



North Tyneside Council

Housing Sub-Committee

14 September 2018

Monday 24 September 2018 Room 0.01, Ground Floor, Quadrant, The Silverlink North, Cobalt Business Park, North Tyneside **commencing at 6.00 pm**

Agenda Item	Page
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1. **Apologies for Absence**

To receive any apologies for absence from the meeting.

2. **Appointment of Substitute Members**

To be notified of the appointment of any Substitute Members.

3. **To receive any Declarations of Interest and Notification of any Dispensations Granted**

You are invited to declare any registerable and/or non-registerable interests in matters appearing on the agenda, and the nature of that interest.

You are also invited to disclose any dispensation in relation to any registerable and/or non-registerable interests that have been granted to you in respect of any matters appearing on the agenda.'

Please complete the Declarations of Interests card available at the meeting and return it to the Democratic Services Officer before leaving the meeting.

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4. Minutes	
To confirm the minutes of the meeting held on 23 July 2018.	3 – 5
5. Affordable Homes Programme	6 - 16
To receive the following updates in relation to the delivery of the Affordable Homes Programme:	
<ul style="list-style-type: none"> • Progress on the Affordable Homes Programme; • Briefing on current national and local planning policy which supports the delivery of affordable housing. 	
6. Universal Credit	17-21
To look at the impact of the roll out of Universal Credit across the Borough.	
7. Information item only	22
To receive, for information only, an update on dwelling completions (first quarter for 2018/19).	

Members of the Housing Sub-Committee:-

Councillor K Bolger	Councillor A Percy
Councillor L Darke	Councillor S Phillips
Councillor John Hunter	Councillor M Reynolds (Deputy Chair)
Councillor J Kirwin	Councillor M Thirlaway
Councillor A Newman (Chair)	Councillor P Mason
Councillor P Oliver	Councillor J Walker

Housing Sub-Committee

23 July 2018

Present: Councillor A Newman (Chair)
Councillors J Kirwin, P Oliver, J O'Shea, S
Phillips, M Thirlaway and J Walker

HO01/07/18 Apologies

Apologies for absence were received from Councillors K Bolger, L Darke, A Percy and P Mason.

HO02/07/18 Substitute Members

Pursuant to the Council's constitution the following substitutes were appointed:

Cllr J O'Shea for Cllr K Bolger

HO03/07/18 Declarations of Interest

Councillor M Thirlaway reported a non-registerable interest in Item 5 – Construction Project and the New Repairs and Investment Offer – as his father worked for Kier North Tyneside.

HO04/07/18 Minutes

It was **agreed** that the minutes of the meeting on 26 March 2018 be confirmed and signed by the Chair.

HO05/07/18 Construction Project and the New Repairs and Investment Offer

The sub-committee received a presentation which provided information on the background to and the role of the Construction Project, key progress to date, customer engagement and the next steps.

In order to provide some background to the topic, Members were informed that the joint venture between Kier and North Tyneside Council had started in 2009, with approximately 392 staff employed by Kier North Tyneside. A 12 month review had taken place of the future construction requirements of North Tyneside Council, with Cabinet making a decision in September 2017 not to extend the contract. It was noted that the Kier contract would come to an end on 31 March 2019 and that a Construction Project, with associated governance structures, had been established to oversee the transition.

A project brief set out the policy requirements for the project, which was primarily based on housing requirement, but also value for money and flexibility. The workload had been split into 8 workstreams responsible for the delivery of key elements of the project. Key progress to date on the delivery of the project included the procurement of an ICT solution to manage repair requests, a decision to procure a new fleet and Kier staff and trade union engagement.

In relation to customer engagement, it was noted that a new Local Offer for repairs and a new Repairs Handbook were needed. In order to help achieve this, a series of engagement events were held with tenants to try and understand customer expectations. Feedback from these sessions identified priorities such as Right First Time, more online

23 July 2018

interaction and self-help tools and flexibility to do minor repairs with improvement works. Feedback and consultation with wider groups of tenants was ongoing in relation to the draft Repairs Offer.

Feedback from discussions with tenants to date had identified that 2 hour time slots for repairs were not always working for the service and for the tenants. Tenants identified that they would be happy to be allocated an AM/PM slot as long as these would avoid school run times. Overall, the tenants consulted felt that AM/PM appointments were reasonable. Members commented that they felt that some people, especially those working, would not be happy with AM/PM appointments and would prefer a 2 hour slot as this would minimise time they would have to take off work. In order to maximise the time of operatives, Members suggested that if a job was finished ahead of schedule, the next customer should be contacted to see if it would be convenient to attend to their repair earlier. Officers explained that this type of flexibility was being considered in creating the offer and consideration was being given to extending appointment times to allow repairs to take place into the evening and possibly weekends.

A copy of the draft Repairs Local Offer was circulated to Members of the sub-committee. Within the 'Right First Time' section it was noted that operatives would be trained so that they would be multi-skilled. A member of the sub-committee asked how this would be put into practice. It was explained that this was in relation to minor repairs being carried out at properties while improvement works were being undertaken. If all operatives were trained to carry out minor repairs, it would reduce the need for follow up appointments, which would reduce pressure on service delivery and be more convenient for customers.

The committee was informed that the next steps moving forward with the Construction Project included procuring a new fleet of vehicles, configuring and testing the new ICT system and further customer and staff engagement. In relation to monitoring performance, Members asked if the authority would be adopting the Key Performance Indicators used by Kier. It was explained that the Council would develop its own set of indicators which reflected the service that was strived to be delivered and that success of the service would be measured in customer satisfaction and delivering on potential efficiencies.

It was **agreed** to note the information presented.

HO06/07/18 Work Programme 2018/19

The sub-committee received a report which detailed potential topics for inclusion in the 2018/19 sub-committee work programme. Members were invited to consider the items raised and identify any other issues that they felt should be prioritised for inclusion.

The process of establishing the 2018/19 overview and scrutiny work programme began when a press release was issued on 22 March 2018 seeking the views of members of the public as to what services would be important for scrutiny to focus on. Several suggestions had been received and were being considered but none were directly related to the remit of Housing sub-committee.

Senior officers had discussed the overview and scrutiny work programme with a view to identifying key policy areas for scrutiny to focus on. A list of key policies and strategies that the Council would be developing or creating over the coming years had been produced. This included the following plans and strategies that related to the remit of the Housing sub-committee:

- Housing strategy
- Affordable Homes Delivery

- Private Sector Renewal

As had been practice in previous years, it was recommended that sub groups (of around 4/5 members) be established to carry out scrutiny of topics identified as being appropriate for an in-depth review. A meeting of all scrutiny chairs and deputies had been scheduled for September to allow Members to share work programmes and identify any potential areas for duplication of work and to explore any opportunities for collaborative working. A list of topic suggestions was attached to the report as Appendix A.

Members agreed that the list of topics presented should be scheduled for consideration over the year. In relation to affordable homes, Members raised concerns over the level of affordable homes being delivered on some housing developments. It was requested that some information from the planning department be requested to accompany the next update on affordable homes, which details the level of information developers are given in relation to affordable housing and when in the process this is shared. In relation to the possible subjects for in-depth investigation, Members prioritised low level anti social behaviour as an area to focus on. It was suggested that a further report with a scope for the study be brought back to a future meeting, with the view to establishing a sub-group.

It was **agreed** to approve the list of work programme suggestions and incorporate the issues raised above.

Meeting: Housing Sub-Committee

Date: 24th September 2018

Title: Progress Update on the Affordable Homes Programme

Author: Richard Brook, Housing Growth Manager

Tel: 07540 182 225

Service: Environment, Housing & Leisure

Wards affected: All

1. Purpose of Report

To update the Housing Sub-Committee on the progress of the Affordable Homes Programme.

2. Recommendations

- To note the progress to date and anticipated delivery going forward.

3. Details

The Mayor and Cabinet clearly stated their policy intention in the Our North Tyneside Plan that the Authority will deliver “more quality affordable homes.”

In the 10 years to 2013, a total of 789 new affordable homes were delivered within the Borough. In October 2013, Cabinet agreed an ambitious target to increase the pace and scale of the Affordable Homes Programme within North Tyneside through the delivery of 3,000 affordable homes over the next 10 years. This includes new Council housing as well as delivery through the Authority’s strategic and enabling role, working with the Homes and Communities Agency, Registered Providers (RPs) and developers to meet a range of housing needs including the needs of vulnerable groups. The Authority is also bringing empty properties back into use as affordable housing.

The Housing Strategy 2016-2021: a Great Place to Live was adopted at Cabinet in January 2017 and sets out the aspirations for housing, including affordable housing, in the borough over a 5 year period.

The need for affordable housing is further supported by the Strategic Housing Market Assessment (SHMA) 2014; this provides a clear evidence base on the level of housing need within the Borough, including the need for affordable housing. A Market Position Statement for Specialist Housing has also been developed by Housing Services with support from Adult Social Care and Children’s Services. This sets out the type and number of specialist homes needed in the future in the borough.

In addition, an Affordable Housing Needs Assessment tool has been developed. This brings together a range of information (e.g. SHMA, Census data, Market Position Statement, demand from our housing register) and is used to assess the type and size of affordable housing needed on individual sites.

4. Affordable Homes Programme Overview

Since the inception of the Affordable Homes Programme, the total number of new affordable homes delivered stands at 1,234.

To date this year, 104 new affordable homes have been delivered and we remain on target to achieve 250 new homes this financial year and to achieve the 3,000 target by 2024. A full delivery programme is given in Appendix 1.

4.1 Housing Revenue Account (HRA)

In March 2016, Cabinet approved an indicative 4-year HRA Housing Growth Delivery Programme 2016-2020 to deliver new homes, subject to consultation with ward members and residents. Through this programme the Council will deliver the following developments in 2018/19:

Dudley & Weetslade Social Club (Weetslade Ward)

Work on the former club site was completed in May 2018. Following consultation with Ward Members the new homes are known as 1-20 Clayton Close. The development of 20 homes consists of 2 x 3 bed semi-detached houses, 8 x 2 bed houses, 5 x 2 bed flats and 5 x 1 bed flats.

Perth Gardens, Howdon (Former Care Call Office Accommodation)

Cabinet gave approval in October 2013 for the exploration of future options for the Perth Gardens building following completion of the Accommodation Review. The building has now been vacated and the property is being converted back to general needs Council housing. The conversion consists of 6 x 1 bedroom apartments to be completed in late September 2018.



Former Bonchester Court



The construction phase commenced in early June 2018. Works are on programme with completion expected March 2019. The access road has been constructed and the strip foundations poured. Brickwork has commenced with beam and block floors being laid. The development will deliver 13 homes consisting of 5 x 2 bed bungalows and 8 x 1 bed flats.

Former Beadnell Court

The construction phase commenced in July 2018. Works are on programme with completion expected March 2019. The development will deliver 9 homes consisting of 3 x 2 bed bungalows and 6 x 1 bed flats.

Modular Housing Pilot – Angus Close, Killingworth

A pilot to examine the potential benefits of building homes using modern methods of construction (MMC) is being considered. The Authority has identified a potential site that could house 4 x 2 bed homes. These would be built off-site using modular construction and incorporating green technology before being assembled on-site. The process of construction, sustainability and the liveability of the homes will be assessed to see whether further developments using MMC should be considered.

4.2 Working with Registered Providers (RPs)

The Authority continues to work closely with RPs to identify opportunities and funding to meet housing need in the Borough.

As part of Homes England’s Affordable Homes Programme 2015-18 North Tyneside Council was successful in securing £7.2 million worth of grant funding to support the development of 300 affordable homes in the borough. The programme will be concluded in March 2019 with the delivery of 13 new homes by Home Group at Charlton Court. In 2018/19, the RPs will deliver 23 new affordable homes.

The Authority is also working with Bernicia to assess the feasibility of developing affordable homes at Castle Square in Backworth. The potential scheme would see circa 30 new affordable homes and improved open green space.

4.3 Empty Homes

Last year the team responded to 280 enquiries relating to empty homes in the borough assisting the owners of 31 long term empty properties to return them to occupation. This included the extensive refurbishment of a problematic property as an affordable housing unit.

This year in order to increase affordable homes delivery and achieve the aspirations of the North Tyneside Housing Strategy 2017-21 a new “Plan for Tackling Private Sector Empty Properties 2018-2021” has been developed. The plan aims to return 175 properties to use over three years including the refurbishment of 15 properties as affordable housing and the conversion of 3 retail units. Our empty homes programme will target the properties which have the greatest impact on our communities and which support vulnerable housing markets. We aim to recycle as much of the capital investment in our schemes as possible to allow sustainable on-going support for empty homes work.

As part of our continuous engagement with Homes England we have been successful in securing grant funding of £279k to support our empty homes programme and are awaiting confirmation of a further application to support our retail conversion schemes.



The photos above show a long-term empty property in Stadium Villas, Wallsend that the team has worked with the owner to bring back into use and is now let as an affordable home.

The Private Sector housing team are also currently in discussions with owners of properties in North Shields, Wallsend and Chirton and aim to have more empty homes back in the next few months.

4.4 Volume Builders

Delivering affordable housing through planning obligations is central to meeting the need for affordable housing in the Borough. Through Section 106 Town and Country Planning Act 1991 Agreements, the Authority successfully secures 25% affordable housing on the majority of relevant sites (developments with 11 or more units).

To date good progress is being made against the 2018/19 target, 68 affordable homes were delivered in quarter one by private house builders. The market for housing remains strong across North Tyneside and increased sales on a number of large sites across the borough will result in affordable homes continuing to be delivered.

4.5 North Tyneside Development Company

In October 2013, Cabinet acknowledged that there were gaps in the Affordable Homes Delivery Programme and that the Authority needed to act to create capacity and capability to fill those gaps. It was also recognised that new creative models for the development of affordable homes were emerging in response to the difficult market and that these should be investigated and tested to explore whether they would be applicable in North Tyneside. This Committee played a key role in option appraisal of this.

Cabinet agreed in March 2015 to the establishment of a wholly owned subsidiary of the North Tyneside Trading Company, North Tyneside Trading Company (Development) Limited, to deliver affordable homes within existing resources.

The Development Company's first scheme was 13 new homes at Reed Avenue, Camperdown. This was completed on time and under budget in March 2017. To increase the pace of delivery, the Company has since pursued an acquisition strategy buying homes from the open market across the borough. This has been very successful and to date the Company has purchased 14 and has offers accepted on a further 3 more. These properties are all for the affordable use.

4.6 Specialist Housing

To date, good progress is being made delivering specialist homes through the Specialist Housing Project.

The team are currently working with the People Based Commissioning team to convert a former respite centre at Edwin Grove, Wallsend into 3 x 1 bed flats. The details of the scheme are still in discussion but completion is planned for March 2019.

5. Summary

We remain on course to achieve the target of 250 new homes this year within the Affordable Homes Programme. We continue to remain confident that the programme will deliver the target of 3,000 much needed new affordable homes by 2024.

6. Background Information

The following documents have been used in the compilation of this report and may be inspected at the offices of the author.

- (1) [Cabinet Paper February 13 2017 ITEM title: "North Tyneside Council's Housing Strategy - 2016-2021: A Great Place to Live"](#)
- (2) [Cabinet Paper November 2016 ITEM title: "Delivering Housing Growth through the North Tyneside Trading Company"](#)
- (3) [Cabinet Paper September 14 2015 ITEM title: "Delivering Affordable Homes"](#)
- (4) [Core Strategy Preferred Options 2010](#)

Appendix 1 - Indicative Affordable Homes Delivery Programme 2014-2024

Delivery Method	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	Total
HRA	14	99	6	6	52	13	36	35	35	35	331
RP	87	18	52	81	23	26	26	26	26	27	392
Vol. Builders	55	41	77	146	152	187	183	227	189	172	1,429
Empty Homes	13	8	4	1	5	5	5	6	7	10	64
NT Living	96	72	195	0	0	0	0	0	0	0	363
Delivery Company	0	0	13	9	15	15	15	15	15	15	112
Supported Housing	0	0	0	37	3	21	98	50	50	50	309
Total	265	238	347	280	250	267	363	359	322	309	3,000

Meeting: Housing Sub Committee

Date: 24 September 2018

Title: The provision of affordable housing

Author: Jackie Palmer (Planning Manager) Tel: 0191 643 6336

Service: Environment, Housing & Leisure

Wards affected: All

1. Purpose of Report

- 1.1 To brief members of the committee on current national and local planning policy which supports the delivery of affordable housing, how the Authority's affordable housing requirement is set and the outcomes currently achieved in securing affordable housing from private developers towards the affordable housing needs of the Borough.

2. Recommendations

- 2.1 It is recommended that the Committee notes the contents of this report.

3. Details

3.1 What is affordable housing

Affordable housing is defined in the National Planning Policy Framework (NPPF) as "housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers) and which complies with one or more definitions" (for the purposes of this report these are summarised below but reproduced in full in Appendix A to this report).

Affordable housing for rent: where rent is set at defined social or affordable levels;
Starter homes: new dwellings available for purchase by qualifying first time buyers (aged 23-40 yrs) for a price discounted by at least 20% of market value and less than £250,000;

Discounted market sales housing: housing sold at a discount of at least 20% below local market value where eligibility is determined with regard to local incomes and local house prices;

Other: housing provided for sale available to those who could not achieve home ownership through the market – including shared ownership, equity loans and other low cost homes for sale or rent to buy.

3.2 National Affordable Housing Policy

The NPPF is clear that planning policies should ensure that the needs of those with specific housing requirements are met when new housing is delivered. Local Planning Authorities (LPAs) are required to have policies which reflect the needs of a range of groups including those needing affordable housing.

Where there is an identified need for affordable housing local policy should specify the type of affordable housing required and expect it to be met on site unless alternative arrangements, such as a financial contribution, are justified and still contribute to creating mixed and balanced communities.

3.3 How is the affordable housing requirement for the Borough calculated?

A Strategic Housing Market Assessment (SHMA) and Area Wide Viability Assessment (AWVA) provided the evidence as to the level of affordable housing which should be sought and specified in Local Plan policy.

The SHMA determined the overall need for homes and how affordable they are for residents in North Tyneside. The AWVA undertook an assessment of the economic viability of development in general for the Borough as a whole to establish whether the policy expectation for affordable housing delivery was reasonable and would still provide a financial return to the developer or land owner on proposed developments.

This evidence informed the adopted Local Plan policy DM 4.7 which seeks 25% affordable housing on development sites of 11 or more new homes. To comply with national policy relating to the consideration of development viability the policy is clear that securing 25% provision is subject to consideration of specific site circumstances and economic viability. The policy is also clear that affordable housing provision should include a mix of tenures but that a flexible approach to the tenure mix will be considered where necessary to assist the viability of proposals. The full policy is set out below:

DM4.7 Affordable Housing

To meet the Borough-wide target the Council will seek 25% of new homes to be affordable, on new housing developments of 11 or more dwellings and gross internal area of more than 1000m², taking into consideration specific site circumstances and economic viability. Developments will be required to provide a mix of affordable housing for rent and intermediate housing, based on the most up-to-date evidence of local need. Where necessary, to assist the viability of proposals, a flexible approach to the tenure mix of affordable housing provision will be considered by the Council.

In all but the most exceptional cases the Council will require affordable housing provision to be made on-site. Where alternative off-site affordable housing provision or a commuted sum is proposed it must be demonstrated that:

- a. All options for securing on-site provision of affordable housing have been explored and exhausted; and,
- b. Where off-site affordable housing is to be provided the amount of affordable housing would be broadly equivalent in value to the amount that would be viable if the provision was made on-site; or,
- c. Where a Commuted Sum is to be provided it will be broadly equivalent to the amount that would be viable if the provision was made on-site.

Proposals for the delivery of affordable housing schemes (such as those submitted by the Council and Registered Providers) that make a contribution towards North Tyneside's overall assessed needs for affordable housing will be supported.

For a local comparison, the requirement in the NewcastleGateshead core strategy is 15%. Requirements vary considerably across the country, which reflects differences in local housing needs and the housing market in each area. For example, in London, where there is both significant housing need and the highest property prices in the country, the affordable target acknowledges this with a requirement for 50% affordable housing.

3.4 To what extent can the affordable housing requirement be negotiable?

Where housing developers challenge the affordable housing requirement the Local Plan is clear that this must be as a result of site specific circumstances. Typically this may be where a site reclamation cost exists or a specific infrastructure need is identified that must take priority over affordable housing provision in order to enable any housing delivery to proceed.

Within North Tyneside, the Smith's Dock scheme is one of very few examples of a large housing scheme where significant reclamation and infrastructure costs have required a flexible approach to affordable housing. This 'flex' was necessary to enable housing delivery on a derelict site, which was a key regeneration objective for the Borough.

As such, where a clear policy requirement is present and there are no clear site specific circumstances that would indicate otherwise, applicants must, (and will), be expected to provide affordable housing at the percentage identified, on site.

Over recent years the number of affordable homes secured from developments has significantly increased reflecting a much stronger evidence base through the SHLAA and improved understanding in testing the viability of development and challenging applicants who might seek lower rates of affordable delivery without justification.

Between 2010 and March 2017 there had been 3,840 dwellings permitted on private led schemes with a contribution to affordable housing delivery of 726 affordable homes. This equates to 19% of total provision. However, this percentage increases to 23% if of the Smiths Dock development is excluded. As noted above this site has been granted additional flexibility due to the additional costs, and financial unviability faced by the scheme.

Where commuted sums have been agreed, £9.4m has been secured through S106 agreements from sites where in total, 920 homes are proposed. The process for determining a reasonable off-site contribution varies based upon the viability of each scheme.

3.5 How is the agreed affordable housing secured?

If planning permission is to be granted for development the affordable housing is secured by a legal agreement which the applicant is required to enter into. The legal agreement and planning permission run with the land so that the requirements are binding on any subsequent land owners / developers.

When development commences, site visits are undertaken to monitor housing completions. This allows the construction of homes to be monitored and enables the review of trigger points set out in legal agreements to be monitored for compliance. In reviewing housing completions data no developer has failed to construct the agreed number of affordable homes.

3.6 Can a developer revise the amount of affordable homes agreed?

A developer can seek a voluntary renegotiation of planning obligations with the agreement of the LPA at any time and there is a process to submit revisions on agreements pre-2010 if they no longer serve a useful purpose. There are no examples of affordable housing obligations being subject to any voluntary re-negotiation in the Borough.

Agreements are varied and appropriately re-assessed if there are changes to the development for which permission has been granted. This would be through the process of considering a revised planning application with a final decision made by the Planning Committee. There are examples of revisions having been made to the provision of affordable housing this way.

4. Background Information

The following documents have been used in the compilation of this report and may be inspected at the offices of the author:

North Tyneside Local Plan (2017)

National Planning Policy Framework (2018)

Appendix A

Affordable Housing Definition from NPPF

Affordable housing: housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and which complies with one or more of the following definitions:

a) **Affordable housing for rent:** meets all of the following conditions: (a) the rent is set in accordance with the Government's rent policy for Social Rent or Affordable Rent, or is at least 20% below local market rents (including service charges where applicable); (b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).

b) **Starter homes:** is as specified in Sections 2 and 3 of the Housing and Planning Act 2016 and any secondary legislation made under these sections. The definition of a starter home should reflect the meaning set out in statute and any such secondary legislation at the time of plan-preparation or decision-making. Where secondary legislation has the effect of limiting a household's eligibility to purchase a starter home to those with a particular maximum level of household income, those restrictions should be used.

c) **Discounted market sales housing:** is that sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.

d) **Other affordable routes to home ownership:** is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to Government or the relevant authority specified in the funding agreement.

Meeting: Housing Sub Committee

Date: 24th September 2018

Title: The Impact of Full Service Universal Credit on Council Housing

Author: Ian Rice, Welfare Reform and Income Manager

Service: Housing

Directorate: Environment, Housing and Leisure

Wards affected: All

1 Purpose of Report

1.1 This report provides an update on the impact of Universal Credit (UC) on North Tyneside Council Housing. North Tyneside went UC 'Live Service' in November 2015 which allowed only single claimants who would have normally made a new claim for JSA to access it. From 2nd May 2018 we moved to UC 'Full Service' where the customer group expanded to include virtually all working age claimants including couples and families and claimants with more complex needs.

2 Background

2.1 Universal Credit is administered by the Department for Work and Pensions (DWP); it replaces six current working age state benefits:

- Housing Benefit (HB)
- Income Support (IS)
- Employment and Support Allowance (ESA)
- Job Seekers Allowance (JSA)
- Child Tax Credit (CTC), and
- Working Tax Credit (WTC)

2.2 UC is paid calendar monthly in arrears and direct to the claimant including any entitlement to Housing Costs. Claimants will generally wait 5 weeks before the first payment is made, although this can be longer.

3 Universal Credit Full Service

3.1 North Tyneside's three Job Centres went live with UC 'Full Service' on 2nd May 2018.

3.2 Under UC 'Full Service' the gateway criteria which excluded the majority of complex cases from claiming UC is removed allowing virtually all working age claimants to be able to make new claims to UC, although temporary accommodation claimants do not receive the Housing Costs Element and have to make a claim for Housing Benefit as well as UC.

4 Making a claim for Universal Credit in Full Service

- 4.1 Under Full Service, UC claimants must set up an on line account from which to submit a claim for UC and then use this account to manage their claim on an ongoing basis. They will need an email address to initially set up this account, and to use the UC account to notify changes in circumstances, check payments, send and receive messages with their work coach and log their activity in seeking employment.

5 Supporting residents to manage this change

- 5.1 DWP recognise that UC will be a challenge for many residents and they will need support both with making claims and managing monthly payments. Funding has been provided to North Tyneside Council and our partners to provide Personal Budgeting Support (PBS) and Assisted Digital Support (ADS).

5.2 Personal Budgeting Support (PBS)

- 5.3 There are 2 elements of PBS, the Money Advice Service and Alternative Payment Arrangements.

5.4 Money Advice

- 5.5 Money Advice is offered to all claimants when they claim or migrate UC to help them with the 3 changes (single Household payment, monthly payments, and Housing costs paid to tenant). The level of advice and support offered is based on need (as assessed by the DWP Work Coach).

- 5.6 North Tyneside CAB deliver the PBS Money Advice Service on behalf of North Tyneside Council

- 5.7 North Tyneside CAB have agreed to provide a more in depth advice and support service than the minimum regulatory requirements.

- 5.8 UC applicants can be referred for Personal Budgeting Support by their DWP Work Coach, their landlord, their support worker or advocate, or they can self-refer by contacting the CAB directly.

5.9 Alternative Payment Arrangements

- 5.10 The Alternative Payment Arrangement aspect of PBS can be applied for by the DWP Work Coach, the CAB or the Landlord. Alternative Payment Arrangements include Managed Payment to Landlord (MPTL) (where the housing costs element of UC can be paid directly to the landlord), Direct Payment to reduce rent arrears, more frequent UC payments (e.g weekly or fortnightly), or split household payments: where there is evidence of domestic abuse, financial abuse or other concerns.

5.12 Assisted Digital Support (ADS)

- 5.13 As with PBS there are two elements to Assisted Digital Support; the first is help to complete the online claim – Assisted Claim Service; the second is more in depth Digital training and support to improve the claimants' digital capability and capacity. In North Tyneside the more in depth support is delivered by the Education to Employment

Service. Claimants are referred to the service by DWP, Housing, Customer services, Revenues and Benefits as well as other support services.

5.14 As with the CAB PBS service Education to Employment have agreed to provide an enhanced service, over and above the minimum requirements of the DWP. Claimants referred for digital support are assessed by the service and offered bespoke help and support based on their requirements and what they need to do to manage and maintain their UC claim. The service includes provision of employability support as well as digital capability support.

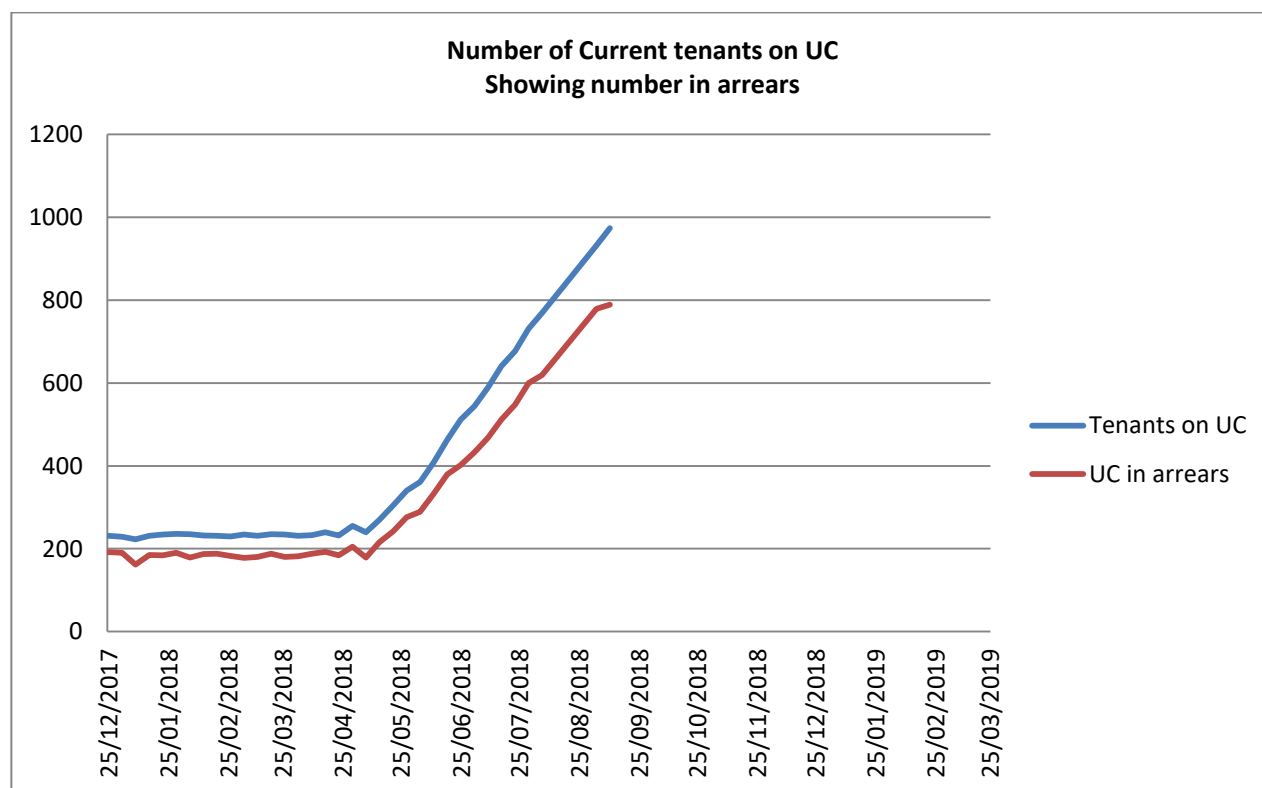
6 Impact so far – Numbers on UC and Arrears levels

6.1 As expected there has been a significant increase in the number of Council Housing Tenants on Universal Credit since full service went live.

6.2 At the end of April 2018 there were **255** current North Tyneside Council tenants in receipt of Universal Credit (Live Service). Of these 205 were in arrears owing a total of **£151,017.48** which was an average of **£592.23** per UC tenant (£736.67 per UC arrears case).

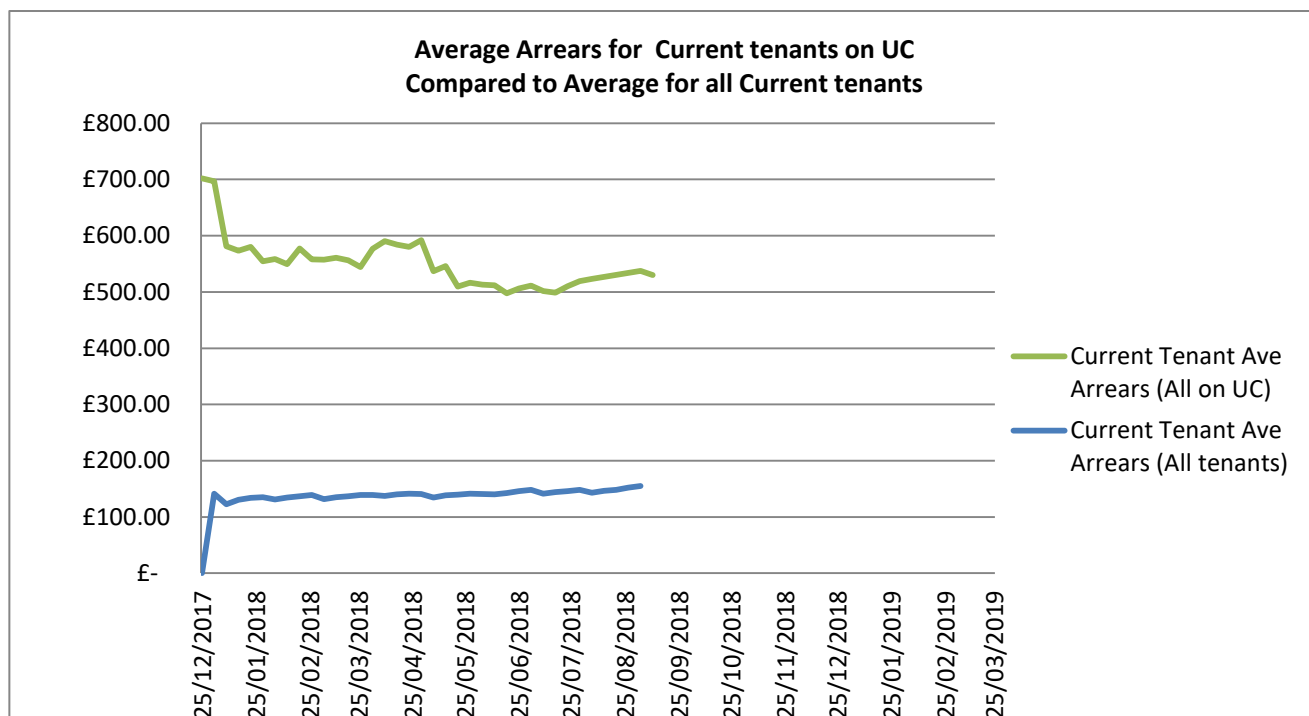
6.3 As at 10th September 2018 we now have a total of **974** current North Tyneside Council tenants in receipt of Universal Credit. 811 of these are on the Full service and 163 remain on the Live Service (live service claimants are currently being moved to Full service by the DWP).

Chart A: Number of Council Tenants in receipt of UC: December 2017 to date:



6.4 Arrears for all UC tenants stands at **£516,234.10** as at 10th September 2018; there are 789 UC tenants in arrears with an average of **£530.01** arrears per UC Tenant (£654.29 per UC arrears case). 81% of all UC tenants are in arrears.

Chart B: Average Arrears for UC compared to all Current Tenants:



7 Referrals for Support

7.1 Personal Budgeting Support

7.2 Monitoring returns from the CAB do not identify the tenure the claimants are living in so we are not able to accurately identify the exact number of PBS referrals that have been made for Council tenants. Figures for Quarter 1 (April to June) show that there were 101 referrals to CAB for UC claimants in need of Personal budgeting support.

7.3 25 of these were referred by the DWP the remainder were either self referrals or were referred by landlords or other agencies (such as customer services). North Tyneside Housing referred 6 of our tenants.

7.4 18 of the 101 referrals are definitely North Tyneside Council tenants (6 of whom were referred directly by our staff) – these customers have given CAB permission to share their data with us (not all tenants do).

7.5 Overall the number of referrals for PBS was 154% of the expected numbers for the first quarter. For quarter 2 DWP expect the numbers to increase, they are projecting 278 referrals for PBS during Q2.

7.6 It is too early to determine the effectiveness of the Personal Budgeting Support provision as most new UC customers, that make up the majority of cases referred, are still in their first few assessment and award periods for UC. National evidence indicates that it takes between 6 and 18 months for UC claimants to come to terms with monthly budgeting.

7.7 Assisted Digital Support

7.8 As with PBS monitoring returns related to the Assisted Digital Support Service do not identify the tenure the claimants are living in so we are not able to accurately identify the exact number of ADS referrals that have been made for Council tenants. Figures for

Quarter 1 (April to June) show that there were 44 referrals for full Assisted Digital Support for UC claimants. Figures for numbers of claimants assisted to make an online claim are not available at the time of writing.

- 7.9 17 the 44 were referred by the DWP, 2 by the CAB, North Tyneside Housing referred 2 of our tenants, the remainder were either self-referrals or were referred by other landlords or agencies (such as customer services).
- 7.10 8 of the 44 referrals are definitely North Tyneside Council tenants (2 of whom were referred directly by our staff).
- 7.11 Overall the number of referrals for ADS was 103% of the expected numbers for the first quarter. For quarter 2 DWP expect the numbers to increase, they are projecting 168 referrals for PBS during Q2.
- 7.12 It is too early to fully determine the effectiveness of the Assisted Digital Support provision as most new UC customers, that make up the majority of cases referred, are still in their first few assessment and award periods for UC. Education to Employment are closely monitoring the claimants that they are supporting so we can identify if any who receive ADS still struggle to maintain their UC claim.

8 Housing Neighbourhood Officer Contacts

- 8.1 Housing are notified, via the DWP Landlord Portal, of all new Full Service UC Claims. In order to provide information and to assess support needs Neighbourhood Housing Officers are required to contact the tenant within 7 days to discuss their UC claim.
- 8.2 When Neighbourhood Housing Officers contact the tenant they are required to:
- Provide the tenant with information to help them with their UC claim, including important information to help them to prepare for their initial UC interview.
 - Collect and record important information from the tenant relating to their UC claim (the date they made their claim, their assessment period and payment date etc.)
 - Confirm and update contact information
 - Carry out an assessment of support needs to determine if they need to be referred for PBS, ADS or any other type of support available. Appropriate referrals are made and actions recorded on monitoring systems.
- 8.3 Since the 2nd May 2018 there have been 811 new claims for Full Service Universal Credit. At the time of writing we would have aimed to have contacted 755 of these claimants. Neighbourhood Housing Officers have successfully contacted 514 of them, this is 68%. A further 44 have had at least 3 attempts to contact them within the required timescale (7 days) but have not engaged.
- 8.4 Neighbourhood Housing Officers are making an average of 5.56 attempts to contact each new Universal Credit claimant. For those that we have not been able to engage with yet we have made on average 4.4 attempts to contact them. This is resource intensive but we feel that engagement and communication with Universal Credit recipients is crucial to our efforts to manage and mitigate the impacts of UC for our customers and ourselves.

9 Recommendations

- 9.1 To note the information provided and to consider whether members wish to receive regular updates on Universal Credit.

SITE REF	Application or Appeal Ref	Date PP Granted	Total dwellings permitted	Remaining dwellings to be built at Start of year	Additional dwellings permitted in the monitoring year	Q1	Q2	Q3	Q4	Cumulative delivery	Dwellings yet to be built following latest Quarter	Site Name
659A	04/03816/REM	21 July 2005	656	2		2				2	0	LAND NORTH OF SHIREMOOR UDP ALLOCATION
654	05/03253/REM	19 April 2006	701	701		0				0	701	SMITHS DOCK
1214	10/01326/FUL	28 January 2011	12	4		0				0	4	JOHN LILLIE AND GILLIE CLIVE STREET NORTH SHIELDS
685	09/02537/FUL	04 April 2011	330	23		4				4	19	WIDEOPEN UDP ALLOCATION
1234	11/00022/FUL	20 April 2011	8	8		0				0	8	EARSDON GARAGE BANK TOP EARSDON
1297	12/00687/REM	11 July 2012	200	61		5				5	56	LAND TO THE REAR OF EAST FARM NORTH RIDGE WHITLEY BAY
1359	13/00198/FUL	10 June 2013	108	8		8				8	0	LAND AT EAST WIDEOPEN FARM PARK VIEW WIDEOPEN
1494	12/00143/OUT	21 August 2013	44	44		0				0	44	SPANISH CITY SITE
1395	13/01895/FUL	19 February 2014	25	25		0				0	25	FORMER DAME ALLANS JUNIOR SCHOOL FOREST HALL
1469	12/01745/FUL	12 August 2014	14	14		0				0	14	LAND TO THE EAST OF 40 BELL STREET NORTH SHIELDS
1429	12/02025/FUL	15 December 2014	650	488		45				45	443	EAST BENTON RISE SITE STATION ROAD WALLSEND PERSIMMON
1445	14/01812/FUL	16 January 2015	8	4		4				4	0	OPEN SPACE TO THE REAR OF 39 TO 49 STAITHES AVENUE
1424	14/00730/FUL	23 January 2015	125	23		11				11	12	FORMER REME DEPOT KILLINGWORTH VILLAGE
1243	12/01185/OUT	20 March 2015	35	35		0				0	35	NORTHUMBRIA YOUTH ACTION BIRD STREET NORTH SHIELDS
1396A	15/00543/REM	05 August 2015	180	89		1				1	88	LAND WEST OF STATION ROAD BACKWORTH STOREY HOMES
1396B	15/00514/REM	05 August 2015	200	112		36				36	76	LAND WEST OF STATION ROAD BACKWORTH MILLER HOMES
1344	15/01031/FUL	21 August 2015	6	6		0				0	6	146-156 HIGH STREET WEST WALLSEND
1480	15/00701/FUL	27 August 2015	13	13		0				0	13	LAND TO THE EAST OF 38 FRONT STREET ANNITSFORD
1294	15/00617/REM	01 September 2015	61	1		1				1	0	NORTH TYNESIDE HOSPITAL RAKE LANE NORTH SHIELDS
1302	15/01305/REM	03 November 2015	40	20		0				0	20	KENDAL BUILDING WATERVILLE ROAD NORTH SHIELDS
1472	15/00329/FUL	03 November 2015	10	10		0				0	10	ROSEHILL SOCIAL CLUB ANGLE TERRACE WALLSEND
1385	15/00945/FUL	16 November 2015	460	288		17				17	271	SCAFFOLD HILL FARM SITE WALLSEND
1477	15/00245/FUL	17 November 2015	11	11		0				0	11	FORMER WESTHOUSE PH GRASMERE COURT KILLINGWORTH
1507	15/00731/FUL	18 December 2015	14	14		0				0	14	FORMER HIGHPOINT HOTEL PROMENADE WHITLEY BAY
1218	15/01958/FUL	09 March 2016	6	6		0				0	6	WEST FARM 44 FRONT STREET EARSDON
1498	15/01144/FUL	11 March 2016	71	31		6				6	25	DARSLEY PARK WHITLEY ROAD
654B	15/01099/REM	27 April 2016	80	80		0				0	80	LAND AT SMITHS DOCK PHASE 2
1520	16/00319/OUT	11 May 2016	12	12		0				0	12	SITE OF FORMER AVENUE HOTEL PARK AVENUE W/B
1519	16/00326/FUL	12 July 2016	40	10		10				10	0	SIVERBIRCH HI TECH UNITS MYLORD CRESCENT
1524	15/01307/FUL	26 July 2016	18	18		0				0	18	FENWICK COLLIERY EAST HOLYWELL
1532	16/00232/FUL	18 August 2016	87	39		14				14	25	LAND AT FORMER STEPHENSON HOUSE KILLINGWORTH
1529	15/01527/FUL	19 August 2016	6	6		0				0	6	LAND AT WESTHOLME SOCIAL CLUB MULLEN ROAD WALLSEND
1530	16/00848/FUL	22 September 2016	12	12		0				0	12	LAND AT FORMER EAST WIDEOPEN FARMHOUSE PARK VIEW WIDEOPEN
1531	16/00193/FUL	26 September 2016	10	10		0				0	10	16 JOHN STREET CULLERCOATS
1533	15/01999/OUT	06 October 2016	50	50		0				0	50	MOORHOUSES COVERED RESERVOIR
1488	16/01370/REM	21 October 2016	9	6		0				0	6	LAND AT JUNCTION OF EAST PERCY STREET AND BREWHOUSE BANK
1541	16/01609/FUL	29 November 2016	8	8		0				0	8	LAND AT DOCK ROAD IND EST COACH LANE N/S
1545	16/01424/FUL	13 December 2016	20	20		20				20	0	DUDLEY AND WEETSLADE SOCIAL CLUB
1371	16/01316/FUL	16 December 2016	427	369		15				15	354	WHITEHOUSE FARM SITE KILLINGWORTH
1552	16/01984/FUL	31 January 2017	6	6		6				6	0	LAND EAST OF 12 GLEBE CRESCENT FOREST HALL
1549	16/01743/FUL	22 February 2017	13	13		0				0	13	LAND ADJACENT TO CHARLTON COURT W/B
1454A	16/01764/REM	15 March 2017	145	131		2				2	129	ROBERTSON HOMES SITE LAND SOUTH OF 81 KILLINGWORTH AVENUE BACKWORTH
1454B	16/01793/REM	15 March 2017	145	141		7				7	134	CUSSINS SITE LAND SOUTH OF 81 KILLINGWORTH AVENUE BACKWORTH
1562	16/01603/FUL	04 April 2017	20	10		10				10	0	LAND AT THE SIDE OF 18-21 WESTERN TERRACE DUDLEY
1561	16/01692/FUL	18 April 2017	34	34		0				0	34	LAND AT BALLAST HILL ROAD NORTH SHIELDS
1565	08/03131/OUT	10 May 2017	83	83		0				0	83	HOWDON GREEN INDUSTRIAL ESTATE NORMAN TERRACE WALLSEND
1567	16/01952/OUT	19 May 2017	53	53		0				0	53	LAND WEST OF STATION RD BACKWORTH SOUTH OF THE PAVILLION
1571	17/00801/OUT	18 July 2017	12	12		0				0	12	SITE OF FORMER WALLINGTON COURT WALLINGTON AVENUE CULLERCOATS
1572	17/00700/OUT	21 July 2017	9	9		0				0	9	LAND AT LINSKILL TERRACE NORTH SHIELDS
1575	14/01018/OUT	07 August 2017	400	400		0				0	400	WEST CHIRTON INDUSTRIAL ESTATE SOUTH NORHAM ROAD N/S
1587	17/00452/FUL	06 September 2017	28	28		0				0	28	14 TO 16 NORTHUMBERLAND SQUARE NORTH SHIELDS
1583	17/01137/PRIOTH	22 September 2017	43	43		0				0	43	UNICORN HOUSE STEPHENSON STREET NORTH SHIELDS
1590		02 November 2017	5	5		0				0	5	NORTHVILLE GUEST HOUSE 23 SOUTH PARADE WHITLEY BAY
1591	17/01425/FUL	22 November 2017	10	10		0				0	10	NEW WINNING TAVERN CHURCH BANK WALLSEND
1599	16/01885/FUL	15 January 2018	418	418		0				0	418	PERSIMMON STATION ROAD NORTH WALLSEND WEST SITE OUTLINE
1599/A	16/01885/FUL	15 January 2018	175	175		0				0	175	PERSIMMON PHASE 1 STATION ROAD NORTH WALLSEND WEST SITE FUL
1597	17/01468/FUL	31 January 2018	6	6		0				0	6	COLISEUM BUILDING 248 WHITLEY ROAD WHITLEY BAY
1600	18/00055/FUL	07 March 2018	9	9		0				0	9	LAND AT FORMER BEADNELL COURT BATTLE HILL WALSEND
1603	18/00054/FUL	03 April 2018	13		13	0				0	13	SITE OF FORMER BONCHESTER COURT BROXBURN CLOSE WALLSEND
1611	18/00403/FUL	29 May 2018	9		9	0				0	9	FORMER ARCHER STREET SOCIAL CLUB ARCHER STREET WALLSEND
1612	18/00251/FUL	12 June 2018	16		16	0				0	16	FORMER ACTION MAINTENANCE YARD OSWIN ROAD FOREST HALL
	Total All Sites		6419	4267	38	224	0	0	0	224	4081	