

Minutes of the Adult, Community and Housing Services Scrutiny Committee

Tuesday, 21st October, 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 B Body, I Cooper, A Goddard, Z Islam, J Martin, D Perks, K Turner, Tyler
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),
(Both Directorate of Adult, Community and Housing Services), and K Buckle
(Democratic Services Officer) (Directorate of Corporate Resources).

16. **Declaration of Interest**

Councillor R Body declared a non- pecuniary interest in Agenda Item No. 6 –
Sustainability Model to be used to assist in determining Remodelling/
Demolition Options – in particular pertaining to youth housing as he was a host for the
Black Country YMCA.

17. **Minutes**

Resolved

That the minutes of the meeting held on 15th September, 2014, be approved
as a correct record and signed.

18. **Public Forum**

There were no issues raised under this agenda item.

19. **Opening Remarks of the Chair**

The Chair referred to an Introduction Note that had been circulated to Members of the
Committee advising that notes as opposed to Minutes of the discussion would be
circulated to Members within the next two days and following this the Head of

Investment would contact Members to enquire whether they had any further suggestions and views they wished to add.

20. **Sustainability Model to be used to 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, intended to be used to identify and measure stock performance which could inform stock investment remodelling opportunities and considerations.

The Assistant Director of Housing Services in introducing the report advised that no decision in relation to the Council's housing stock had been taken as Members had requested that the Sustainability Model be considered in greater detail. She also stated that there was a need to evaluate the Council's housing stock during a challenging time and at a time when Members had to make difficult decisions. It was noted that the stock was aging and coupled with this, there was less demand for certain types of housing stock.

There followed a PowerPoint presentation on the Sustainability Model to be used to assist in determining Remodelling/Demolition options by the Head of Investment with Members asking questions and making suggestions throughout the presentation

The Head of Investment outlined the purpose of sustainability Modelling, advising that the term related to the concept of 'rethinking asset management', which posed questions in relation to the Council's current housing stock.

Arising from that part of the presentation relating to ensuring the Council obtained the best from their existing stock, including identifying where investment in housing stock should take place, Members made the following suggestions:-

- In relation to identifying properties or clusters of properties where with investment it may increase demand, properties to assist social services in meeting requirements and targets should be identified and the possibility of adapting smaller properties for the elderly, who currently occupied larger properties should be investigated, which may achieve greater provision of two and three bedroom properties;
- That there may be other community groups who would benefit from occupying clusters of properties, for example parents with young children as some issues were addressed more appropriately in certain environments.
- That sustainable communities were important and it was a matter of choosing optimum ways of maintaining sustainable communities;
- Housing areas should include a mixture of the Borough's population in order to create enhanced communities and areas;
- The possibility of converting low rise properties for those with health issues and the requirement to include the provision of suitable housing in the Better Care Fund.

The Head of Investment referred to unpopular properties that were hard to let and the number of no wait properties including those properties that required significant investment and the need to investigate investment strategies in order to address those issues and Members made the following suggestions:-

- In relation to hard to let properties there was a requirement to investigate different schemes including letting those properties to young people who may be willing to carry out their own repairs and the possibility of promoting hard to let properties to young people in order to encourage them onto the property ladder, as the current position in relation to loss of rent and the continued liability to pay council tax on those properties was unsustainable.
- That there was a need to investigate why some properties in certain areas were hard to let as there may be a requirement to invest in improving the appearance of those areas.
- A suggestion that should hard to let properties consist of blocks of flats that those blocks should be disposed of, with the sale proceeds being invested in current council housing stock or rebuilds;
- The possibility of the Council providing municipal mortgages to those who may wish to purchase hard to let properties;
- The possibility of introducing incentive schemes in relation to hard to let properties for example providing initial free rental weeks and/or providing assistance with obtaining furniture;
- There was a need to investigate options in relation to low level properties and maisonettes and the possibility of working with the voluntary sector and those who operated businesses in areas where there were hard to let properties in order to secure tenants for those properties;
- The possibility of letting properties to Community Centres given the funds available to them and programmes they undertake. Particular reference was made to the Centre for Equality and Diversity.
- Given that a significant proportion of hard to let properties were in high rise blocks the possibility of the remaining occupants being re-housed in order to provide a blank canvass to possible investors.

The Assistant Director of Housing Services stated that the number of no wait properties had increased due to the impact of the welfare reforms and that high rise properties were not the preferred choice of the Boroughs residents.

It was noted that following a consultation with Members it had been agreed that high rise properties should not be offered to those with young children.

The Head of Investment advised there had been open days for viewing high rise properties, which had been reasonably successful and the Assistant Director of Housing Services reported that properties to let were advertised on the Council's vans and also on public transport vehicles.

In relation to the suggestion that incentives should be available to tenants wishing to occupy hard to let properties the Assistant Director of Housing Services stated that this would be integrated but that she wished to secure sustainable tenancies and was concerned that tenants may only occupy properties whilst incentives were in place.

The Head of Investment advised that the sustainability model would assist with identifying those parts of the community and the housing stock within them where consideration could be given for intervention policies to improve demand. The Head of Investment outlined that the model would not provide solutions but would identify the areas where there was a need to identify the types of action required to make council housing stock more attractive for the boroughs' residents.

The Head of Investment returned to the PowerPoint presentation advising of the need for transparency, realism and simplicity in measuring performance to ensure that the performance of housing stock could be measured effectively including capturing financial performance and demand for properties.

Indicative graphs were displayed in relation to how the cost element of sustainability modelling could inform the business case, and the Head of Investment advised that following the assessment of financial performance of properties it would reveal that a number of properties where rental income would not meet the cost of future improvements. Asset groups were referred to, which would form part of a number of sub-models or areas that could require recovery and improvement plans, together with those areas that may require further option appraisal which would investigate achieving the decent homes standard and including any need to provide further investment in order to provide sustainable communities.

The Head of Investment outlined the social responsibility of the Council to provide social housing and the need to consider demand as well as cost. Illustrative visual modelling was displayed in relation to properties that could be high demand with low maintenance costs. Properties where income would not meet investment need but demand was high and low demand properties with high investment needs.

It was noted that modelling would not identify or recommend any specific solutions but would provide a tool to identify pockets of stock where further work could be carried out to identify interventions to improve the ability to let or sustainability of the stock.

The Head of Investment referred to the progress of sustainability modelling which included support of the Housing Futures Board, the use of in house sustainability modelling software, and the formation of a Working Group of Officers.

In relation to the selection of high rise as a property archetype to pilot the model, the Head of Investment reported that high rise had been chosen as a test model due to the fact they were a recognised and transparent property archetype and that modelling that type of property would help to demonstrate over a small number of well known properties that the sustainability modelling was robust, and the data obtained and analysed was consistent with providing identifiable outcomes prior to rolling out the model across the stock.

The Head of Investment advised that Dudley Metropolitan Borough Council were more advanced in sustainability modelling than other Councils and the only benchmarking that could be more easily undertaken was in relation to registered providers/housing associations.

The methodology for measuring demand was outlined and the need to consider readily available qualitative data in order to identify areas where interventions and solutions may be required in relation to council housing stock.

The Head of Investment referred to how the cost of measuring performance of properties in the sustainability model was achieved by assessing the net present value of properties, calculated by taking into account investment need over a five year period (including planned investment, responsive repairs and servicing costs), together with rental income over the same period.

Relating to that part of the presentation regarding sustainability modelling cost Members raised concerns and made the following suggestions:-

- The need to investigate costs further and for the Council to become a commercial and economic enterprise in relation to their housing stock.
- The Council could not continue to sustain the current rental loss and the urgency of the decision whether to sell or maintain those no wait properties in particular high rise flats.

In responding to Members' questions the Head of Investment advised that he was confident in the data relating to stock evaluation, as a data survey had been carried out last year which found the data to be 90% accurate and he was confident that the data was robust for the purpose of stock.

A Member suggested that an on-site presence such as a concierge was required in high rise buildings and there was a need to consider the convergence of rent between the public and private sector housing providers in order to establish whether council properties were being let at the correct price for the current housing market. There was also a request for exit questionnaires and data from those who had vacated council properties.

The Assistant Director of Housing Services advised that rents were controlled by a formula and in Dudley Borough the possibility of a service charge in order to provide twenty four hour concierge had not been pursued. It was stated that there were exit questionnaires, however it was not always possible to obtain completed questionnaires as some tenants abandoned properties and work was being undertaken to discover the whereabouts of those who had vacated their properties.

In responding to a concern raised by a Member that there was a general conception that high rise properties were areas of trouble and anti social behaviour, the Assistant Director of Housing Services advised that high rise properties were not let to transient families.

A Member suggested that work be conducted with the Borough's three colleges to ensure that they were aware of the no wait properties available should their students require them and that in turn this may encourage students to continue to live and work in the Borough following completion of their studies.

In responding to a suggestion of a Member that a show home be created in order to encourage residents of the Borough into high rise properties, the Assistant Director of Housing Services indicated that prior to investment there was the need to ensure that there was a demand for such properties and that the introduction of a service charge to provide a concierge service may price residents out of the market so far as rents were concerned.

The Assistant Director of Housing Services referred to a project in Wolverhampton which involved the sale of high rise blocks adjacent to New Cross Hospital and the provision of a secure underground car park for those occupying the properties who were employed by the hospital and undertook to carry out enquiries in relation to whether the project proved successful, in order to explore the possibility of a similar project at Russells Hall Hospital.

In concluding the presentation the Head of Investment referred to the sustainability modelling, demand, criteria and weightings for high rise properties and displayed the high rise pilot results based upon the initial criteria, which including assessing tenancy turnover rates, the number of bids per advert per property type for the area, the percentage of voids in the block, crime statistics and the affordability of the properties based on energy ratings. He also referred to the next steps which included rolling out the project for general stock.

Members congratulated Housing Officers present and welcomed the presentation together with the work conducted to date on sustainability modelling.

The Vice-Chair referred to problematic properties advising that time was of the essence in dealing with such properties and referred to the provision of particular properties that were in demand and the requirement for further one and two bedroom properties. He urged Members to continue to advise on suggestions to improve on the current housing stock in order to provide the best housing stock for the residents of the Borough.

The Chair also encouraged Members to provide further feedback and suggestions to the Head of Investment and/or the Assistant Director of Housing Services.

In responding to a Member's question in relation to providing further incentives to potential tenants and the possibility of working with private agencies to acquire tenants, the Assistant Director of Housing Services advised that properties continued to be advertised and reported on the wish to secure tenancies from residents who wished to reside in properties and contribute to the community. She further reported that the Council were unable to discharge the under occupancy tax for those who were struggling financially and although some Authorities have reclassified their housing stock this had not increased demand and future problems with reclassification could occur as once the Authority had reclassified a property down they could not reclassify upwards in the future.

In responding to a concern in relation to the percentage of hard to let properties as compared with other Authorities the Assistant Director of Housing Services advised that Authorities across the Country were experiencing the same problems and the percentage of hard to let properties in the Dudley Borough was relatively small as compared with other authorities. She also referred to the introduction of Universal

Credit, which may result in further difficulties with tenants discharging rent payments.

The Assistant Director of Housing Services undertook to forward to Members details of hard to let properties.

A Member suggested the need to investigate further partnership working with all of the Borough's further education facilities and the possibly of partnership working with the two Birmingham universities.

The same Member referred to the fact that Russells Hall Hospital was a teaching facility and it was agreed that providing housing for those at the hospital should be pursued, together with the introduction of a policy that housing stock should be replaced following disposal of current stock.

Following Member requests the Assistant Director of Housing Services undertook to forward to all Members of the Council, the report submitted to the meeting together with the PowerPoint presentation on Sustainability Modelling in order to conduct a wider consultation on Sustainability Modelling.

The Assistant Director of Housing Services also undertook to provide Members with details of the exit surveys in relation to high rise and maisonette properties.

A Member sought assurances that exit surveys be vigorously pursued in the future as the importance of capturing as much information as possible on housing stock was paramount.

Resolved

- (1) That the information contained in the report, and Appendices to the report, submitted on the Sustainability Model to be used to assist in determining Remodelling/Demolition Options, be noted.
- (2) That the Assistant Director of Housing Services pursue Members' comments and suggestions in relation to determining Remodelling/Demolition Options.
- (3) That the Assistant Director of Housing Services be requested to circulate to Members details of the areas where hard to let properties were and Exit Surveys in relation to high rise and maisonette properties.
- (4) That the Assistant Director of Housing Services be requested to circulate to all Members of the Council the report submitted to the meeting together with the PowerPoint presentation on Sustainability Modelling.

The meeting ended at 8pm

CHAIR

ACHS/20