

MAIDSTONE BOROUGH COUNCIL

**MINUTES OF THE COMMUNITIES OVERVIEW & SCRUTINY
COMMITTEE MEETING HELD ON TUESDAY 11 SEPTEMBER
2012**

PRESENT: Councillors Mrs Blackmore (Blackmore), Butler,
Mrs Gooch, Mrs Joy, D Mortimer, McLoughlin,
Mrs Parvin and de Wiggondene

22. The Committee to consider whether all items on the agenda should be web-cast.

It was resolved that all items be webcast

23. Apologies.

Apologies were received from Councillors Brindle, Munford and Vizzard.

24. Notification of Substitute Members.

Councillors Butler and Mrs Gooch substituted for Councillors Brindle and Munford respectively.

25. Notification of Visiting Members.

There were no Visiting Members.

26. Disclosures by Members and Officers:

There were no disclosures.

27. To consider whether any items should be taken in private because of the possible disclosure of exempt information.

It was agreed that all items be taken in public as proposed.

28. Minutes of the meeting held on 17 July 2012.

It was highlighted that minute number 13 should read "Councillors Butler and Mrs Gooch substituted for Councillors Brindle and Munford respectively" which required the final two names in the sentence to be alternated. This amendment was made.

It was resolved that the minutes of the meeting held on 17 July 2012 be agreed as a correct record of the meeting and duly signed.

29. The wider impact of Welfare Reform on Housing and Housing Associations

The Chairman welcomed to the meeting Jillie Smithies, Director of Operations at Golding Homes, Gary Hunter, Benefits Manager and Neil Coles, Housing Services Manager.

Jillie Smithies gave a presentation which outlined the wider effects of Welfare Reform and in particular the implications for Golding Homes and its response to the changes (attached at **Appendix A**).

Members considered the information and guidance Golding Homes provided to its tenants. It was felt that it would be helpful if the information circulated to tenants could be sent to all Councillors to enable them to further assist residents with queries brought to them as a result of the information they received.

New legislation as a result of the Localism Act 2011 would give social landlords the ability to introduce flexible tenancies. Members considered whether or not the changes affecting housing providers as a result of Welfare Reform was a driver for this. It was clarified that the term referred to an assured short-term tenancy which was common place in the privately rented sector and that they could only be introduced incrementally. Existing lifetime tenancies could not be changed. Mrs Smithies explained that Golding Homes had decided not to introduce this type of tenancy at present but this decision would be reviewed in a year's time. The Tenancy Strategy which had been adopted by Maidstone Borough in March 2012 set out expected standards for registered housing providers, included tenancy type and length. Members were informed that this document set direction for Golding Homes and other register housing providers. The document stated that lifetime tenancies would be granted unless the registered housing provider could demonstrate that flexible tenancies made best use of its housing stock.

The Committee offered its support to Golding Homes' review of flexible tenancies and expressed that it saw this as a way forward for making social housing available to those with a genuine need.

Some Members felt that flexible tenancies would help address issues such as subletting. Mrs Smithies explained that anecdotally subletting was perceived to be a problem but Golding Homes Tenancy Audits showed this to be at a low level.

The Committee considered ways in which the message being given through the introduction of Universal Credit, that was people will be consistently and transparently better off in work, could be established further. Members were informed that the Maidstone Borough Council's Housing Allocation Scheme was being redrafted at present which included a community contribution policy. This would act as an incentive for applicants which could result in them being given priority for some homes. If adopted the document would be in place and operational by April 2013.

The Committee felt that it would be beneficial to consider the Draft Housing Allocation Scheme alongside the Tenancy Strategy at its next meeting.

It was recommended:

- a) That The Council's Draft Housing Allocation Scheme and current Tenancy Strategy be the focus of the next normal meeting of the Communities Overview and Scrutiny Committee;
- b) That Golding Homes be invited to return to the Committee in October 2013 to evaluate the impact of Welfare Reform thus far and to discuss its review of Flexible Tenancies and the approach adopted by other RSLs; and
- c) That Golding Homes include all Maidstone Borough Councillors in all its information circulars to residents.

30. Park Wood Neighbourhood Action Planning Evaluation

Sarah Robson, Community Partnerships Manger provided an overview of the evaluation report.

Members discussed the report's structure and the recommendations made. It was observed that some of the recommendations made were statements and they were found to be repetitive by the Committee. It was felt that the report could be more concise consisting of an executive summary and recommendations only. The Committee asked that the revised document be circulated to it via email for comments and approval be given by the Chairman and Vice-Chairman on behalf of the Committee before the document was sent to the Cabinet Member.

It was recommended that:

- a) The Park Wood Neighbourhood Action planning Evaluation Report be redrafted into a short version consisting of an executive summary and recommendations only; and
- b) The redrafted report be circulated to the Communities Overview and Scrutiny Committee for comments and final approval be given by the Chairman and Vice-Chairman before the document goes forward to the Cabinet Member for a decision.

31. Future Work Programme and Forward Plan of Key Decisions

The Future Work Programme and Forward Plan of Key Decisions was considered by the Committee.

The Scrutiny Officer updated the Committee on a date for a joint follow up meeting on Gypsy and Traveller Sites with the Regeneration and Economic

Development Overview and Scrutiny Committee in October. It was felt that a pre meet with officers and the other Members would be beneficial.

It was recommended that a pre-meet be organised with members of the Regeneration and Economic Development Committee and appropriate officers in relation to the Gypsy and Traveller Sites.

32. Duration of Meeting.

6.30 p.m. to 8.45 p.m.

Welfare Reform 2012

Jillie Smithies, Director of Operations



Introduction

- Welfare Reform Overview
- Implications for our Customers and the Organisation
- Our Response



Welfare Reform Overview

The main elements of the Act:

- To create more incentives to encourage people into work
- To reduce in-work poverty
- To simplify the benefits system
- To process the transitions into and out of work more effectively
- To reduce fraud and error.



Implications for our Customers

- **Universal Credit**

- Replaces means tested benefits
- Will not include Disability or Carers allowances
- Will comprise of a set of allowances
- Will be paid in arrears as a single monthly payment
- Will be paid direct to the claimant but at 8 weeks arrears payment will be paid to the landlord
- The housing cost element will be paid direct to the landlord if the claimant is deemed to be vulnerable



Implications for our Customers

- **Social Size Criteria**

- Will apply to claimants of working age renting in the social rented sector
- Rent allowance will be reduced if claimant is under occupying the property
- Reductions
 - 14% if under occupying by one bedroom
 - 25% if under occupying by two or more bedrooms



Implications for our Customers

- **Benefit Cap**

- Will limit the total amount a single person or couple are entitled to;

 - lone parents and couples with or without children
£500.00 per wk

 - single people without children £350.00 per wk

- Initially if cap is exceeded the housing element of the benefit will be reduced
- A number of exemptions will apply including if claimant is in receipt of working tax credits, disability living allowance

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Implications for our Customers

- **Claimants over pension age**
 - Introduction of Housing Credit
 - Pension credit claimants can opt to have housing credit paid to landlord
 - Awaiting information on how pension credit and housing credit will work



Implications for our Customers

- **Not Housing specific**

- Disability allowance replaced by personal independence allowance – tougher points based, medical tests
- Discretionary allowance abolished replaced by “local welfare assistance” administered by local authorities
- Council tax benefit scheme replaced by rebates based on rules decided by the local authority
- Annual uprating of benefits linked to Consumer Price index rather than Retail Price Index

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Implications for our customers

Timelines

- Universal Credit
- Social size criteria
- Benefit Cap from
- Personal Independence
- Allowance
- Local Welfare Assistance
- Local council tax rebate
- scheme

When

October 2013 – 2017

April 2013

April 2013

April 2013

April 2013

April 2013

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Implications for Golding Homes

- **Increased pressure on resources**
 - demand for smaller properties
 - will be providing high volume debt advice and support
- **Changed relationship with our customers**
 - distinguish between Can't pay and Won't pay customers
 - greater focus on price and value for money

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Implications for Golding Homes

- **Greater Financial uncertainty**
 - Rent roll 28.5m , 62% income derived from Housing Benefit
 - Will be focused on collecting debt rather than administering HB
 - Phased introduction of universal credit will result in reduction of Housing Benefit direct payments of 3% per month 27k (324k per year) currently receive 900k per month
 - Introduction of direct payments in year 1 estimate arrears for working age claimants may increase from 230k to 537k
 - There are 2555 households of working age if all claimants transfer to direct payments the estimated additional transaction costs will be 52k per year
 - There are 618 households that are under occupying their properties estimated loss of income per household estimated at £10,088 per week (484k per year)



Implications for Golding Homes

- Projected Future Arrears

2012/13 – 1.7%2017/18 – 3.3%

- Estimated Number of Evictions

2012/13 – 502017/18 – 109

- Bad Debt Provision

2012/13 – 143k2017/18 – 298k



Our Response

- To assess the impact of welfare reform
- To identify and support residents affected by the change
- To ensure staff are equipped to provide the service
- To educate prospective tenants
- To ensure the infrastructure and IT systems are robust to support business requirements
- To develop shared response with partners

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Outputs

- Business plan that reflects impact of welfare reform
- An effective Income Management Strategy
- Improved Customer engagement
- Customer Satisfaction



Meanwhile.....

- Is it our responsibility to provide alternative accommodation?
- How should we deal with short term can't pay?
- Should affordability be a factor when making an offer of accommodation?
- Should we consider introducing flexible tenancies in order to better utilise our stock?
- Should we just focus on delivering our landlord core services?



Questions

