

SAFER AND STRONGER COMMUNITIES SCRUTINY COMMITTEE

Meeting held 12th January 2012

PRESENT: Councillors Chris Weldon (Chair), Jenny Armstrong, Joan Barton, Tony Damms, Anders Hanson, John Knight, Martin Lawton, Robert Murphy, Chris Rosling-Josephs, Geoff Smith and Steve Wilson.

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1. WELCOME AND HOUSEKEEPING ARRANGEMENTS

1.1 The Chair welcomed attendees to the meeting and outlined basic housekeeping and fire safety arrangements.

2. EXCLUSION OF THE PUBLIC AND PRESS

2.1 There were no items identified where the public and press should be excluded.

3. APOLOGIES FOR ABSENCE AND SUBSTITUTE MEMBERS

3.1 Apologies for absence were received and substitutes attended as follows:-

Apologies

Councillor Alison Brelsford
Councillor Jillian Creasy
Councillor Frank Taylor

Substitutes

No substitute nominated
Councillor Robert Murphy
Councillor Geoff Smith

4. DECLARATIONS OF INTEREST AND PARTY WHIPPING

4.1 There were no declarations of party whipping, and Members declared the following personal interests in Item 7 – Consultation on the Future of Council Housing, Item 8 – Sheffield Homes: An Update on Customer Scrutiny and the Implications of the Localism Act, and Item 9 – Welfare Reform and the Housing Revenue Account Business Plan, on the agenda:

- Councillor Joan Barton – Member of Sheffield Homes North Area Board
- Councillor Tony Damms – Member of Sheffield Homes Board of Directors
- Councillor Chris Rosling-Josephs – Member of Sheffield Homes South East Area Board

5. PUBLIC QUESTIONS AND PETITIONS

5.1 There were no public questions raised or petitions submitted.

6. MINUTES OF PREVIOUS MEETING

6.1 The minutes of the meeting of the Scrutiny Committee held on 10th November 2011, were approved as a correct record.

7. CONSULTATION ON THE FUTURE OF COUNCIL HOUSING

7.1 The Executive Director, Communities Portfolio, submitted a report providing an update on the Future of Council Housing Project, setting out information on the consultation process, including a summary of the responses gained so far, together with details of the planned consultation events continuing through January and February 2012. The report also referred to the key messages that would be included in the next tenant booklet to be distributed to all tenants in the City, together with the work being undertaken to promote the distribution of information as wide as possible in order to encourage as many tenants as possible to use their vote in connection with the future of Council housing.

7.2 Richard Palmer, who introduced the report, stated that the 10-year management agreement with Sheffield Homes was due to expire on 31st March 2014, and a decision was therefore needed on how Council housing was managed after this date.

7.3 A Member Task and Finish Group had been established, and had considered the requirements for housing management functions in the future and how these requirements could be delivered, either by an Arms Length Management Organisation (ALMO) or directly by the Council. In addition, an Advisory Group of tenants and leaseholders had been meeting regularly with Council officers, with support from an Independent Facilitator, to ensure that the Council consulted fully and effectively on this issue with tenants across the City. The Advisory Group had worked on a list of priorities for the future housing services and the City-wide forum of tenants had been consulted on the priorities. The priorities had been presented to the Member Task and Finish Group, and details thereon were set out in the report.

7.4 Members of the Scrutiny Committee raised a number of questions and comments, and the following responses were provided:-

- As part of the consultation process, it was the plan for officers to visit and either talk to residents or leave displays at all sheltered housing schemes in the City and it was agreed that, following the comments now made, Holly Bank should be added to the list of schemes to be visited. Whilst the consultation events held in the sheltered housing schemes were predominantly for residents, any residents living within

the vicinity of the schemes would be welcome to attend such events.

- If it was found that residents in certain areas of the City had either not received notification of a consultation event or if they had not been able to attend an event, there may be limited scope to organise further sessions.
- The wording on the voting papers was in the process of being finalised and it had been agreed that any details relating to the Council's preference in terms of the future of Council housing would be removed.
- Details of the potential savings arising from the in-house option had been removed from the draft consultation booklet circulated to the Tenants Advisory Group for comments on the grounds that all tenants should receive this information at the same time.
- The ballot papers would be distributed on 18th January 2012, with a request that they be returned by 10th February 2012.

7.5 RESOLVED: That the Scrutiny Committee:-

- (a) notes the contents of the report now submitted, together with the responses provided to the questions and comments;
- (b) requests that the comments now raised be considered as part of the consultation process; and
- (c) be minded to promote the tenants' ballot and encourage tenants to use their vote to ensure the decision is representative of tenants' opinion.

8. **SHEFFIELD HOMES: AN UPDATE ON CUSTOMER SCRUTINY AND THE IMPLICATIONS OF THE LOCALISM ACT**

8.1 The Chief Executive, Sheffield Homes, submitted a report providing an update on the changes to social housing regulation through the Localism Act and the potential implications of such changes for the customer complaints process. The report also provided a brief explanation on the progress of the Challenge for Change Group, in its scrutiny of the Sheffield Homes complaints process.

8.2 Members of the Scrutiny Committee and members of the public raised a number of questions and the following responses were provided:-

- The Chair apologised to the residents' representatives in attendance at the meeting, in the light of the apparent confusion regarding their mistaken belief that the Committee would be providing responses to a number of questions and concerns they had raised in connection with

the former Tenant Scrutiny Steering Group at this meeting. As indicated in the minutes of the Committee's meeting held on 10th November 2011, the issue would be considered as part of the Committee's Work Programme 2011/12 and the residents' representatives would be invited to the meeting at which the issue was to be discussed, to enable them to put forward their views. Peter Morton had not seen the questions, but had provided a response to a letter sent from some of the members of the former Tenant Scrutiny Steering Group, in July 2011. Following this, Mr. Morton had met with Councillor Harry Harpham (Cabinet Member for Homes and Regeneration) and some members of the former Steering Group to discuss their concerns. He accepted that the manner in how the Steering Group had finished after it had completed its task should have been handled better, and offered his apologies for this.

- Officers were still awaiting guidance from the Housing Minister in terms of the governance of the designated panel to deal with social housing complaints. To date, there had been no formal request received from any tenants' representatives to establish a panel.
- Whilst the democratic filter process in connection with the complaints procedure had to be established by 2013, the designated tenants' panel could be established before this date.
- Under the new complaints process, the complainant would have the option of using the democratic filter process or the right to go direct to the Local Government Ombudsman, eight weeks after receiving a response from the landlord.

8.3 RESOLVED: That the Scrutiny Committee:-

- (a) notes the contents of the report now submitted, together with the responses provided to the questions and comments; and
- (b) requests the Chief Executive, Sheffield Homes, to (i) submit a report to a future meeting of the Committee, providing a further update of the changes to social housing regulation through the Localism Act, specifically relating to the potential implications for the customer complaints process, following the receipt of further guidance from the Department for Communities and Local Government and (ii) provide responses to the concerns and questions raised by the tenants' representatives regarding the operation and decision-making powers of the former Tenant Scrutiny Steering Group and circulate them to the residents' representatives and members of the Committee.

9. **WELFARE REFORM AND THE HOUSING REVENUE ACCOUNT (HRA) BUSINESS PLAN**

9.1 Further to the decision of the Committee at its last meeting, the Executive

Director, Communities Portfolio, submitted a report providing an update on the Government's welfare reforms in view of the planned change in funding arrangements for Council housing, which would comprise a move from the current national subsidy system to a system of local self-financing. The report had been submitted in response to the concerns of Members, raised at the last meeting, and focussed on the key risks to the Housing Revenue Account (HRA) associated with the welfare reform proposals and the Council's mitigating actions.

9.2 The report contained information on the effects of the Government's Welfare Reform proposals on the people of Sheffield, the key issues arising from the changes and the actions - both underway and planned - to mitigate the impact of the proposed changes on the HRA and tenants.

9.3 Members of the Scrutiny Committee raised a number of questions and the following responses were provided:-

- The Department of Work and Pensions (DWP) had confirmed that the majority of benefits, including housing benefit, would be combined into a single benefit called Universal Credit, with the majority of claimants receiving their money directly and being expected to pay their rent themselves out of their Universal Credit. This could result in budgeting issues for customers and an increase in rent arrears. It was envisaged that direct payments to social landlords, to cover housing rent liability, may continue to be made in the case of vulnerable tenants but, at present, no criteria had been provided on who would be considered as vulnerable, and these would be the exception.
- Under the Council's present Lettings Policy, a single person or a couple could be eligible for a two-bedroom flat, and would receive housing benefit to cover the rent for this property. Following the welfare reform changes, it was proposed that they would only be entitled to receive benefit to cover the one bedroom they needed due to their under-occupancy. The Government's changes could result in certain properties being difficult to let as people would not be entitled to the full amount of benefit if they were under-occupying them. Initial information from the DWP suggested that if people were under-occupying a home by one bedroom, they may lose 15% of their weekly housing benefit, and possibly 25% for two rooms or more.
- All registered social landlords had received information and guidance on the new proposals and were also taking plans to mitigate the risks to their customers and their income stream, with ideas being shared at benchmarking groups across the City. There were, however, still a number of uncertainties which were making planning difficult. With regard to private tenants, benefit payments were already made directly to them, rather than to their landlords.
- The welfare benefit reforms would initially apply to working age

customers only. Officers from the Council and Sheffield Homes were drafting an Action Plan of additional help and support that could be provided to those tenants who would be affected by these reforms. Some tenants, who were under-occupying their properties, and would no longer receive housing benefit to cover all the rent, may wish to move, and support would be provided, wherever possible, to help them do this. The changes may result in an increased number of evictions, where tenants would not, or could not, afford to pay the increased rent, but every effort would be made to prevent this. Work on the initial modelling of the impact of the changes was taking place and would continue as more certainty on some of the information was provided by the DWP. It had initially been hoped that the under-occupation issue would be resolved by the end of January 2012, but it was now subject to further debate by the House of Commons. Six demonstration projects were to be held across England and Wales to look at the impact of the changes on housing organisations, and officers would ensure they kept up to date with information coming from these projects. The six areas were to be announced this year and would continue for one year.

- It had been identified that the payment of benefits to tenants four weeks in arrears would potentially cause problems in terms of the sending of rent arrears letters as the initial letter goes out when tenants were in three weeks of rent arrears. Once there was more information from the DWP on how this would work in practice, Sheffield Homes would look to amend procedures. They would consult, and work in partnership with the City Council, the Voluntary Sector and customers on any amendments to rent arrears letters to mitigate any upset to tenants who may have no other option other than to pay four-weekly.
- Officers were due to meet with Fiona Gough, Welfare Reform, Department for Communities and Local Government, in the coming week, to discuss this issue, and would highlight the issues raised at this meeting.

9.4 RESOLVED: That the Scrutiny Committee:-

- (a) notes the information contained in the report now submitted, together with the responses provided to the questions now raised;
- (b) agrees that the issues and concerns now raised with regard to the effects of the welfare reform changes, both on the people of Sheffield and on the Housing Revenue Account, be forwarded to relevant officers, as part of the ongoing consultation on the proposed changes; and
- (c) requests that arrangements be made to hold a Select Committee session on 9th February, 2012 to hear evidence from registered

providers and interested parties, as part of the scrutiny review of the Lettings Policy.

10. POLICY UPDATE

10.1 The Scrutiny Policy Officer submitted a report providing an update on policy changes introduced by the Government during November and December 2011, regarding a new strategy to deliver homes and strengthen the economy, ending gang and youth violence, the introduction of new rules to help end prejudices about social housing, and plans for a new Police professional body.

10.2 The contents of the report now submitted were noted.

11. DATE OF NEXT MEETING

It was noted that the next meeting of the Scrutiny Committee would be held on Thursday, 8th March 2012, at 2.00 pm in the Town Hall.