

These minutes are draft subject to confirmation at the next meeting

Housing Sub-Committee

24 September 2018

Present: Councillor M Reynolds (Chair)
Councillors L Darke, J Hunter, J Kirwin, A
Percy, S Phillips, M Thirlaway and J Walker

HO07/09/18 Apologies

Apologies for absence were received from Councillors K Bolger, P Mason, A Newman and P Oliver.

HO08/09/18 Substitute Members

There were no substitute Members reported.

HO09/09/18 Declarations of Interest

There were no Declarations of Interest reported.

HO10/09/18 Minutes

It was **agreed** that the minutes of the meeting on 23 July 2018 be confirmed and signed by the Chair.

HO11/09/18 Affordable Homes Programme

The sub-committee received a report which set out progress to date on the delivery of the Affordable Homes Programme and anticipated delivery going forward. The report also included a briefing on current national and local planning policy which supported the delivery of affordable housing.

Members were informed that since the inception of the Affordable Homes Programme, in 2013, the total number of new affordable homes delivered was 1,234. There had been 104 homes delivered to date in the 2018/19 financial year. The target of achieving 250 new homes within the financial year and 3,000 by 2024 was on track.

In March 2016, Cabinet approved an indicative 4-year HRA Housing Growth Delivery Programme 2012-2020 to deliver new homes, subject to consultation with ward members and residents. Through this programme, developments on the following sites would be delivered in 2018/19: Dudley and Weetslade Social Club, Perth Gardens, Howdon, Former Bonchester Court and Former Beadnell Court. A modular housing pilot was being considered to examine the potential benefits of building homes using modern methods. Angus Close, Killingworth, had been identified as a potential site that could house 4 2 bed homes. These would be built off-site using modular construction before being assembled on-site.

In relation to the Perth Gardens (Howdon) development, which involved the former care call office accommodation being converted into 6 1 bedroom apartments, a Member of the committee raised dissatisfaction that the use of this development had been changed after

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ward members had been consulted and no further consultation had taken place over proposed changes. Officers in attendance explained that a meeting with ward Members had been scheduled for early October and the issue could be discussed at that meeting.

The sub-committee heard that the Local Authority continued to work closely with Registered Providers (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 would be concluded in March 2019 with the delivery of 13 new homes by Home Group at Charlton Court. In 2018/19, the RPs would deliver 23 new affordable homes.

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, had been developed. The plan aimed 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. The empty homes programme would target the properties that had the greatest impact on communities and which supported vulnerable housing markets. As part of continuous engagement with Homes England grant funding of £279k had been secured to support the empty homes programme. A member of the committee asked how the Council recouped the money invested in empty properties that were privately owned. It was explained that when the Council put capital into a property it would be part of the agreement that they take hold of that property until the rental income had recouped the investment, at which point it would be handed back to the owner.

In relation to volume builders, it was highlighted that delivering affordable housing through planning obligations was central to meeting the need for affordable housing in the Borough. The market for housing remained strong across North Tyneside and increased sales on a number of large sites across the borough would result in affordable homes continuing to be delivered. Members commented that they did not have access to figures on a ward basis and when large developments were approved in their area, they did not know how many affordable homes would be built and where. Officers advised that maps could be shared outside of the meeting that would illustrate where the affordable homes delivered through volume builders were based.

Cabinet agreed in March 2015 to the establishment of a wholly owned subsidiary of the North Tyneside Trading Company to deliver affordable homes within existing resources. The Company's first scheme had been 13 new homes at Reed Avenue, Camperdown. This was completed on time and under budget in March 2017. To increase the delivery of pace, the company had since pursued an acquisition strategy buying homes from the open market across the borough. This had been successful and to date the Company had purchased 14 and had offers accepted on a further 3 properties.

The report presented to the committee also provided information on current national and local planning policy which supported the delivery of affordable housing, how the Authority's affordable housing requirement was set and the outcomes currently achieved in securing affordable housing from private developers towards the affordable housing needs of the Borough. It was noted that a Strategic Housing Market Assessment and Area Wide Viability Assessment provided the evidence as to the level of affordable housing which should be sought and specified in Local Plan policy. It was set out in North Tyneside's Local Plan that to meet the Borough-wide target the Council would seek 25% of new homes to be affordable, on new housing developments of 11 or more dwellings. In order to comply with national policy, the securing of a 25% provision would be subject to consideration of site specific circumstances and economic viability.

The committee was informed as to the extent the affordable housing requirement could be negotiated. It was noted that when developers challenged the affordable housing requirement this must be a result of site specific circumstances. Examples of this would be where a site reclamation cost exists or a specific infrastructure would be needed 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 was one of few examples of a large housing scheme where significant reclamation and infrastructure costs had required a flexible approach to affordable housing. The flexible approach was necessary to enable housing delivery on a derelict site, which was a key regeneration objective for the Borough.

Members were informed that between 2010 and March 2017 there had been 3,840 dwellings permitted on private led schemes with a contribution of affordable housing delivery of 726 affordable homes. This equated to 19% of total provision. This increased to 23% if the Smiths Dock development was excluded. Where commuted sums had been agreed, £9.4m had been secured through S106 agreements from sites where in total, 920 homes were proposed. The process for determining a reasonable off-site contribution varied based upon the viability of each scheme.

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

HO12/09/18 Universal Credit

The sub-committee received a report which provided an update on the impact of Universal Credit (UC) on North Tyneside Council Housing. North Tyneside had went UC 'Live Service' in November 2015 which allowed only single claimants who would have normally made a new claim for Job Seekers Allowance to claim it. From 2 May 2018 North Tyneside 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.

It was explained that UC was paid calendar monthly in arrears and direct to the claimant including any entitlement to Housing Costs. Claimants would generally wait 5 weeks before the first payment was made, although this could be longer. Claimants must set up an online account in order to submit a claim and then use this account on an ongoing basis to notify changes in circumstances, check payments, send and receive messages with their work coach and log activity in seeking employment.

The Department for Working Pensions (DWP), which administers UC, had recognised that UC would be a challenge for many residents and support would be needed in making claims and managing monthly payments. Funding had been provided by North Tyneside Council and its partners to provide Personal Budgeting Support and Assisted Digital Support. As part of the Personal Budgeting Support, money advice was offered to all claimants, the level of which was based on need. North Tyneside Citizens Advice Bureau (CAB) delivered the money advice service on behalf of North Tyneside Council. Applicants could be referred for support by their DWP work coach, their landlord, their support worker or advocate, or they could self refer, contacting CAB directly.

The Assisted Digital Support available was designed to help the claimant to complete the online claim and to improve digital capability and capacity. The in-depth digital support was delivered by the Education to Employment Service. Following an assessment of need, claimants would be offered bespoke help and support based on their requirements and what is required of them to manage and maintain their UC claim. The service also included provision of employability support.

Members had been interested in the impact of UC since North Tyneside went onto the 'Full Service'. As expected, there had been a significant increase in the number of Council Housing Tenants on UC since full service went live. At the end of April 2018 there were 255 North Tyneside Council tenants in receipt of UC on the live service. Of these 205 were in arrears owing a total of £151,017.48 which was an average of £592.23. As of 10th September 2018 there were 974 tenants in receipt of UC. The arrears for all UC tenants was £516,234, an average of £530.01 per tenant. It was noted that 81% of all UC tenants were in arrears and the figures reflected the impact of not getting money for around 5 weeks after the claim had been made.

A member of the sub-committee enquired as to the number of people that had fallen into arrears as a result of UC and had not transferred arrears with them when moving from one system to another. It was noted that these figures changed frequently but could be provided and would be circulated outside the meeting. Officers were also asked how long it was expected to take for the amount of arrears people were in to level out. It was explained that Newcastle City Council had been a pilot authority for the full service and therefore lessons could be learnt from the experiences there. Experience from the pilot demonstrated that it took around 6-12 months for claimants to get used to the new ways of budgeting required when in receipt of UC and up to 2 and a half years to achieve zero arrears.

The sub-committee noted that December was a time where arrears could potentially rise and asked if anything was being done to provide advice and support to tenants. It was noted that a letter was due to go out reminding tenants of paying rent in December and teams would be more supportive when looking at how to assist tenants. Housing teams knew the date when UC would be paid to a claimant and would send a text or email the day before reminding them that they needed to pay their rent. Members highlighted the need for claimants to be able to access a computer in order to process and manage their claim. Libraries, customer first centres and job centre plus all had computers available for the public to use and the UC system was designed so that everything could be done via a Smartphone.

The sub-committee was informed that the Housing Service was 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 were required to contact the tenant within 7 days to discuss their claim. When contact is made, the tenant will be provided with information to help them with their claim, collected and recorded information (including their assessment period and payment date) and an assessment carried out to determine support needs.

Neighbourhood Housing Officers were making an average of 5.56 attempts to contact each new UC claimant. This was resource intensive but it was felt that engagement and communication with recipients was crucial to efforts to manage and mitigate the impacts of UC for customers and the Local Authority. It was noted that some tenants would not engage with the Local Authority and therefore engagement would be made through the UC work coach.

It was **agreed** to note the information and requested that further updates be brought back to the sub-committee.