

Pecyn Dogfen Gyhoeddus



Swyddog Cyswllt:
Ceri Shotton 01352 702305
ceri.shotton@flintshire.gov.uk

At: Cyng Ian Dunbar (Cadeirydd)

Y Cynghorwyr: Sian Braun, Helen Brown, David Cox, Jean Davies, Ron Davies, Rosetta Dolphin, Mared Eastwood, Ray Hughes, Dennis Hutchinson, Brian Lloyd, Ted Palmer, Kevin Rush, Paul Shotton a David Wisinger

Dydd Mercher, 1 Gorffennaf 2020

Annwyl Gynghorydd,

HYSBYSIAD O GYFARFOD RHITHIOL
PWYLLGOR TROSOLWG A CHRAFFU CYMUNEDAU A MENTER
DYDD MAWRTH, 7FED GORFFENNAF, 2020 AM 11.00 AM

Yn gywir

Robert Robins
Rheolwr Gwasanaethau Democraidd

Sylwch: Oherwydd y cyfyngiadau presennol ar deithio a'r gofyniad am gadw pellter cymdeithasol, ni chynhelir y cyfarfod hwn yn y lleoliad arferol. Bydd hwn yn gyfarfod rhithiol a bydd 'presenoldeb' yn gyfyngedig i Aelodau'r Pwyllgor yn unig. Bydd y cyfarfod yn cael ei recordio.

Os oes gennych unrhyw ymholiadau, cysylltwch ag aelod o'r Tîm Gwasanaethau Democraidd ar 01352 702345

R H A G L E N

1 YMDDIHEURIADAU

Pwrpas: I dderbyn unrhyw ymddiheuriadau.

2 DATGAN CYSYLLTIAD (GAN GYNNWYS DATGANIADAU CHWIPIO)

Pwrpas: I dderbyn unrhyw ddatganiad o gysylltiad a chynghori'r Aelodau yn unol a hynny.

3 COFNODION (Tudalennau 3 - 10)

Pwrpas: I gadarnhau, fel cofnod cywir gofnodion y cyfarfodydd ar 11 Mawrth 2020.

4 FFIOEDD GWRESOGI ARDALOEDD CYMUNEDOL 2020/21 (Tudalennau 11 - 14)

Adroddiad Prif Swyddog (Tai ac Asedau) - Aelod Cabinet dros Dai

Pwrpas: Ystyried y ffioedd gwresogi arfaethedig mewn eiddo'r cyngor gyda systemau gwresogi ardaloedd cymunedol ar gyfer 2020/21 cyn cael cymeradwyaeth y Cabinet.

5 INCWM RHENT TAI (Tudalennau 15 - 20)

Adroddiad Prif Swyddog (Tai ac Asedau) - Aelod Cabinet dros Dai

Pwrpas: Rhoi'r newyddion diweddaraf i aelodau am ddadansoddiad ôl-ddyledion rhent.

Eitem ar gyfer y Rhaglen 3

COMMUNITY & ENTERPRISE OVERVIEW & SCRUTINY COMMITTEE

11 MARCH 2020

Minutes of the meeting of the Community & Enterprise Overview & Scrutiny Committee of Flintshire County Council held in the Delyn Committee Room, County Hall, Mold on Wednesday 11th March 2020

PRESENT: Councillor Ian Dunbar (Chairman)

Councillors: Ron Davies, Rosetta Dolphin, Mared Eastwood, Ray Hughes, Dennis Hutchinson, Ted Palmer, Kevin Rush, Paul Shotton and David Wisinger

SUBSTITUTION: Councillor Patrick Heesom (for Brian Lloyd)

APOLOGIES: Councillors: Sian Braun, Helen Brown and Derek Butler

ALSO PRESENT: Councillor Christine Jones

CONTRIBUTORS: Councillor Carolyn Thomas, Deputy Leader and Cabinet Member for Streetscene & Countryside; Councillor Dave Hughes, Cabinet Member for Housing; Chief Officer (Housing and Assets); Chief Officer (Planning, Environment & Economy); Service Manager – Enterprise and Regeneration and Housing Manager

IN ATTENDANCE: Community & Enterprise Overview & Scrutiny Facilitator and Electoral Services Officer

43. DECLARATIONS OF INTEREST

Councillor Ted Palmer declared a personal interest in Agenda item 5 – Tenancy Management Policy, as a Council tenant.

Councillors Paul Shotton and David Wisinger both declared a personal interest in Agenda item 8 – Quarter 3 Council Plan 2019/20 Monitoring Report, as Members of the North Wales Fire and Rescue Authority.

44. MINUTES

Councillor Dennis Hutchinson referred to page 4 of the minutes and thanked the Chairman and Cabinet Member for Housing for their response to his request to bring information on SARTH to a future meeting of the Committee.

Councillor Rosetta Dolphin referred to the penultimate paragraph on page 5 of the minutes and asked that it be amended to include the response provided by the Chief Officer (Housing & Assets) during the meeting.

RESOLVED:

That subject to the above amendment, the minutes be approved as a correct record and signed by the Chairman.

45. FORWARD WORK PROGRAMME AND ACTION TRACKING

The Facilitator presented the latest Forward Work Programme and reported on the arrangement being made for an all Member workshop on the North Wales Economic Ambition Board (NWEAB) to be held in May, 2020. Details of the date, time and venue of the workshop would be circulated to Members in due course.

The Facilitator also reported, that following consultation with the Chairman, arrangements had been made for the Committee to receive a briefing session on SARTH and the Allocations Policy prior to the start of the next Committee meeting scheduled for 29 April, 2020.

In conclusion, the Facilitator reported that the Wales Audit Office (WAO) were seeking to speak to a small number of Members of the Committee on the Rent Arrears Service. She said that she would e-mail the Committee following the meeting to seek volunteers to take part in a meeting with the WAO.

Councillor Patrick Heesom expressed his disappointment that the all Member workshop on the NWEAB was not being held until May and commented on the need for Members to scrutinise the deal as a matter of urgency. The Facilitator explained that following requests from a number of Scrutiny Committee's for a report on the NWEAB it was felt that a workshop to allow all Members to contribute would be the best way forward. The reason that May was being proposed as a date was that additional workshops to allow Members to consider the Council Plan 2020/21 and revised Medium Term Financial Strategy (MTFS) were required first to allow consideration prior to reports being presented to County Council.

RESOLVED:

- (a) That the Committee considers the draft Forward Work Programme and approve/amend as necessary;
- (b) That the Facilitator, in consultation with the Chair of the Committee be authorised to vary the Forward Work Programme between meetings, as the need arises; and
- (c) That the Committee notes the progress made in completing the outstanding actions.

46. TENANCY MANAGEMENT POLICY

The Chief Officer (Housing & Assets) introduced the Tenancy Management Policy which set out how the Council managed the types of tenancies it provided under current legislation and in the discharge of its statutory obligations as a landlord. The Policy also sought to ensure that effective systems were adopted for the efficient management and administration of housing services.

The Chief Officer provided additional information on each of the sections of the Tenancy Management Policy, which was attached at Appendix 1 of the report. He drew Members attention to recent changes to communal areas, which had been introduced

to comply with current fire safety regulations. This meant that all communal areas were not to be utilised for the storage of items which could pose a risk in the event of a fire, either due to combustibility or hindering egress in the event of an evacuation.

The Chief Officer also drew Members attention to the Welsh Government (WG) changes to tenancies, as detailed within the report and suggested that further update reports on the Renting Homes (Wales) Act 2016 as it became fully enacted, be included on the Committee's Forward Work Programme for consideration at future meetings in order to keep Members updated.

Councillor Paul Shotton thanked officers for the report and asked if Members of the Committee could take part in a visit to the Flint Offices to become acquainted with the new officers following the housing department restructure. It was suggested that a who's who of housing staff be compiled and circulated to the Committee for information in the first instance.

Councillor Rosetta Dolphin asked if a tenant's right of succession could be lost following the breakdown of a relationship. She also asked what support was provided to tenants if their home had to be demolished. The Housing Manager confirmed that following a relationship breakdown a new tenancy would need to be put in place. She also confirmed that if a home needed to be demolished the tenant would be re-housed.

Following concerns raised by Councillor Ted Palmer that the section dealing with Successions within the Tenancy Management Policy was difficult to understand, the Chief Officer agreed that officers would look at this further and amend if possible.

Councillor David Wisinger commented on the increase in tenants being contacted to make claims around disrepairs and asked how the Council responded to them. He also commented on the potential financial impacts of COVID-19 and asked whether rent payments could be deferred for tenants struggling financially. The Chief Office explained that the Council rigorously defended disrepair claims. He also explained that there were currently no proposals to defer rent payments for tenant but that each request would be considered on a case by case basis.

Councillor Dennis Hutchinson welcomed the report but raised concerns around changes to allocations which had resulted in an increase in anti-social behaviour at sheltered accommodations. The Chief Officer commented on the processes in place to evict tenants causing anti-social behaviour and the reliance of evidence based information. He also reported that a review of allocations to sheltered accommodation would be undertaken.

In response to a question from Councillor Ron Davies on visits to tenants, the Housing Manager confirmed that visits to tenants were carried out by appointment. She also reported that during introductory tenancies, visits by housing officers were carried out at 3, 6 and 9 month intervals so any potential issues could be flagged up early.

Councillor Ron Davies proposed that the Tenancy Management Policy be noted and this was seconded by Councillor Patrick Heesom.

RESOLVED:

That the Tenancy Management Policy be noted.

47. TOWN CENTRE REGENERATION UPDATE

The Chief Officer (Planning, Environment & Economy) introduced the report which provided an update on the work undertaken since February 2019. The report also proposed an increase in the scale of action to facilitate the transition to more sustainable land uses in town centres.

The Service Manager – Enterprise and Regeneration explained that nationally, town centres were facing challenging economic circumstances due to changing behaviours by shoppers and the retail industry. The Council had always actively supported town centres with the Council, in the past, being able to regularly draw down capital funding for property and environmental improvements from Welsh Government (WG) and the Welsh Development Agency. A list of programmes and projects supported and delivered through the funding packages was summarised within the report.

The Service Manager – Enterprise and Regeneration drew Members attention to the more ambitious approach being taken by the Council to assist town councils, within the context of the strategic approach agreed by Cabinet in May 2019, as detailed within the report.

In response to a question from Councillor Ron Davies around the need for a review of traffic lights and bus lane in Shotton, the Deputy Leader and Cabinet Member for Streetscene & Countryside agreed to provide Councillor Davies with information following the meeting on the proposals to improve the junction and traffic lights in Shotton as part of the installation of junction improvements along Shotton and Queensferry.

The Chairman asked if any progress had been made in developing the land where the Council offices used to be in Connah's Quay and the Somerfield site. The Enterprise & Regeneration Manager commented that there had been active conversations with the Council on the future use of the site and whilst there was currently no clear steer, it was hoped to see a shop unit there.

Councillor Ted Palmer commented on the closure of large buildings in Holywell high street, since the health check study undertaken in 2008, such as banks, which did not lend themselves to retail buildings and asked if these buildings could be adapted to provide housing but keeping a small space for retail purposes. Councillor Dave Wisinger also commented on the number of empty retail units, on the outskirts of town centres, which remained empty for a long period of time and felt that the best use of them would be to transform them into housing, which would assist in increasing footfall in town centres. The Service Manager – Enterprise and Regeneration explained that following on from the previous health check study, town centres would be revisited and reviewed accordingly. The Chief Officer commented on changes to Planning Policy Wales which aimed to make town centres sustainable places to live, with consideration of public transport links.

Councillor Patrick Heesom commented on the Town Centre Policy which he felt had benefitted some areas of the County but not all. He said that Members needed to be mindful of the North Wales Economic Ambition Board which would dictate the future of town centres and said that there needed to be fair investment in all town centres across the County. He outlined some scepticism of the Local Development Plan (LDP) and commented on the number of homes being built at Sealand which had been a flood risk area. The Chief Officer responded that the approach being taken to address the challenges faced by town centres was in line with the work of the North Wales Economic Ambition Board. With regard to the building of houses at the Northern Gateway in Sealand, the land had been protected from flooding through an investment from WG which protected the site for 100 years.

Councillor Dennis Hutchinson commented on the proposed de-pedestrianisation of Buckley town centre and asked if the public did not support the proposal would this hinder other proposed improvements continuing in the town. He also sought support to improve and re-open the historic Buckley Baths building. The Service Manager – Enterprise and Regeneration explained that other proposed schemes could continue if the de-pedestrianisation was not supported.

The Deputy Leader and Cabinet Member for Streetscene & Countryside advised that a number of schemes to improve town centres were being considered and have been put in place such as improvements to linking town centres through public transport and new Active Travel routes, thus maintaining them as transport hubs. She also commented on the desire for town centres to become green with the planting of semi mature trees using tree pits that improve drainage, creating a sense of well-being and improving the natural environment.

In response to a question from Councillor Rosetta Dolphin around future funding, the Service Manager – Enterprise and Regeneration explained that a decision on funding would be made by Cabinet during consideration of the report in March, 2020, however he said that getting the right investment and right approach was as important as the funding. The Chief Officer commented on the setting up of a Business Improvement district for town centres, for business communities to be able to control what to improve.

Councillor Davies commented that Shotton town council was an example of a thriving town which many shops but people were not encouraged to visit due to the traffic problems which had been on-going for a number of years. He also commented on the former Bargain Stores in Connah's Quay which had been dilapidated for a number of years and asked what could be done to improve this. The Deputy Leader and Cabinet Member for Streetscene & Countryside advised that traffic in Shotton would be improved as part of the Bus Lane Improvements. The Chief Officer explained that the Council were previously looking to purchase the former Bargain Stores as part of a Compulsory Purchase Order but this had not been completed. He said that this building was an example of a neglected building having a detrimental effect on the aesthetics of an area.

RESOLVED:

- a) That the progress made in delivering regeneration in town centres in Flintshire and the refocused approach being proposed for 2020 and beyond be supported; and
- (b) That the Committee recommends to Cabinet the additional resources required for a Senior Officer post.

7 FLINTSHIRE IN BUSINESS UPDATE

The Chief Officer (Planning, Environment & Economy) introduced the report which summarised the work of the business development team and provided an update on the Flintshire in Business programme for 2019. The report also set out how the service would focus its work in 2020 and beyond in response to changes to the economy and to corporate priorities.

The Service Manager – Enterprise and Regeneration explained that the main function of the service was business engagement which acted as a platform on which other activities were built by the service and other providers. This as a unique role which was not provided elsewhere and the feedback from stakeholders and business customers had been overwhelmingly positive with regard to the service they received from the team.

One of the flagship programmes delivered by the service was Flintshire in Business (formerly Flintshire Business Week). This had operated for 13 years and had been fully funded through sponsorship from the business community. In 2019 the decision was taken to cease to operate the programme as a week-long series of events as it was felt that this made it harder for businesses to attend all of the events. Instead, events were proposed to be spread throughout the year. The events included within the programme for 2019 were detailed within the report.

The Service Manager – Enterprise and Regeneration drew Members attention to the strategic direction for the service and how the service would be refocussing its work in 2020/21 to reflect the changing world for businesses in the County, as detailed within the report.

Councillor Paul Shotton said that it was important for Members to recognise the work of the team and congratulated the team on their work and networking being carried out across Flintshire.

Councillor Ted Palmer asked further information the on the recent announcement from Welsh Government (WG) that 7 towns across North Wales would be benefiting from free Wi-Fi. The Enterprise & Regeneration Manager agreed to provide further information on this following the meeting.

In response to concerns raised by Councillor Patrick Heesom around Mostyn Docks being by-passed for investment, the Chief Officer assured Councillor Heesom that Mostyn Docks was not being by-passed and the section of the report referring to the work stream to improve the coherence and co-ordination of business support

activity by the North Wales Economic Ambition Board would assist in a more joined up approach.

In response to a question from Councillor Dave Wisinger on how many council industrial units were occupied, the Chief Officer (Housing and Assets) reported that towards the higher end of 80% of industrial units were occupied. He explained that a review of industrial estates was due to be carried out in order to establish which needed to be re-developed in the future.

RESOLVED:

That the progress made in delivering business support in Flintshire and the refreshed priorities for the future be noted.

8 QUARTER 3 COUNCIL PLAN 2019/2020 MONITORING REPORT

The Chief Officer (Housing and Assets) and Chief Officer (Planning, Environment & Economy) introduced a report to present a summary of the monitoring of progress for the quarter three position of 2019/20 for the Council Plan priorities 'Caring Council', 'Ambitious Council' and 'Serving Council' relevant to the Committee. The report was an exception based report and therefore focused on the areas of under-performance.

The Chief Officer (Planning, Environment & Economy) reported that whilst the number of individuals supported through the mentoring service that enter employment, learning and volunteering was below target he and the team were confident that the full year target was achievable.

Councillor Rosetta Dolphin commented on the performance of the Homelessness Team and the Team delivering the Welsh Housing Quality Standard (WHQS) for Council tenants and asked that a letter be sent to Jenni Griffiths, Homeless and Advice Manager and Sean O'Donnell, Capital Works Team Manager thanking them and their teams for their hard work within their service areas.

Councillor Dolphin also referred to performance measure 1.4.5.1 and asked why the progress was shown as green if the number of social units of accommodation delivered had reduced following the housing association not meeting its target. The Chief Officer (Housing and Assets) agreed to provide a response following the meeting.

In response to a question from Councillor Dolphin around the installation of air source heat pumps, the Chief Officer (Planning, Environment & Economy) agreed to provide details of the officers to the Committee following the meeting so that information could be provided to residents by Members through their newsletters.

RESOLVED:

That the report be noted.

9 MEMBERS OF THE PUBLIC AND PRESS IN ATTENDANCE

There were no members of the public and press in attendance.

(The meeting started at 10.00 am and ended at 12.20 p.m.)

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Chairman

Eitem ar gyfer y Rhaglen 4



COMMUNITY & ENTERPRISE OVERVIEW AND SCRUTINY COMMITTEE

Date of Meeting	Tuesday 7 th July 2020
Report Subject	Communal Heating Charges 2020/21
Cabinet Member	Cabinet Member for Housing
Report Author	Chief Officer (Housing & Assets)
Type of Report	Operational

EXECUTIVE SUMMARY

The Housing and Assets Portfolio currently operates eight communal heating schemes within Flintshire. The Council negotiates fuel costs in advance and tenants benefit from the Council's Industrial and Commercial Contract rate.

New communal heating charges are based on the previous year's energy use ensuring a more accurate assessment of costs and impacts (negative or positive) on the heating reserve account.

The proposed recharges for 2020/21 are set out within this report and are pending Cabinet approval. In the majority of cases, the recharge to tenants has reduced for 2020/21, which as in other years, would allow Flintshire to recover the projected costs of the heating charges whilst still passing on the benefit of reduced energy costs to tenants.

RECOMMENDATIONS

1	That Scrutiny note changes to the current heating charges at council properties with communal heating schemes as outlined in the table 1, paragraph 1.07 of this report. All changes will take effect from 31 st August 2020.
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REPORT DETAILS

1.00	EXPLAINING THE COMMUNAL HEATING RECHARGES
1.01	The Housing and Assets Portfolio currently operates eight communal heating schemes within Flintshire. The Council negotiates fuel costs in advance and tenants benefit from the Council's Industrial and Commercial contract rate. The cost of fuel used within these schemes is paid for initially by the Authority through a heating reserve account and then collected from tenants in addition to their weekly rent.
1.02	New communal heating charges are based on the previous year's energy use ensuring a more accurate assessment of costs and impacts (negative or positive) on the heating reserve account.
1.03	Any proposed changes to charges are intended to ensure that each communal heating scheme recovers the full energy cost charged in respect of each scheme.
1.04	The Council charges tenants for the energy consumed within each block. This is a basic flat rate charge irrespective of individual usage. The method of applying tenants heating charges is to apply uplifts or decreases to tenants each year, based on previous year's usage plus energy rate costs.
1.05	<p><u>2018/19</u> In April 2018 the cost of gas increased by an average of 10%. A colder winter also meant that the majority of schemes saw a small increase in usage. The previously approved stepped increase proposal was revised to avoid an increasing deficit on the heating reserve account in 2019/20.</p>
1.06	<p><u>2019/20</u> In April 2019, the average price increase was 18%. As a result of the mild winter the majority of schemes saw a small decrease in usage.</p> <p>During the year in 2019/20 works were completed on upgrading the heating systems at Panton Place, Holywell and in one area of Glan y Morfa Court, Connah's Quay. As a result of this work, these tenants are now billed directly by their chosen utilities provider based on their own meter readings and usage.</p>
1.07	<p><u>2020/21</u> The table below sets out recommended heating charges for 2020/21 based on actual usage in 2019/20. The assumption has been made that costs will have reduced by an average of 14% in 2020/21 and that usage remains at similar levels for the next 12 months.</p> <p>Revised charges will be introduced from 31st August 2020.</p>

Table 1

Communal Area		Weekly Charge 2019/20	Increase 2020/21	Revised Weekly Charge 2020/21
Bolingbroke Heights, Flint	1 Bed	£ 4.80	£ (0.70)	£ 4.10
	2 Bed	£ 5.76	£ (0.84)	£ 4.92
Richard Heights	1 Bed	£ 4.80	£ (0.70)	£ 4.10
	2 Bed	£ 5.76	£ (0.84)	£ 4.92
Castle Heights, Flint	1 Bed	£ 4.95	£ (0.25)	£ 4.70
	2 Bed	£ 5.94	£ (0.30)	£ 5.64
Llwyn Beuno, Holywell	1 Bed	£ 10.55	£ (4.55)	£ 6.00
	2 Bed	£ 12.66	£ (5.46)	£ 7.20
Llwyn Aled, Holywell	1 Bed	£ 12.20	£ (4.25)	£ 7.95
	2 Bed	£ 14.64	£ (5.10)	£ 9.54
Acacia Close, Mold	1 Bed	£ 6.80	£ 0.50	£ 7.30
	2 Bed	£ 8.16	£ 0.60	£ 8.76
	3 Bed	£ 9.18	£ 0.68	£ 9.86
Glan-y-Morfa Court1, Connahs Quay	1 Bed	£ 9.65	£ -	£ 9.65
	2 Bed	£ 11.58	£ -	£ 11.58
Glan-y-Morfa Court2, Connahs Quay	1 Bed	£ 9.65	£ (4.35)	£ 5.30
	2 Bed	£ 11.58	£ (5.22)	£ 6.36
Chapel Court, Connah's Quay	1 Bed	£ 8.90	£ (2.50)	£ 6.40
	2 Bed	£ 10.68	£ (3.00)	£ 7.68

It should be noted that in the majority of cases, the recharge to tenants has reduced, which allows Flintshire to recover the projected costs of the heating charges whilst still passing on the benefit of reduced energy costs to tenants.

The exception within table 1 above is Acacia Close, Mold which identifies an increase in heating charges of 7% (an average across the three property types of £0.59p per week). This compares with a reduction in heating charges for this site of 18% last year. Flintshire County Council's Energy Team will be working with the supplier to install automatic readers on the meters at Acacia Close. This will support more accurate and timely billing by the utilities provider and will, in turn, allow us to bill our tenants based on more accurate information going forward.

At Glan y Morfa Court, Connah's Quay, works are ongoing to install individual meters to tenants' properties in Block 1. As this work is unlikely to be completed until later in 2020/21, charges have been kept static for these tenants and this will be reassessed upon completion of the works.

2.00	RESOURCE IMPLICATIONS
2.01	As identified above.

3.00	IMPACT ASSESSMENT AND RISK MANAGEMENT
3.01	Tenants cannot claim Housing Benefit for the cost of domestic heating.
3.02	Estimates have been based on energy usage during 2019/20. A severe winter could lead to higher costs which may result in an increased charge during 2021/22.

4.00	CONSULTATIONS REQUIRED / CARRIED OUT
4.01	No formal consultation required.

5.00	APPENDICES
5.01	None.

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	None.

7.00	CONTACT OFFICER DETAILS
7.01	Contact Officer: Rachael Corbelli, Strategic Finance Manager Telephone: 01352 703363 E-mail: rachael.corbelli@flintshire.gov.uk

8.00	GLOSSARY OF TERMS
8.01	Housing Revenue Account: records all revenue expenditure and income relating to the provision of council dwellings and related services.
8.02	Tenant: a person who occupies land or property rented from a landlord (in this instance Flintshire County Council).
8.03	Heating Reserve Account: the account which records all expenditure on communal heating and all income from tenants.

Eitem ar gyfer y Rhaglen 5



COMMUNITY & ENTERPRISE OVERVIEW AND SCRUTINY COMMITTEE

Date of Meeting	Tuesday 7 July 2020
Report Subject	Housing Rent Income
Cabinet Member	Cabinet Member for Housing
Report Author	Chief Officer (Housing & Assets)
Type of Report	Operational

EXECUTIVE SUMMARY

This report provides Scrutiny Members with a further operational update on the 2019/20 year end outturn for housing rent collection.

In addition this report provides the latest rent collection statistics for 2020/21 and the early impacts of the Covid Pandemic on rental collection and income.

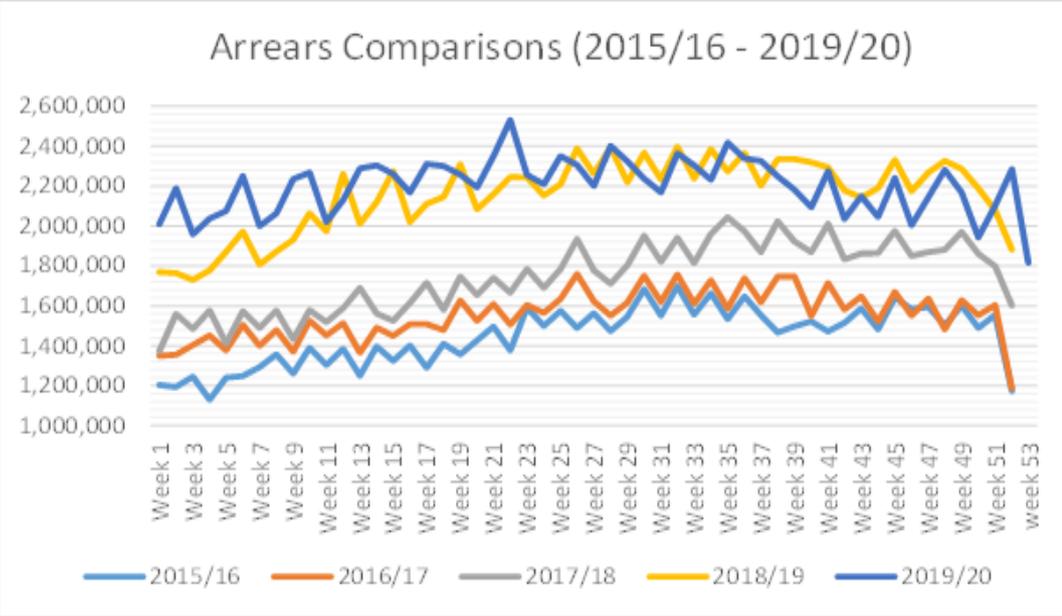
Cumulative Rent arrears for 2019/20, as at 31st March 2020, reduced to £1.81m compared to the previous year position of £1.88m, a reduction of £65k, notwithstanding an in-year collection yield of £40m during 2019/20.

Despite the ongoing challenges of tenants continuing to migrate from Housing Benefit to Universal Credit, the year-end collection position and the measures taken to mitigate in-year rent loss, such as working very early with our tenants to help them manage their debt, have been effective and enabled more rent to be collected.

RECOMMENDATIONS

1	Note the improvements in rent collections for 2019/20 which shows that collection of rent has resulted in higher levels of collection, lower levels of bad debts and a final outturn where total arrears have reduced by £65k.
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REPORT DETAILS

1.00	EXPLAINING THE LATEST POSITION OF RENT ARREARS																																																												
1.01	The Rent Income service continues to collect rent from around 7,300 occupied properties with an in-year collection yield of £40m in 2019/20.																																																												
1.02	<p>The year-end position shows rent arrears had started to stabilise and fall and we were slowly moving back to the position last seen in 2017/18 if we compare rent arrears to the gross rent yield. The percentage movement in arrears (i.e. a 0.4% reduction) was last seen in 2012/13 so collections are increasing, notwithstanding there are major challenges ahead with rent collections in the context of the current emergency measures relating to Covid 19.</p> <table border="1" data-bbox="316 674 1182 1205"> <thead> <tr> <th>Financial Year</th> <th>Gross Rent Yield</th> <th>Year End Rent Arrears</th> <th>Rent Arrears as % of Rent Yield</th> <th>Movement in Arrears (£)</th> <th>Movement in Arrears (%)</th> </tr> </thead> <tbody> <tr> <td>2019-20</td> <td>£39,969,296</td> <td>£1,815,514</td> <td>4.5%</td> <td>−£65,000</td> <td>−0.4%</td> </tr> <tr> <td>2018-19</td> <td>£38,086,058</td> <td>£1,880,514</td> <td>4.9%</td> <td>£279,905</td> <td>0.5%</td> </tr> <tr> <td>2017-18</td> <td>£36,153,000</td> <td>£1,600,609</td> <td>4.4%</td> <td>£415,211</td> <td>0.9%</td> </tr> <tr> <td>2016/17</td> <td>£34,293,000</td> <td>£1,185,398</td> <td>3.5%</td> <td>£12,368</td> <td>−0.1%</td> </tr> <tr> <td>2015-16</td> <td>£32,857,000</td> <td>£1,173,030</td> <td>3.6%</td> <td>£143,956</td> <td>0.3%</td> </tr> <tr> <td>2014-15</td> <td>£31,452,000</td> <td>£1,029,074</td> <td>3.3%</td> <td>£33,325</td> <td>0.1%</td> </tr> <tr> <td>2013-14</td> <td>£30,859,000</td> <td>£995,749</td> <td>3.2%</td> <td>£8,381</td> <td>−0.2%</td> </tr> <tr> <td>2012-13</td> <td>£29,222,000</td> <td>£987,368</td> <td>3.4%</td> <td>−£69,017</td> <td>−0.4%</td> </tr> <tr> <td>2011-12</td> <td>£28,097,000</td> <td>£1,056,385</td> <td>3.8%</td> <td>-</td> <td>-</td> </tr> </tbody> </table>	Financial Year	Gross Rent Yield	Year End Rent Arrears	Rent Arrears as % of Rent Yield	Movement in Arrears (£)	Movement in Arrears (%)	2019-20	£39,969,296	£1,815,514	4.5%	−£65,000	−0.4%	2018-19	£38,086,058	£1,880,514	4.9%	£279,905	0.5%	2017-18	£36,153,000	£1,600,609	4.4%	£415,211	0.9%	2016/17	£34,293,000	£1,185,398	3.5%	£12,368	−0.1%	2015-16	£32,857,000	£1,173,030	3.6%	£143,956	0.3%	2014-15	£31,452,000	£1,029,074	3.3%	£33,325	0.1%	2013-14	£30,859,000	£995,749	3.2%	£8,381	−0.2%	2012-13	£29,222,000	£987,368	3.4%	−£69,017	−0.4%	2011-12	£28,097,000	£1,056,385	3.8%	-	-
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1.03	<p>The chart below illustrates the year end position with rent arrears in 2019/20 and which shows the correlation with rent collections in the previous four years.</p> 																																																												

1.04	It is also important to note that the year-end arrears outturn of £1.82m did not factor in the bulk DWP payment file for £300k of payments up to March 2020 that was received shortly after the rent accounting year ended.																					
1.05	Overall, it was a successful year for the Rent Income service, despite the late impacts on rent collections during weeks 49-53 as a result of the Covid-19 emergency measures. As predicted, the investment in Mobyssoft in Q2 of 2019/20 and the joint work across the housing teams has really paid dividends and resulted in lower levels of year-end arrears, despite the ongoing challenges of increasing numbers of tenants switching to claiming Universal Credit as opposed to claiming Housing Benefit.																					
1.06	<p>To ensure rent is paid on time, the service continues to focus more closely on those tenants who fail to pay and who tend not to engage with support services. Eviction for non-payment of rent is always used as a last resort and latest statistics show that the Rent Enforcement team undertook 26 evictions during 2019/20 a 13% reduction for those tenants who did not pay or engage despite having many opportunities to work with the Council and with the Courts.</p> <table border="1" data-bbox="584 869 1114 1229"> <thead> <tr> <th data-bbox="584 869 746 987">Year</th> <th data-bbox="746 869 938 987">Number of Evictions for rent arrears</th> <th data-bbox="938 869 1114 987">% Increase / Reduction</th> </tr> </thead> <tbody> <tr> <td data-bbox="584 987 746 1025">2020/21</td> <td data-bbox="746 987 938 1025">0</td> <td data-bbox="938 987 1114 1025"></td> </tr> <tr> <td data-bbox="584 1025 746 1064">2019/20</td> <td data-bbox="746 1025 938 1064">26</td> <td data-bbox="938 1025 1114 1064">-13.3%</td> </tr> <tr> <td data-bbox="584 1064 746 1102">2018/19</td> <td data-bbox="746 1064 938 1102">30</td> <td data-bbox="938 1064 1114 1102">36.4%</td> </tr> <tr> <td data-bbox="584 1102 746 1140">2017/18</td> <td data-bbox="746 1102 938 1140">22</td> <td data-bbox="938 1102 1114 1140">15.8%</td> </tr> <tr> <td data-bbox="584 1140 746 1178">2016/17</td> <td data-bbox="746 1140 938 1178">19</td> <td data-bbox="938 1140 1114 1178">-13.6%</td> </tr> <tr> <td data-bbox="584 1178 746 1216">2015/16</td> <td data-bbox="746 1178 938 1216">22</td> <td data-bbox="938 1178 1114 1216">-</td> </tr> </tbody> </table>	Year	Number of Evictions for rent arrears	% Increase / Reduction	2020/21	0		2019/20	26	-13.3%	2018/19	30	36.4%	2017/18	22	15.8%	2016/17	19	-13.6%	2015/16	22	-
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1.07	Welsh Government introduced a package of measures to protect tenants during the current emergency situation from late March 2020. As a result, no tenant either in social or private accommodation will be forced to leave their home during this difficult time. Ultimately, this also means that no new possession hearings through applications to court can start until 23 rd August 2020 at the earliest.																					
1.08	As a responsible and caring landlord, the Rent Income service continues to support and engage proactively with tenants who are falling into arrears to find solutions. Flexible payment arrangements are being put in place with tenants to spread arrear payments throughout the year. However, not all tenants are engaging with the Council and some tenants have stopped making payments to the Council without getting in touch and without explanation.																					
1.09	Inevitably, rent arrears during 2020/21 have started to rise again as a direct result of the emergency measures in the same way as collections for other debt types have risen. Other landlords are facing the same challenges for rent collections.																					

1.10	<p>The current position for 2020/21 can be illustrated using the chart set out below. Rent Arrears, on average, over the rent weeks during Q1 have increased by approximately £107k. Of particular concern is a trend where arrears have increased more significantly for those tenants who do not claim either Universal Credit or Housing Benefits, potentially brought about by reduced working hours, the risk of losing a job or by being placed on 'Furlough'.</p>
1.11	<p>The Rent Income service has been issuing letters with a 'soft enforcement' approach to housing tenants who are falling behind with arrears and have not made recent contact. We are receiving a positive response from some recipients with some payments coming in to address arrears on accounts.</p>

2.00	RESOURCE IMPLICATIONS
2.01	<p>The deployment of additional resources and of Mobyssoft 'Rent Sense' are funded through the HRA Business Plan as a 'spend to save' initiative.</p>
2.02	<p>Early predictions show these resources will be required throughout 2020/21 and during 2021/22 to meet additional demands being placed on the service to support tenants, especially for those who are facing additional money worries over and above the anxiety caused by the emergency situation we are in; perhaps brought about by reduced working hours, the risk of losing a job or by being placed on 'Furlough'.</p>

3.00	IMPACT ASSESSMENT AND RISK MANAGEMENT
3.01	<p>To mitigate the financial risks of rent arrears, losses in collection and increased bad debt impairment, the continued investment in specialised software and increased resources is designed to ensure financial risks are minimised as far as possible through the early identification and targeted intervention of those tenants at highest risk of non-payment.</p>

3.02	The Coronavirus Act also offers additional protections for tenants from March 2020 where the UK government has passed emergency legislation to prevent the eviction of tenants amid the current emergency measures. New evictions in England and Wales of tenants in both social and privately-rented accommodation will therefore now be suspended until 23 August.
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4.00	CONSULTATIONS REQUIRED/CARRIED OUT
4.01	None.

5.00	APPENDICES
5.01	None.

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<ul style="list-style-type: none"> • Housing (Wales) Act 2014 • Welfare Reform Act 2012 • The Coronavirus Act 2020 – section 2

7.00	CONTACT OFFICER DETAILS
7.01	Contact Officer: David Barnes, Revenues Manager Telephone: 01352 703652 E-mail: david.barnes@flintshire.gov.uk

8.00	GLOSSARY OF TERMS
8.01	Welfare Reform: these are changes being introduced to a range of social security benefits and tax credits which aim to ensure that the United Kingdom has an affordable benefits system.
8.02	Universal Credit: is an integrated means-tested benefit for people of working age whose income is below a specified minimum amount. UC can be claimed by working age people in and out of employment and combines six legacy benefits for working age claimants. The legacy benefits include housing benefit, income support, job seekers allowance, employment support, child tax credits, working tax credits.
8.03	Housing Benefit: is a means tested scheme that helps tenants pay all, or part of their rent, if they have a low income. Housing Benefit is administered by Local Authorities on behalf of the Department of Work and Pensions (DWP).

Mae'r dudalen hon yn wag yn bwrpasol