the majority of households would replace lost benefit income.

- The Council expected that some of the more vulnerable households in the county would experience the most severe financial pressures and would be unable to secure employment which in turn would affect a household's ability to pay their contractual housing costs and increase the threat of homelessness.
- The Council's Advice and Homelessness Team had already seen an increase in enquiries from residents. During the period October to December 2012, 54 formal homeless applications had been made in contrast to 34 applications made in the period October to December 2011. This represented a 58% increase in formal homeless applications.
- Council tenants identified as under occupying their home had been contacted and offered the opportunity of meeting with a member of the housing team to discuss the Housing Benefit reforms with them.
- 1152 tenants had been contacted. 78% of these tenants had responded and were engaged with the Housing Team. 32% indicated they would pay the shortfall whilst 10% stated that they wished to move.

The Advice and Homelessness Team Manager said that Neighbourhood Housing teams were offering 12 week money management courses to those tenants already in arrears. An increase in homeless applications was anticipated and new provision was being developed such as the lease of 17 bed sits and organised house-shares for groups of three or more young people. Flintshire was looking at official property lettings agencies, in order that more private landlords could be engaged with the council to provide affordable homes.

A series of eight key questions outlined in paragraph 3.07 of the report were posed which related to the duty to collect rent and the duty of care as a landlord. The Committee was asked to quantify the level of arrears that would result in legal proceedings and the financial position for bad debt over the next three years.

Councillor R. Dolphin said that council tenants in her area had received letters from the council which wrongly claimed that they were in arrears with rent payments. She asked if future letters could be sent out two weeks after a non payment of rent, as many people still paid their rent on a weekly basis and their latest payment may not yet have been on the system. Councillor Dolphin asked if persons wishing to downsize property would be penalised whilst waiting for a smaller property to become available. She also asked how the Council would deal with people who stopped paying rent completely or who continued to pay the previous amount.

The Head of Housing said that the letter had not been sent out to all tenants, just those identified as being in arrears. She agreed that there were many challenges ahead regarding people wanting to downsize and the lack of available smaller properties where people wanted them. The Council was looking at a two year timescale to move those who had asked for a transfer but she anticipated that many more would come forward once they had found difficulties paying the increased rent charge. This would increase the length of time it would take to house people. The Neighbourhood Housing Manager (North) said that it was a standard letter sent to everyone shown on the system as in arrears. Therefore if the letter was posted on a Monday, persons due to pay the rent later in the week would have been classed as in arrears. She said that the next mail out would only be sent to tenants who were two weeks or more in arrears.

Councillor A. M. Halford suggested that the letter include a sentence asking the recipient to ignore it if they had already made a payment in the last seven days. She said that the Committee did not have the capacity to provide answers to the eight questions and that people making attempts to pay should be treated differently to those that had no intention of paying. There was no ready answer to the question about the financial position for bad debt.

Councillor Dolphin said that the current policy on transfers should be revised to allow tenants with rent arrears to move to smaller accommodation.

Councillor J. E. Falshaw asked if private landlords had been consulted about welfare reform. The Advice and Homelessness Team Manager said that currently, landlords would insist that housing benefit was paid directly to them. That would change with the introduction of Universal Credit. Private landlords and the Council were concerned about housing benefit being paid to the tenant. The Head of Housing said that she had a report about pilot schemes in England, Wales and Scotland and would circulate it to Committee Members. The Advice and Homelessness Team Manager said that the new regulations would allow an individual for a time limited period to have payment sent direct to landlord and would be given support to assist budgeting. The Welfare Reform Act aimed to make households more responsible for their own finances.

Councillor P.G. Heesom praised the authors of the report for their dynamic and informative report. He asked if the Council could set up its own lettings agency to help encourage private landlords to rent to benefit claimants. He asked if builders and developers had been contacted to supply more houses. The Head of Housing said that they would consider setting up an agency or working with Clwyd Alyn's Social Lettings Agency or an agency in Anglesey. A social lettings agency would manage the property and guarantee income for the landlord. They hoped to take it forward in the next few months. The possibility of new housing development for rent in the county was being explored. Officers were also looking at the investment programme to aim to lower the cost of heating in tenants' homes in the form of getting affordable heating to areas currently not on the gas network. This year, Sealand Manor had benefited from the CESP match funded gas installation.

Councillor D. Cox asked in the case of evictions going to court if the Judge could impose repayment of arrears in weekly/monthly amounts if the person had been struggling, but trying to meet rent payments. The Head of Housing said that they would accept repayment arrangements and that the Council never wanted to evict tenants. If a case went to court, the Council would have to demonstrate the full case history and whether the tenants had cooperated or not. There would be test cases under the new legislation. The Advice and Homelessness Manager said that he had represented tenants to stop evictions. Tenants had to show that it was financially possible for them to pay arrears and judges needed to see that it was an achievable offer.

Councillor P.J. Curtis said that he believed most tenants who could pay would pay. Despite this he said that the Council would have to be prepared to bear an amount of loss and to keep it at a minimum. He also said that house shares were a good idea.

Councillor G. H. Bateman asked if the regulations could be ignored in terms of under occupancy. The Head of Housing gave an example of how the regulations were affecting the waiting list. A three bedroomed house had become available and the 23rd family on the priority list had been the first to be eligible for the tenancy if the new regulations were strictly observed. The other 22 households in need with more points would have subsequently under-occupied the house. Children aged up to 10 years were expected to share with siblings. If a family had one child aged over 10 and another child of the opposite sex under ten, they would be entitled to a three bed house. The Head of Housing said there was a shortage of two bed properties.

Councillor M. A. Reece asked if Bagillt library could be used as a residential property. The Housing Renewal Manager said that a meeting was convened for the coming Friday to take a look at it.

Councillor Halford suggested that a workshop for all Members be arranged to discuss the questions raised in the report as she felt the Committee lacked the capacity and authority to undertake this alone. The Neighbourhood Housing Manager (North), suggested that the report be sent to all Members in the first instance for comment.

Councillor Heesom suggested that the report be circulated, then if necessary, a workshop be organised. He proposed that three recommendations be added to the resolution. He said that he agreed that a social lettings agency be employed, whether in-house or pre-existing. He said he wanted to see more investment in affordable homes by the private sector to be pursued by the Council and that allocation should be based on need and not means to pay. The Head of Housing said that a social lettings agency was a good idea and that an information gathering exercise was currently in operation. She agreed in principle that a review of the current six year investment programme could help the Council to address the changing needs of local communities. She suggested that improved heating systems in homes would reduce fuel consumption and enable tenants to save on their bills and to use the savings for other household costs, including any additional contributions to rent. The Head of Housing said that the Council would engage with Housing Associations to see how they intended to approach the changes to welfare reform. It was likely that the

Housing Associations would adhere strictly to the bedroom standards and allocate accordingly.

The Committee voted to accept the three recommendations from Councillor Heesom.

Councillor Dolphin asked if any surplus funding for additional new kitchens, over and above those agreed and budgeted for be allocated to upgrade heating systems in homes. She asked about the tenancy agreement in the case of home shares and if individual benefits were affected. She also asked if hard to let three bedroom houses could be divided into two flats. The Head of Housing said that the Council would adhere to the Choices programme in Council owned properties and any efficiency savings in the programme would be used to upgrade heating systems. The tenants undertaking the home share were all on licence as they were not permitted by law to enter into secure tenancies. The Head of Housing said that she would forward copies of a report into the “direct payments” to the Committee.

Councillor H.G. Roberts asked how private sector landlords were able to rent properties to groups of individuals. The Advice and Homelessness Team Manager in response said that the private sector could offer Assured Tenancies under the 1988 Housing Act.

The Cabinet Member had earlier suggested that the Homelessness and Welfare Reform report be sent to all elected Members for comment rather than convene a workshop. This was agreed by the Committee.

RESOLVED:

- (a) That the Committee notes the measures outlined in the report that are being implemented to help address the impact of the Welfare Reforms;
- (b) That Flintshire County Council establish either their own social lettings agency or employ the services of an established agency;
- (c) That Flintshire County Council enter into discussion with housing construction companies to push for more investment in affordable housing;
- (d) That Council owned housing be allocated on the basis of need and not means to pay; and
- (e) That the Homelessness and Welfare Reform Report be sent to all elected Members for comment.

44. SUSTAINABILITY IN HOUSING

The Housing Renewal Manager introduced the report which sought to inform Members of the changes to the energy efficiency funding streams and to outline to Members the rationale for the collection of water charges.

Energy Efficiency

- The cost of building social housing was higher than private sector because of a higher specification. Government grants had been reduced in spite of more demand for this housing.
- New Building regulations for social housing would be more rigorous in terms of energy efficiency in the future.
- Community Energy Saving Programme (CESP) had delivered approximately 439 measures in over 200 council homes over past two years and 132 private homes over the same period.
- Bids had been made for Mostyn and Oakenholt to obtain “Arbed” funding from the Welsh Government.
- The need for the reduction of reliance on oil for heating. Successful bids for mains gas funding had resulted in mains gas installations in Sealand Manor, Isabella Court and Coppa View.

ECO and the Green Deal

All existing UK wide energy programmes came to an end on 31 December 2012, which included CERT and CESP. They had been replaced by the new Energy Company Obligation (ECO) from January 2013. ECO was a levy placed on utility companies to provide funding for energy efficiency measures.

- Arrangements for the scheme were to be confirmed at the end of January 2013.
- The Green Deal was the energy efficiency programme which aimed to provide finance in the form of Green Deal loans for energy efficiency measures. Flintshire must decide how it would be involved in Green Deal, whether as a promoter of other providers, a partner to other providers or to provide funding for loans in the form of a prudential borrowing capital programme.

The Neighbourhood Housing Manager introduced the second part of the report to review the Flintshire county Council contract with Welsh Water and Dee Valley Water which collected water charges along with the rent for Council dwellings. The Council collected the charges which were paid to the water companies in one lump sum in exchange for commission.

- In 2011/12 the Council earned commission from the contract of £481,548 which was ring fenced to the HRA account and was re-invested to improve homes and services. The Council could identify households struggling with water bills and refer them to The Welsh Water Assist programme.
- Disadvantages were that the Council carried arrears of water rates as “rent arrears”. It was not possible to calculate exact percentage of arrears on an account solely due to water charges. Housing was looking at devising a solution with IT.

- It was estimated that water arrears accounted for 10% of current debt. No evictions of Council tenancies had occurred for water rate arrears alone. Water rates as opposed to water meters benefited the majority of tenants.

Councillor P.G. Heesom said that this was a good report which dealt with a diversity of issues. He said that quality housing was required at the right price and that they should aim for Code 4 standards rather than Code 3. This could be achieved by driving down costs with developers who must be prepared to narrow profit margins.

Councillor A.M. Halford agreed that Code 4 should be pushed with developers and asked if this should be a condition of planning. She asked for more information about specifications for Codes 3 and 4. The Head of Housing agreed to provide information about the costs and specifications for codes 3 and 4. The Housing Renewal Manager said that the Council could not make rules about planning subject to Code 4 as it was above the specification set out in building regulations.

Councillor R. Dolphin asked if Flintshire gave out information about Water Assist. The Neighbourhood Housing Manager said staff were aware of eligibility criteria and could advise relevant tenants about the scheme. The tenant had to be in arrears to qualify. Councillor Dolphin asked about savings from solar panels and if grants would be re-started for people to upgrade boilers. The Housing Renewal manager said that lifetime savings made from the installation of solar panels could be calculated. He agreed to circulate figures concerning the panels to the Committee. He added that some properties that were unable to access CESP scheme would be passported to the ECO programme. The new arrangements would be confirmed on 28 January 2013.

Councillor J.E. Falshaw asked if the Council kept up to date with advances in technology with regards to solar panels. The Housing Renewal Manager said that the Council tried to source the most appropriate equipment.

Councillor Halford asked if heat pumps produced sustainable energy. The Housing Renewal Manager said that heat pump technology had now advanced and worked well. The Housing Assets Manager said that staff had started training to maintain heat pumps.

RESOLVED:

- (a) That Members support the development of a Sustainability Strategy for Housing in line with appropriate standards and consultation with planning control and that Members note the success of energy efficiency schemes to date;
- (b) That Members note changes to energy efficiency funding, with the ending of the Community Energy Saving Programme (CESP) and the introduction of the Energy Company Obligation (ECO) and the Green Deal; and
- (c) That Members support the collection of water charges based upon the rationale presented.

45. PRIVATE SECTOR HOUSING RENEWAL

The Housing Renewal Manager introduced a report to update Members on the last six month's activity in the Housing Renewal Service.

Loans for Repairs and Improvements

- The transition from Grants to Loans in 2010 has resulted in a loan register to date of £768K (monies to be repaid to the Council).
- Demand for assistance remained high, with 26 loans completed in Quarter 2 and a similar forecast for Quarter 3.

Empty Homes activity and Houses into Homes Scheme

- Flintshire Housing Renewal was the lead for the North Wales region and had to date claimed for the region £1,570,597 out of a total of £2,332,532.
- Flintshire's current claimed share of this resource was £526K. This would provide loans for 22 units of accommodation across the county.
- The empty property database was now operational and contained details of 406 properties.

Disabled Facilities Grant

The Housing Renewal Manager reported that there was a proposal to remove the Disabled Facilities Grant Regime for Council tenants from 1 April 2013, excluding those that had moved from owner occupation in the previous 12 months. It was proposed that work would instead be scheduled upon receipt, without the need for application forms, means testing and requesting applicants to evidence income and savings, which would mean less administration and greater control.

Councillor P.G. Heesom said that he agreed with the recommendations and asked for records of Council houses with disabled adaptations to be kept.

RESOLVED:

- a) That Members note the progress of the Housing Renewal Service over the last 8 months and that 6 monthly reports are submitted to this Committee; and
- b) That Members support the proposal to remove the DFG regime for Council Tenants from 1 April 2013, excluding those that have moved from owner occupation in the previous 12 months.

46. PDA AND CAPITA UPDATE

Councillor P.G. Heesom proposed that the agenda item be deferred due to outstanding issues around the report. This was seconded by Councillor A. M.

Halford. A vote was taken and the proposal to defer the agenda item was agreed by the Committee.

RESOLVED:

That the item be deferred.

47. FORWARD WORK PROGRAMME

The Member Engagement Manager introduced the report to consider the Forward Work Programme.

Councillor P.G. Heesom asked if the papers for the 21 February 2013 meeting could be circulated one week in advance as opposed to the statutory three days. The Member Engagement Manager said that he would see if this was possible.

Councillor A.M. Halford asked if PDA and Capita Update could be moved to the 21 February 2013 meeting. The Member Engagement Manager informed the Committee that the PDA and Capita Update would move to the February meeting, thus negating the need for the matter to be discussed at the March meeting as previously scheduled.

Councillor Halford asked if Tracking could be included in the April meeting.

RESOLVED:

That the Forward Work Programme as submitted be approved with the following inclusions outlined below;

- (a) That PDA and Capita Update be scheduled for the February meeting and removed from the March meeting;
- (b) That six monthly reports be received from the Housing Renewal Service; and
- (c) That Tracking be included in the April Meeting.

48. MEMBERS OF THE PUBLIC AND PRESS IN ATTENDANCE

There were no members of the public or press in attendance.

(The meeting started at 10.00 am and ended at 12.35 pm)

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Chairman