

**Minutes of the Adult, Community and Housing Services Scrutiny
Committee**

**Monday, 15th September, 2014 at 6.00 p.m.
in Committee Room 2 at the Council House, Dudley**

Present:

Councillor M Hanif (Chair)
Councillor R James (Vice Chair)
Councillors I Cooper, K Finch, A Goddard, Z Islam, J Martin, C Perks, D Perks,
K Turner and D Vickers.

Officers:

M Williams (Assistant Director, Customer Services), (Lead Officer to the Committee), D Channings (Assistant Director of Housing Services), P Griffiths (Head of Investment), A Leigh (Head of Service – Housing Strategy and Development) (All Directorate of Adult, Community and Housing Services), C Ludwig (Housing Finance Manager) and K Buckle (Democratic Services Officer) (Both Directorate of Corporate Resources).

7. **Apologies for Absence**

Apologies for absence from the meeting were submitted on behalf of Councillors Body and Tyler.

8. **Appointment of Substitute Members**

It was reported that Councillors C Perks and K Finch had been appointed as substitute members for Councillors Body and Tyler respectively.

9. **Declarations of Interest**

In accordance with the Members' Code of Conduct, the following interests were Declared:-

Councillor K Turner declared non-pecuniary interests in Agenda Item No 6 – Right to Buy (RTB) and replacement New Build – Update and any reference to private tenants as a Director of Right to Buy Services Limited and a private landlord for properties in Dudley and other areas.

10. **Minutes**

Resolved

That, the minutes of the meeting of the meeting held on 7th July, 2014, be approved as a correct record and signed.

11. **Opening Remarks of the Chair**

The Chair suggested that arising from the consideration of items to be scrutinised Members may wish to consider the following:-

Future Meetings commencing at 5pm;
The appointment of Working Groups;
The requirement for additional Meetings;
Virtual Email Meetings.

12. **Public Forum**

There were no issues raised under this agenda item heading.

13. **The Dudley Borough Housing Strategy**

A report of the Director of Adult, Community and Housing Services was submitted on the development of the Dudley Borough Housing Strategy and how the views of young people were accounted for, the housing issues facing them and the role the private housing sector (market housing) played in the Borough's overall housing provision.

In presenting the report submitted the Head of Service, Housing Strategy and Development specifically referred to the Appendices to the report submitted and outlined the detail contained in the Housing Strategy 2013-2016 including strategic aims and challenges for the Borough.

Arising from the presentation of the report submitted, Members asked questions, raised concerns and made suggestions and the Head of Service, Housing Strategy and Development responded as follows:-

In relation to affordability issues giving rise to unmet housing demand and the provision of 748 additional new affordable homes per year being required over the next 13 years, concerns were raised that this was unachievable due to building costs and funds available. It was accepted that it would be difficult to meet those requirements and discussions would be welcomed on how to

improve on the number of affordable housing properties within the Dudley Borough but that work would continue with the Council as a direct provider and other Registered Provider partners in order to build affordable housing.

In relation to housing market trends properties were now being built to a smaller level and to lower environmental standards however the Council continued to build properties to Code level 3 of the Building Regulations.

The suggestion that Municipal Mortgages through prudential borrowing would encourage greater home ownership was welcomed and noted.

A funding bid had been successfully submitted to the Department of Health for the provision of social housing in the Dudley Borough for older people and people with disabilities at The Walk, Sedgley and Norfolk Road Wollaston. A bid to the Homes and Communities Agency for the conversion of Arcal Lodge, Sedgley to provide 14 bungalows.

The Assistant Director of Housing advised that housing need/demand was complex. Examples given related to affordability. Tenants had abandoned properties because of charges relating to welfare reform. Young people often could not afford to leave home and this was associated not only with rent but the cost of independent living. It was agreed that affordability issues and whether the Council could meet demand could be debated in more detail at future meetings.

The Assistant Director of Housing Services confirmed that in addition to the Council receiving no rental income from hard to let properties the Council were incurring costs by the continuing obligations to pay Council Tax on those properties.

A Member suggested that in relation to new builds consideration of incorporating environmental issues to reduce running costs should be addressed including the provision of cavity wall insulation and solar panels. It was confirmed by Officers that this was already in place.

The Assistant Director of Housing Services advised that although shared ownership had not proved successful in the past, additional funding had been obtained and work had commenced with Housing Associations on shared living. It was believed that this would prove to be more successful given the welfare reforms and change in environment. The Assistant Director undertook to provide Members with a briefing note on proposals for the shared living project.

A Member suggested that in social housing means testing should be applied throughout the tenure. The Assistant Director did not think this was workable. Currently there were restrictions in relation to capital.

In responding to a Member's question in relation to rental values the Housing Finance Manager advised that affordable social rent could be set no higher than 80% of the market rent and that rent was determined by a number of factors for example a new build would attract a higher rental value given the market value.

In responding to a Member's question the Head of Service, Housing Strategy and Development reported that the concealed household data had been obtained from the Residents Survey which was conducted in 2011 and undertook to provide Members with details of trends from the previous survey completed in 2005. He explained that the increase in numbers requiring affordable housing was based on income and housing affordability.

The Head of Service, Housing Strategy advised that the provision of extra care housing was only one option for a growing elderly population and that other options included sheltered housing, private market housing for sale e.g. McCarthy & Stone and adaptations to older people's existing homes. It was not contended that extra care housing would meet all the additional provision that would be required in the future.

Following a Member's concerns in relation to the possible discrimination against those in private ownership failing to qualify for bungalows and ground floor accommodation, the Assistant Director of Housing Services confirmed that the Allocations Policy placed restrictions on those applying for social housing in relation to capital, rent arrears and anti social behaviour. She undertook to provide Members with the Housing Allocations Policy.

In relation to a Member's question regarding the direction of travel by the Government, the Head of Service, Housing Strategy and Development advised that the Government were clearly encouraging local authorities to build and had introduced a number of changes including help to buy schemes, significant changes in planning regulations to assist with obtaining planning permission for new builds and the introduction of the New Homes Bonus scheme.

The Head of Service, Housing Strategy and Development advised that no further work had been conducted in relation to tracking the progress of those in concealed households.

In responding to a Member's question the Head of Investment advised that in relation to recycling older people's properties work was conducted with the Council's Occupational Health Officers in relation to any adaptations that had been carried out to those properties, however it may be the case that such properties required updating as older tenants sometimes refused to have their properties re-modernised.

In relation to the provision of accommodation for young people the Head of Service, Housing Strategy and Development referred to the Youth Hub that offered housing advice and support to 16-24 year olds, the redevelopment of Gibbs Road Hostel in Lye with Midland Heart which was due for completion in 2015. This would offer 58 units of accommodation including 34 1 bedroom flats. Other provision included the supported housing for young people provided by Churches Housing Association of Dudley and District and Black Country Housing Group and the multi agency approach to provide more social housing within the Dudley Borough.

Resolved

That the information contained in the report, and appendices to the report, submitted on the Development of the Dudley Borough's Housing Strategy, together with Members comments, be noted.

14. **Right to Buy (RTB) and Replacement New Build - Update**

A report of the Director of Adult, Community and Housing Services was submitted on Right to Buy sales and the Right to Buy Replacement target.

Following the presentation of the report and appendices to the report submitted, Officers responded to Members' questions as follows.

Should major works be completed to a social housing property or should a tenant move into a new build property and make a right to buy application within 15 years from such work being carried out, or transfer to a new build property, the cost of the re-build of the property would be the purchase price of the property, regardless of any applicable discount.

Should a former council tenant sell the property they purchased at the discount on market value within three years from purchase the discount would become repayable.

The Housing Finance Manager undertook to email to Members details in relation to the Council's Policy for reclaiming the market value discount from the estate of a tenant should death occur within three years from providing the right to buy discount.

In relation to using right to buy receipts for new builds this would not always be possible given the level of discount allowed, however there remained a conscious approach to obtaining the best value for money and other funding streams together with procurement costs, which were continually investigated and monitored.

In relation to the rationale that the right to buy receipt should represent no more than 30% of the cost of a new build, this was applied in order to ensure that Local Authorities contributed to replacement costs.

The Council's costs to rebuild was based on building larger houses for example four bedroom houses, and smaller properties which had larger design layouts for those who required wheelchair access and the installation of stair lifts. There was also the requirement for low rise blocks to install lifts together with the environmental factors that also applied to new builds, all of which increased the costs of new builds.

That the Council were using their existing land for new builds and that may increase costs due to high ground costs with some sites incurring additional infrastructure costs and unit costs escalating.

The right to buy scheme was supported by the Government who encouraged home ownership but recognised that some people would never achieve this and must have accessibility to social housing and it was accepted that the provision of social housing could not meet future demand.

That the Council would always try to assist parties' requirements for improvements to homes and in the provision of sheltered housing and the Council worked closely with tenants to ensure that their homes were fit for purpose when discharged from hospital and continued to attempt to carry out work to properties whilst tenants were in hospital but were not always notified of any adaptations required until patients were discharged.

In relation to the cost of new builds and development by property type that this was reported in the Capital Programme at a gross level and also reported to the Homes and Communities Agency.

A Member suggested that it would aid the Committee's scrutiny if costs relating to developments could be provided by development and property type.

Resolved

That the information contained in the report, and appendices to the report, submitted on Right to Buy sales and the Right to Buy Replacement target together with Members comments, be noted.

15. **Sustainability model to be used it assist in determining remodelling/demolition options.**

A report of the Director of Adult, Community and Housing Services was submitted on proposals and work undertaken to date concerning sustainability modelling of the Council's housing stock.

Following the presentation of the report and appendices to the report submitted there was a general discussion in relation to the infancy of sustainability modelling of the Council's housing stock and there was general agreement that a further report should be submitted to a future meeting of the Committee as options for re-modelling progressed.

Members welcomed the report and congratulated Officers on their work in this area.

Members discussed the proposals put forward by the Chair in relation to future meetings and it was

Resolved

- (1) That the information contained in the report and appendices to the report, submitted on proposals and work undertaken to date concerning sustainability modelling of the Council's housing stock, be noted.
- (2) That the Lead Officer to the Committee convene two further meetings of the Committee to consider further the Dudley Borough Housing Strategy and the Sustainability model to be used to assist in determining remodelling/demolition costs in view of Members' suggestions, concerns and comments outlined above.

The meeting ended at 8.20 p.m.

CHAIR