

Cabinet Housing Panel
26 January 2023

WELWYN HATFIELD BOROUGH COUNCIL

* Reporting to Cabinet

Minutes of a meeting of the WELWYN HATFIELD COUNCIL CABINET HOUSING PANEL held on Thursday 26 January 2023 at 7.30pm in the Council Chamber.

PRESENT: Councillors J. Cragg (Chair)
F. Thomson (Vice Chair)
M. Birleson, L. Crofton, D. Jones, R. Lass,
G. Moore, T. Rowse, T. Travell, R. Trigg, and
S. Tunstall.

ALSO Residents Panel Representatives: C. Andrew and A. McHugh.
PRESENT:

OFFICIALS Executive Director, Finance & Transformation (R. Baker)
PRESENT: Executive Director, Place (C. Barnes)
Service Director, (Property Maintenance and Climate Change (I. Hancock)
Service Director, (Resident & Neighbourhood) (S. McDaid)
Assistant Director, Regeneration and Economic Development (G. Sampson)
Service Manager, Housing Repairs and Building Safety (E. Manzie)
Housing Development and Strategy Service Manager (H. Sarohi-Parhar)
Private Sector Housing Manager (J. Smith)
Senior Democratic Services Officer (C. Francis)

16. MINUTES

The minutes of the meeting held on 24 October 2022 were approved as a correct record by the Chair.

Following a briefing note sent by officers providing information and statistics relating to the temporary accommodation service, concern was raised that a family have been in temporary accommodation for over a year. Officers were asked why it has taken so long for them to be housed when the note says the average length is 146 days for those with children. Officers clarified that these are average figures, so there will be cases that are shorter and longer than the average length. Officers said they are happy to discuss individual cases outside of this meeting.

17. DECLARATIONS OF INTEREST

Councillor F. Thomson declared a non-pecuniary interest in items on the agenda as appropriate by virtue of being a Member of Hertfordshire County Council.

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18. EMPTY HOMES POLICY

Report of the Service Director (Resident and Neighbourhood) which proposes the introduction of a policy to outline how the council will deal with empty homes.

The recommendation is for the panel to review the draft policy with a view to a public consultation taking place. Although not a legal requirement to do so, it would be good practice to undertake a public consultation on the draft policy.

The Empty Homes Policy only relates to privately owned or privately rented homes and not social or council housing. There has not previously been an Empty Homes Policy as it was not considered necessary, but due to seeing an increase in empty properties there is a need for a policy to utilise certain enforcement powers like Empty Dwelling Management Orders.

As of December 2022, there were 961 empty properties in the borough; one third of which are second homes. Over 100 of the 961 homes have been empty for two or more years (this is about 20 more properties than in July 2022).

Empty properties are considered nationally as a wasted housing resource and can lead to issues with antisocial behaviour and detriment to the visual amenity of the neighbourhood. In most cases, the council work with owners to try to bring empty homes into use by negotiation and may only need to resort to formal action in a small number of cases where the properties are of concern.

If approved by the panel, then the council plan to undertake a consultation for one month. This will be advertised via the website, social media and through the PAL scheme. The consultation responses will be online, but residents would be able to request a hard copy of the consultation to complete and return if needed. Once the consultation is concluded officers will report back on the feedback, with recommendations.

The following points were raised and discussed:

- A question was raised in regard to Council Tax implications on privately owned empty properties. Officers clarified that after a two-year period empty properties have a 200% council tax increase placed upon them. The council may lose some income if a property is brought back into use, but this is preferable over any ASB issues arising from an empty property.
- Officers clarified that the consultation will be communicated to residents using social media and the council website. It is the intention for the public to complete the consultation online via the website and make hard copies available for those who request them.
- Members noted that this policy will be helpful as it is currently difficult to do anything to address properties that are falling into disrepair without a policy in place. Members said it is important that this is used as a last resort, and to try and engage with the homeowner beforehand, as there could be a variety reasons why property is left empty. It will be interesting

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to see what feedback is received and it good that the consultation will also include landlords.

- Officers confirmed the council do have Compulsory Purchase Powers. Members asked that under Compulsory Purchase Orders would these properties be repurposed as social housing as this is not stated in the policy. Officers said there may be situations where that may not be appropriate. There is a separate policy on high-value properties which, if a property is over double the average for the Borough, the council would seek to dispose of that property.
- Members noted that in the report it says officers have looked at whether to offer a grant, but it was viewed that there are more favourable low interest rate loans available from the banks. Members asked that with the interest rate increase would this now be reconsidered as part of the consultation. Officers said that at the moment this is not being considered, but it is something that can be put into the consultation document. This would mean having to change our grants policy to include that, and to reflect on that if there was enough feedback from the consultation to suggest this would be helpful.

RESOLVED (Unanimous)

- (1) That members recommend approving the draft Empty Homes Policy to go out to public consultation.
- (2) That the draft empty homes policy will be presented again to the Cabinet Housing Panel for consideration following the public consultation.

19. UPDATE ON CURRENT AFFORDABLE HOUSING PROGRAMME

A presentation was provided by officers on the ongoing projects in the Affordable Housing Programme

The following points were raised and discussed:

- Members asked for clarification on the delay in the tender process for Ludwick Green. Officers said they were unhappy with the outcome of the original procurement, as it didn't offer sufficient value for money. The procurement process has therefore recommenced, and officers are optimistic that an acceptable outcome will be achieved. Work on site is expected to start in mid-2023.
- Members commented that there are quite a few studio flats in the Swallowfield's project, but council policy was to not to add these to our stock where possible. Officers said that use of this site is constrained by the footprint of the existing building. There will be occasions where delivering studio accommodation is better value for money and ultimately there will be some who a studio flat is the best option.
- Members said it is good to see all the projects being worked on and there seems to be around 283 units we are proposing to deliver. It is pleasing to

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know that in these times we are still moving ahead with the Affordable Housing Programme. There are people waiting on our housing needs register, and people in need of temporary accommodation, so this is a positive step forward. Members thanked the team for making this happen.

- For the Howlands House project, officers are working closely with the Housing Needs team. There will be a programme in place for the decant of residents causing the least amount of disruption. At present the team are only using that site when they need to, so the site isn't anywhere near its full capacity. There are a number of units there that wouldn't be fit for purpose for temporary accommodation because of the condition they are in, so it is very important that the site is redeveloped. During the development period this will undoubtedly put more pressure on the other sites, but the teams are planning as best as they can and will be utilising other sites, occasionally using housing stock for temporary accommodation.

RESOLVED (Unanimous)

Members noted the update and presentation.

20. PERFORMANCE REPORT FOR HOUSING Q2 (KPIS)

Report of the Service Director (Property Maintenance and Climate Change) setting out the housing performance indicators for Quarter 2.

The following points were raised and discussed:

- There are currently 146 households in temporary accommodation and there is a strategy in place to reduce this number. Members asked what this strategy involves. Officers said there are a number of different ways the team try and reduce that number. In addition to the Affordable Housing Programme, officers work with developers where planning permission has been granted to include affordable housing. They try to place people from temporary accommodation into those units. Officers do look to work with residents at the earliest stage possible to try and prevent them going into temporary accommodation. They encourage them to contact the team at the very earliest possibility of homelessness affecting them. They look at ways to work with landlords or could provide private rented accommodation with deposit schemes.
- The report says residents are saying they have been affected by the cost-of-living crisis, and that the council are monitoring this closely. Members asked what support and advice is being offered. Officers said some additional cost of living training has been provided to both the Housing and Collections teams, as well as the finance team. The teams are aware of other organisations that can provide support, like Citizens Advice, the Money Advice Service, and food banks.
- Housing Repairs KPIs are not being met, members asked for some details on how this will improve. Officers clarified that the performance

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index for Quarter 2 is for the outgoing contractor. Their performance did decline during that period, but officers worked very closely with them to get repairs done and voids completed up to the end of their contract on 30 September 2022. The new contractor, Morgan Sindall took over on 1 October 2022. Officers have been monitoring their performance over the first few months and are seeing a significant improvement in performance. Officers are also measuring customer satisfaction and are seeing satisfaction levels increasing.

- Members noted that at the last meeting a question was raised about the timeliness of the Cabinet Housing Panel meetings. Officers advised that meetings for the next municipal year have been scheduled so they fall more in line with the performance data. So, the information provided at these meetings will be more up to date.

RESOLVED (Unanimous)

Members noted the contents of the report.

21. COMPLIANCE UPDATE

The Vice Chair highlighted the letter from the Regulator for Social Housing attached to the report. This letter advises they have removed the regulatory notice and thanked our Chief Executive and Service Manager (Housing Repairs and Building Safety) for their positive engagement. The Vice Chair paid particular thanks to the Service Manager for the huge amount of work he did to get the council to its current position, and noted it is now about maintaining that position. The Vice Chair also passed on her thanks to everybody involved.

The report of the Service Director (Property Maintenance and Climate Change) details how compliance has continued to improve. There are programmes moving forward to ensure the council stay on track with compliance. Officers will continue to update the panel on key performance indicators. The second part of the report is to brief the panel on new legislation that is coming out in terms of the Building Safety Act as well as fire regulations that came into force in January 2023.

Officers pointed out that on page 33 the council are looking to decommission Queensway House.

The following points were raised and discussed:

- Members noted that the report mentions two buildings which are over 18 metres, but the leaseholder protection provisions extend to buildings that are 11 metres and over. Officers advised the council does have 23 buildings in total which are over 11 metres, and these will be brought up to the same standard detailed in the Building Safety Act. It is officers understanding that the legislation applies to all leaseholders if there is an inherent defect in the building.

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- Members asked how asbestos is dealt with when a connected property causing the issue is not council owned. Officers said that in terms of asbestos compliance, by law we look at communal areas and the reinspection's of management surveys. In terms of works where asbestos is found, R&D surveys are completed before any major works are undertaken to ensure that we are compliant with the law. Officers clarified that being asbestos compliant isn't about whether we have asbestos in a building but whether it is being managed correctly.
- The Chair ended by thanking the Service Manager and the team for all the work they have done on this.

RESOLVED (Unanimous)

Members noted the contents of the report.

22. WORK PROGRAMME 2022/23

The report tracker sets out the Panel's work programme and details the items coming to the final meeting of the municipal year in March. As mentioned previously, the Cabinet Housing Panel meetings in 2023/24 have been scheduled so that performance data coming to these meetings will be more up to date.

23. NOW HOUSING UPDATE

Report of the Executive Director (Finance and Transformation).

This report presents members with an update on Now Housing Ltd, the councils wholly owned housing company. The paper was originally published as a part 2 paper due to the fact the tenants had not yet been written to, to consult with them, but as they have now all been written to, the paper has been moved to part 1. The recommendations made to Cabinet will be subject to the consultation responses of the tenants.

The company is struggling to find viable sites to increase the size of the existing stockholding of 12 units. Since its inception, there have been turbulent economic conditions and high inflationary pressures. This is particularly relevant for the company as significant increases have been seen in construction materials and labour costs. Whilst these costs have risen, the company is constrained to charging rents within the local housing allowance, which have not risen at the same rate. Overall, this means the gap between the costs of a scheme and the income generated have widened to extremely challenging levels. Unlike the council, the company is unable to plug any viability gaps by using restricted right to buy receipts.

In June 2022, a paper was presented to this panel which highlighted new legislation the government was proposing, in relation to council loans to companies. Based on the proposed changes the council would need to charge

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more to its revenue account, which it would need to seek to recoup from the company. Doing this would add further pressures to finding viable sites.

The company is currently making a loss and was not expected to be able to get to a profitable position until it had a stock holding of around 40 to 50 units. With the increasing challenges of finding viable sites which have arisen from factors that would not have been foreseen when the company was formed, the recommendation is to agree the exit strategy which will prevent losses from accumulating to significant levels.

The proposed exit strategy, supported by both the shareholder group and Now Housing Board of Directors, is that the council purchase back the block of 12 units. The tenants in the block are on fixed term tenancies and so would transfer to the council at the point of sale, and the council would seek to convert these tenancies to secure tenancies at social rent, in line with the rest of its housing stock and its rent and tenancy policies. The company will be able to apply to be struck off the register after a period of three months from the point of transfer of the block.

The following points were raised and discussed:

- Members said that within item 3.6 of the report it lists a condition that the council must charge to its revenue account an expected amount of credit losses. Officers clarified that for all loans the council make to the company, there needs to be a notional calculation made on how much is not expected to be repaid. The council have to make a charge to a revenue account for that expected loss, so a notional calculation is made with the help of expert advisors. Based on the previous forecast of eventually loaning the company about £100m, it could have meant that the council could have needed to charge somewhere around £3m to the General Fund, which the General Fund cannot afford, so it would need to pass that cost on to the company which the company can also not afford. So, in summary the reason for the recommendation of this exit strategy is because effectively neither the company nor the council can afford those expected credit losses as a result of the new legislation.

RESOLVED (Unanimous)

The panel noted the update and recommendation to Cabinet for the Exit Strategy for Now Housing.

Meeting ended at 8.14pm
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