

COMMUNITY AND ENTERPRISE OVERVIEW & SCRUTINY COMMITTEE
7 NOVEMBER 2018

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, 7 November 2018

PRESENT: Councillor Ian Dunbar (Chairman)

Councillors: David Cox, Jean Davies, Ron Davies, Adele Davies-Cooke, Rosetta Dolphin, Mared Eastwood, George Hardcastle, Ray Hughes, Mike Reece and David Wisinger

SUBSTITUTES: Councillors: Glyn Banks (for Paul Shotton) and Dave Hughes (for Ted Palmer)

APOLOGY: Councillor Derek Butler, Cabinet Member for Economic Development

ALSO PRESENT: Councillors: Helen Brown, Patrick Heesom and Christine Jones attended as observers

CONTRIBUTORS: Councillor Bernie Attridge, Deputy Leader and Cabinet Member for Housing; Councillor Billy Mullin, Cabinet Member for Corporate Management and Assets; Chief Officer (Housing and Assets); Benefits Manager; Revenues Manager; and Service Manager, Customer Support

IN ATTENDANCE: Community & Enterprise Overview & Scrutiny Facilitator and Democratic Services Officer

34. VARIATION IN ORDER OF BUSINESS

The Chairman indicated that there would be a slight change in the order of business to bring forward agenda item 5.

35. DECLARATIONS OF INTEREST

None.

36. MINUTES

The minutes of the meetings held on 26 September and 12 October 2018 were submitted.

RESOLVED:

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

37. WELFARE REFORM UPDATE - UNIVERSAL CREDIT ROLL OUT

The Chief Officer (Housing and Assets) introduced a report detailing the impact of the Universal Credit (UC) 'full service' rollout and other welfare reforms, together with the work being undertaken by the Welfare Reform Response team to support affected residents in Flintshire.

The Benefits Manager provided an update on affected households at June 2018. There was a reduction in the number of households affected by the lowered benefit cap, however there was still a significant loss to their collective income. Of the 101 affected households, 85 were being supported through Discretionary Housing Payments (DHPs) to make changes to manage their income better. The majority of households affected by the spare room subsidy were Local Authority tenants under-occupying by one bedroom. DHPs were being awarded to eligible tenants of registered social landlords to mitigate the impact of the subsidy, however this was becoming a longer term solution mainly due to the lack of available smaller properties.

A range of support was being accessed by Flintshire's UC customers where numbers had increased by 337%. Assisted Digital Support through Flintshire Connects centres helped residents to manage their claims and communicate with the Department of Work & Pensions (DWP). Demand for Personal Budgeting Support had led to an increase in surgeries throughout the County and the same team also carried out 'wraparound' support to signpost individuals to specialist financial advice. However, a large proportion of time was taken up verifying or challenging calculations which resulted in further appointments and delayed payments. The proposed changes in funding for Assisted Digital Support and Personal Budgeting Support by the DWP from April 2019 were a major concern and the uncertainty of how that support would continue with Citizens' Advice Bureaus. This early support was crucial to prevent escalation into a worsening position, and the risk to the Council and residents had been raised at national level. Other concerns escalated for consideration included different approaches to dealing with the removal of names off joint tenancies and tackling backdated UC applications.

Councillor Attridge spoke of his pride in the team's achievements on the service and he gave assurance that representations continued to be made on the uncertainty of future funding arrangements.

Councillor Dolphin also praised the team and said that the DWP should take notice of the concerns raised by the Council given its involvement in the pilot scheme. In response to questions, the Benefits Manager explained that as DHP funding was subject to change by the DWP, it was intended as a short-term solution to support residents affected by welfare reforms (as well as some individuals not affected). She explained that the difficulties in removing a name from a joint social housing tenancy had been conveyed to the national steering group and that this, along with other UC elements, impacted negatively on rent arrears. It was agreed that the Service Manager (Customer Support) would provide details of the number of tenants affected by the spare room subsidy who were waiting to move to smaller accommodation which was currently in demand.

Councillor Banks welcomed the detailed report and its presentation by the officer. In response to a query, the Benefits Manager provided explanation on the benefit cap calculation and its objective to limit the amount of benefits claimed by an individual.

Councillor Ron Davies asked about the cost to the Council of the UC rollout in respect of resources and officer time. The Benefits Manager explained the funding arrangements and agreed to liaise with Finance colleagues to provide an estimated figure.

The Chairman congratulated the team on the support being given to residents. He proposed that a letter be sent on behalf of the Committee to the DWP to highlight concerns about the lack of consultation on the proposed changes to grant funding. This was supported by Members.

RESOLVED:

- (a) That the Committee supports the report and ongoing work to manage the impacts that Welfare Reform have and will continue to have upon Flintshire's most vulnerable households;
- (b) That the Committee notes the changes to grant funding arrangements for Universal Support as announced by Central Government on 1 October 2018; and
- (c) That the Committee writes to the Department of Work and Pensions outlining its concerns around the possible risks to the Council in proposed changes to grant funding arrangements for Universal Support.

38. HOUSING RENT INCOME

The Chief Officer (Housing and Assets) introduced an update report on rent income collection and the financial impact on rent arrears within the Housing Revenue Account (HRA) as a result of UK Government led welfare reforms, in particular the full service rollout of Universal Credit (UC) from April 2017.

The Revenues Manager gave a presentation which covered the following:

- A look at the wider context of welfare reform
- Exploring the data further
- Looking at the cash flow issues
- Plotting the current position
- Plotting the way ahead - managing the risks

During the presentation, reference was made to a number of national key headlines highlighting the impact of UC on rent arrears. Comparison of year-end figures showed that rent arrears were starting to reduce in 2016/17 prior to the UC full service rollout and that as rent yield increased year on year, rent arrears also tended to increase. Whilst this position was being managed, rent collection remained a significant challenge. To demonstrate the impact of UC on the cash flow position, an

example was given of how rent arrears could escalate by week 8 at which point the Council could apply to the DWP for managed payments. However this involved a complex process and likely delays.

A range of measures had been adopted to support tenants, particularly the vulnerable, to manage the reforms and tackle rent arrears. A more robust approach was being taken to engage with tenants at an early stage to understand the reasons for non-payment and encourage them to manage their finances to help prevent escalating rent arrears. Additional resources on the Housing Intervention Team (HIT) had assisted 362 tenants to bring their arrears up-to-date. Investment in new data analytical software currently used successfully by many other housing providers would help to better predict risk cases.

Councillor Attridge gave assurance of the Council's commitment to provide this support to tenants in genuine need of help, whilst a zero tolerance approach to 'fast track' the recovery process applied for those in arrears who refused to engage. He gave a reminder that rent collection levels benefitted the HRA which in turn helped to build much-needed new homes.

In response to questions from Councillor Dolphin, the Revenues Manager provided clarification on the officer team dealing with rent arrears and the recovery of some arrears through managed payments over time. He agreed to provide follow-up information on the number of new tenants (in the first 12-18 months of their tenancies) who were in rent arrears.

The Chief Officer gave a reminder of the checks and balances undertaken by the Housing team when allocating properties which helped to identify sustainable tenancies.

The Service Manager (Customer Support) said that the UC full service also affected private landlords. The additional resources allocated by her team to engage with tenants at an early stage was helping individuals to manage their tenancies.

Following points raised by Councillor Hardcastle, the Revenues Manager reported that the Council had applied for managed payments for around 71 cases and that this number was rising. Councillor Attridge agreed that consideration would be given to the suggestion for a Task Group to tackle rent arrears.

During the debate, officers spoke about the Council's duty to prevent homelessness and the sharing of good practice between neighbouring authorities.

Information was circulated on current banded arrears levels with the respective total values. In response to comments by Councillor Wisinger on dealing with tenants who refused support, Councillor Attridge reiterated the zero tolerance approach. The Revenues Manager gave a reminder that each case had a background story which could involve a household with complex issues.

Councillor Ron Davies asked that the presentation slides be shared with all Members.

Councillor Banks suggested that monthly rather than weekly payments should be pursued for those in receipt of UC to help prevent arrears escalating further. Officers noted his suggestion for a name change to the Housing Intervention Team (HIT).

RESOLVED:

- (a) That the Committee notes the latest financial position for rent arrears in 2018-19 in the context of the UK Government welfare reform programme;
- (b) That the Committee endorses the new measures and interventions being taken to maximise rent income but which also supports tenants to maintain sustainable tenancies; and
- (c) That the Committee supports the robust steps that are necessary to recover arrears from tenants who, despite all interventions, make little or no effort to pay.

39. FORWARD WORK PROGRAMME

In considering the current Forward Work Programme, the Committee agreed to defer the New Homes Board update to March 2019 and to defer the Welfare Reform update from March.

Councillor Dolphin suggested a workshop immediately prior to a future meeting to help Members understand the aspects of the Committee. Councillor Attridge agreed that this would be considered.

RESOLVED:

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

40. MEMBERS OF THE PUBLIC AND PRESS IN ATTENDANCE

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

(The meeting started at 10am and ended at 12.05pm)

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Chairman