

## **DURHAM COUNTY COUNCIL**

### **ECONOMY AND ENTERPRISE OVERVIEW AND SCRUTINY COMMITTEE**

At a Meeting of the **Economy and Enterprise Overview and Scrutiny Committee** held in **Council Chamber, County Hall, Durham** on **Monday 27 January 2020** at **1.00 pm**

#### **Present:**

**Councillor M Clarke (Chair)**

#### **Members of the Committee:**

Councillors E Adam, J Atkinson, A Batey, R Crute, S Dunn, J Higgins, S Iveson, L Maddison, R Manchester, R Ormerod, E Scott, T Tucker and M Wilkes

#### **Co-opted Members:**

Mr G Binney and Mrs R Morris

#### **Also Present:**

Councillors J Clare, J Considine and S Quinn

#### **1 Apologies for Absence**

Apologies for absence were received from Councillor M Wilson.

#### **2 Substitute Members**

No notification of Substitute Members had been received.

#### **3 Declarations of Interest**

Councillor M Wilkes declared an interest in Items 5 and 6 as a private landlord.

#### **4 Items from Co-opted Members or Interested Parties**

There were no items from Co-opted Members or Interested Parties.

## **5 Engagement with Social Housing Providers operating in County Durham - Overview**

The Chair welcomed the Strategic Manager for Housing, Regeneration and Local Services, Lynn Hall, who was in attendance to provide the Committee with an update presentation in relation to engagement with social housing providers operating in County Durham (for copy see file of minutes).

The Strategic Manager for Housing reminded Members that the Committee had requested information in respect of engagement with social housing providers and she explained as regards Durham Key Options (DKO), the Council's choice-based lettings scheme, noting around 20 percent of the housing stock owned and managed by the 31 larger social housing providers or registered providers (RPs) and 80 percent being private rented stock (PRS). It was added the main RPs included: Believe; Karbon, Livin; DAMHA; Home Housing; Accent Housing; Bernicia; and North Star responsible for 18 percent of housing provision.

Councillors were informed of the three main methods of engagement being the Housing Forum, the DKO Board and through specific projects. In terms of the Housing Forum, the Strategic Manager for Housing explained its role was to act as the strategic partnership within County Durham in terms of housing policies and strategy. She added that the membership comprised of representatives from: County Durham Strategic Housing Authority; Public Health; Durham County Council (DCC) Commissioning; DCC Planning; RPs operating within the County; Homes England; and the DCC Cabinet Member for Housing. It was added there would be themed meetings and task and finish groups as appropriate.

In relation to DKO, the Strategic Manager for Housing explained that the number of voids was at the lowest level to date, with the rolling turnaround of properties being an improved approach. She added that the numbers in terms of those applying via DKO were static, with around 13,000 people applying each year.

The Strategic Manager for Housing noted that the first meeting of the refreshed Housing Forum had looked at a number of issues including the low demand for three-bed properties, which could include factors such as the spare room subsidy. She added other issues raised included: matching housing stock to applicants in terms of affordability; the limitations on social landlords in terms of incentives unlike the PRS; customer engagement, noting one in ten applicants did not respond to offers; and consistency in systems and partnerships, to ensure restructures and staff turnover would not lead to delays.

The Committee were informed that the DKO Board had looked at priorities and had agreed to: raise awareness of the DKO service; evidence areas of lower demand for social housing and scope with RPs possible interventions; review the customer journey; review the allocations policy in relation to affordability for social housing; and to improve the accessibility of the mobile website.

The Strategic Manager for Housing referred to specific projects that had been undertaken, including “New Start” working with Believe Housing to provide social housing and access to DKO to those that would ordinarily be excluded due to a previous tenancy breach. She explained as regards the links to Housing and Homelessness Strategies and the outcomes which included financial independence and supporting access to local services.

The Chair thanked the Strategic Manager for Housing and asked the Committee for their comments and questions.

Councillor M Wilkes asked as regards the surplus of three-bed properties and the age of former Local Authority stock. He noted the price difference of rent between those and the equivalent properties in the private rented sector (PRS) and added there may be an opportunity to convert those low-demand three-bed properties to four- and five-bedroom homes, those type being in demand and not usually offered by the PRS and where they are offered, very expensive very expensive to rent. The Strategic Manager for Housing noted the issue, adding there had been discussions in terms of converting three bed properties to two bed, however there were regulations in relation to the spare room subsidy which impacted. The Housing Manager, Marie Smith noted the issue would be picked up, with the Strategic Manager for Housing adding it would be mentioned at the next meeting of the Housing Forum.

Councillor E Adam noted he was surprised as regards the low-demand for three-bed properties and that a task and finish group had not been set up by the Housing Forum to look at this issue. He asked what incentives were available in terms of social housing, and whether there were specific areas where the issue of low-demand for three-bed properties was more pronounced.

*Councillor T Tucker entered the meeting at 1.16pm*

Councillor E Adam asked whether all RP partners engaged with the Council and whether Places for People was a provider the Council engaged with. The Strategic Manager for Housing noted there was a lot of data, however, it was not known if there was a direct link in relation to the spare room subsidy. She added that there was low-demand for three-bed properties across the whole County, though there were more empty three -bed properties in rural areas. In relation to incentives, Members were asked to note the Local Lettings Agency report approved at Cabinet recently and in addition some options in terms of Discretionary Housing Payments. The Strategic Manager for Housing noted that the majority of RPs did engage with Council including Places for People.

Councillor M Wilkes noted he understood there were over 1,000 empty social properties within the County, yet at Committee performance reports highlighted the number of voids was at its lowest level and asked if there was a figure in terms of the number of empty social housing properties. He noted the proposals for around 30,000 new properties in the County Durham Plan over the next 15 years, reiterating the number of existing empty properties.

The Strategic Manager for Housing noted the figure mentioned of around 1,000 properties was correct, however, she would look to get the most up-to-date figures for Members. She added that there would be a number of those properties empty for regeneration reasons.

Councillor M Wilkes noted recent consultation as regards increased Council Tax charges for empty properties and asked if RPs were classified as charities and whether they would be exempt from those increased charges. He added that he felt if there was not that extra pressure to turn a property around, some hard to let properties may remain empty. The Strategic Manager for Housing noted most were charities and therefore would be exempt from such charges for six months, however, they would be payable after that.

Councillor J Atkinson asked why three-bed properties could not be converted to two-bed. The Strategic Manager for Housing noted it linked to the spare room subsidy, providers had asked the question and Government had advised providers not to circumvent the small room subsidy.

Councillor T Tucker noted the shortage of two-bed properties and the number of three-bed properties in low-demand. She asked as regards what incentives there were for families in two-bed properties who needed to move to a three-bed property, for example if they had two children of the opposite sex over the age of 10 years old. She explained that the incentives within the PRS such as decoration, white goods, and furniture were all elements that helped take out the cost of those elements for tenants. The Strategic Manager for Housing noted the issue was raised at the first meeting of the Housing Forum, access to social housing and why people chose to use the PRS. She added that the PRS would adapt to what people wanted and therefore it would be to ask RPs to have a degree of flexibility. The Housing Manager, Marie Smith noted that in terms of the allocation policy, once a family had two children over 10 years old of the opposite sex, they would be quite high in terms of eligibility for a larger property. She added that if they did not have the finances to facilitate a move, there were options as mentioned previously in terms of a one-time discretionary housing payment, though discussions were ongoing as regards the type of support available which can be provided by RPs to possible tenants.

Councillor M Wilkes recalled visiting properties in the past, in connection with Durham City Homes and noted that the quality of carpets and flooring were often an issue and asked what incentives and help was made available in this regard. The Strategic Manager for Housing noted an example where Karbon Homes would offer two weeks rent-free to help in terms of the cost of moving into a property, and some providers offered decoration vouchers.

Councillor T Tucker asked, given the number of empty properties within the County, would it not be possible to utilise them to help young people in supported living and those families that were being housed in bed and breakfast accommodation. She added that she felt any provision of a “soft-landing” utilising those empty properties would be more cost effective. The Strategic Manager for Housing noted such properties were used in some cases; however, it was something that would be progressed with RPs and via the new Local Lettings Agency.

**Resolved:**

That the report and presentation be noted.

## **6 Housing and Homeless Strategies and Delivery - Progress**

The Chair welcomed Officers who were in attendance to give an update presentation in relation to the Housing and Homeless Strategies and the delivery of projects and services (for copy see file of minutes).

The Policy Officer, Spatial Policy, Steph Rich referred Members to graphs highlighting the housing market in County Durham, with 242,160 dwellings in the County and the percentage split in terms of property type also in comparison with the region and England. Members also noted a map noting median house prices by Electoral Division, the Policy Officer noting lower house prices in County Durham when compared to the North East, which in turn had lower prices than in England. The Policy Officer noted that when looking at the data the picture was granular, in that there were areas with high median house prices next to areas with lower median house price levels.

The Committee were reminded of the new County Durham Housing Strategy which had been adopted in July 2019 which looked to support new development, improve existing stock, and linked in with other plans, including the County Durham Plan (CDP). The Policy Officer noted the Housing Strategy had several key messages: to put people first; raise standards in the PRS; meet the needs of our older people; work with those communities most effected by long term empty properties; and maximising the delivery of affordable housing. Members were referred to a diagram setting out the outcome areas in relation to the aims and objectives of the Housing Strategy and the Policy Officer explained then explained the high-level action plan supporting the Housing Strategy.

She added that the action plan sets out actions in line with each outcome up to 2025, those actions to be delivered in partnership. Members were asked to note the action plan would be subject to annual review, enabling the ability to react to emerging issues.

The Housing Manager, Marie Smith reminded the Committee that having a Homelessness Strategy was a statutory requirement of the Homelessness Act 2002 and that the Homeless Reduction Act of 2017 had required local authorities to review their current and future levels of homelessness and the activities in place to assist people.

She reminded Members that County Durham had always had a strong focus on homelessness prevention and therefore the Act had helped in providing a framework to existing good practice.

The Housing Manager, MS explained that the Homelessness Strategy linked to the Housing Strategy and the CDP and the refresh had allowed use of 2015 to 2018 statistics. It was noted from the review and development of the new strategy that a number of key issues had emerged including: the main reason for clients seeking housing advice being financial difficulty; the main reason for homelessness being loss of private rented accommodation, primarily through arrears; and the main client being single people, 60 percent, the group being predominately male.

Councillors were informed of the numbers of homelessness presentations an increase in 2018/19 to 7,279, though it was with the newer statistic including early prevention and intervention. It was explained that the main reason for homelessness was loss of private rented tenancy, with the majority being single person households. The Housing Manager, Marie Smith noted the breakdown of the figure: 2,349 those threatened with homelessness within 56 days; 840 homeless; and 4,090 advice and intervention cases.

The Committee were informed of the three areas of the Homelessness Strategy, Prevent, Supply and Support. The Housing Manager, Marie Smith noted the support aspect was important in being able to help reduce the risk of households becoming homeless. Members were reminded of the duty to refer, with a regional portal and local commitment having been developed, and partnership with Crisis on a tenancy sustainment model and training. It was explained that the early intervention was an issue being looked at by the Housing Manager, Laura Williams. The Housing Manager, Marie Smith explained that in terms of supply, the Council worked in partnership with housing providers as part of the Rapid Rehousing Pathway and in addition there was the Local Lettings Agency. Members noted the New Start model, the pilot previously mentioned with Believe Housing. Councillors were informed of support, including working with the community and voluntary sector and commissioned services. The Housing Manager, Marie Smith commented that the support offer had been reviewed, including intensive intervention, and Tenancy Sustainment Officers had been appointed.

Members learned of the Rough Sleeper Initiative and appointment of specialist roles, and the Rapid Rehousing Pathway funding “Somewhere Safe to Stay”.

The Housing Manager, Marie Smith explained that an internal Housing Board met to consider the Council’s housing function, under the Head of Development and Housing, Stuart Timmiss, with the relevant Officers from Regeneration and Development, Spatial Policy and Housing Solutions, with the Housing Solutions Manager the lead Officer. In relation to Housing Solutions, Members noted the main areas of work, included: assisting with improving properties, empty properties and housing management standards; helping clients to access a home; and enabling clients to stay at home and live independently.

It was added that performance highlights included: 12,264 contacts to the service; 1,913 properties improved or brought back into use; 186 empty homes brought back into use; 1,007 households helped to stay at home; and 1,036 households helped to find alternative accommodation.

The Housing Manager, Marion Rucker noted she would give an overview of the work carried out by her colleague, Housing Manager, Laura Williams in terms of homelessness prevention and support. The Housing Manager explained that under the Homelessness Reduction Act there were duties to prevent, relieve and provide relief, the latter representing the ‘main housing duty’.

The Committee were asked to note another area of work of the Housing Manager, Laura Williams was supporting those leaving care, with County Durham having an excellent record in this regard, being in the top five for England for the first three Quarters of 2019/20. The Housing Manager, Marion Rucker noted the success of Project Beta, a partnership between Housing Solutions, the Probation Service and Darlington Borough Council. She explained that the project worked with high risk prisoners being released from prison, providing suitable, affordable accommodation and a support package to help prevent reoffending and the risk of homelessness. It was noted there had been a 100 percent success rate to date.

Councillors were asked to note the areas of activity included: work with MARAC; welfare reform, having three team members working on this in terms of affordability and benefits; intensive support for clients with complex needs; and support at a lower level to help clients to help them remain in tenancy. The Housing Manager, Marion Rucker continued that the Homelessness Reduction Act 2017 came into effect in 2018 and the figures for 2018/19 were as previously mentioned. She noted that the Council’s Housing Solutions Team had been in the top five of all Local Authorities for the prevention of homelessness in the first three quarters of 2019.

The Housing Manager, Marion Rucker noted emerging issues included: increasing complex needs; the risk of harm/homelessness; the Safeguarding Adults Board considering a task and finish group to explore support and how departments work together; trend and gap analysis following the Homelessness Reduction Act; and improved working with hospitals in terms of helping people pre-operation to help prevent those being homeless in their own home.

The Housing Manager, Marion Rucker then explained that her area of work related to special projects including the Rough Sleeper Initiative, working with 11 Local Authorities in the region, DCC leading on a North East bid for £700,000 of funding. She added in relation to the Rapid Rehousing Pathway there were bids in relation to £628,420 for the North East bid which included ten Local Authorities, and £253,538 for the Durham Local Lettings Agency. It was noted that there were two regional staff working on the issue of rough sleeping.

In respect of rough sleepers in the region and County Durham, the Housing Manager, informed the Committee that figures for 2018 had shown 58 rough sleepers in the region and 12 within County Durham. It was noted that it had been suspected those figures were not entirely accurate and therefore, utilising Government “whatever it takes” funding, an engagement process was undertaken with rough sleepers. In the period July to December 2019 it was identified there had been 699 rough sleeping incidents in the region, those being new, returners and entrenched, with 108 of those being within County Durham. Members were referred to a map highlighting where staff were based within the region and noted partnership working with organisations including Humankind in terms of: a Regional Coordinator; and Outreach Worker; a Substance Misuse Officer; a Prison Accommodation Officer; the Somewhere Safe to Stay Hub, temporary accommodation for those without a priority need for up to seven nights; and two Tenancy Sustainment Officers. It was noted that the annual target up to October 2020 was to help sustain 80 tenancies, with the figure to date being 20.

The Housing Manager, Marion Rucker reiterated as regards regional funding bids of approximately £1.7 million with notification of success having been received today. She explained as regards the Cold Weather Fund, a Government fund providing £44,000 to provide a Rough Sleeper Navigator and a personalisation and housing fund, for example to help with initial rent while benefits were being put in place. It was noted that 32 rough sleepers were housed in November/December 2019.

The Committee were reminded of the Local Lettings Agency, approved by Cabinet in January 2020, and that *“A Local Lettings Agency is a scheme that secure access to decent, affordable private rental accommodation for households in need and on low incomes who would previously have been unlikely to access social housing”*.

The Housing Manager, Marion Rucker explained there was a number of areas where the Local Lettings Agency could help access to social housing, such as: those with complex needs that were excluded from the Housing Register; those requiring fast housing under prevention duties; and rapid rehousing for rough sleepers.

*Councillor J Stephenson left the meeting at 2.11pm*

Councillors were asked to note the provision would be leasehold via private landlords, with five-year guaranteed rent, with a break clause after three years, the Council helping to minimise the risk to the landlord.

It was added that a scoping exercise with social providers would be undertaken and DCC could look to look at properties for buy to lease, subject to the requisite checks and surveys, with long term purchases as a possibility for the future. The Housing Manager, Marion Rucker commented that the Local Lettings Agency would provide daily support and allocation of properties to medium/high support tenants would be via a 'making every adult matter' (MEAM) approach. She added that £100,000 of the funding would be made available to target empty properties, with help for private landlords to get properties up to a rentable standard, with loans of up to £4,000, repayable via rent.

The Housing Manager, Marion Rucker continued that in respect of the work with the PRS there had been a service review and that there was a new Private Rented Sector Policy and a joined up one council approach to rogue landlords. She added that there was a "Dial b4 you Serve" helpline for private landlords, giving advice before a Section 21 Notice to quit was served, looking at anything that could be done to prevent a tenancy ending.

The Housing Manager, Alan Hunter informed members that he worked in housing regeneration and that his team has responsibility in relation to empty homes and the Homes Improvement Agency (HIA). He explained that there had been a lot of work undertaken in County Durham, working in partnership with social landlords, Government and internal DCC departments in order to lever in the maximum amount of resources.

He added that key achievements had included £2.5 million of DCC and European Regional Development Fund (ERDF) to improve 220 fuel poor homes with innovate external wall insulation and partnership work with Bernicia Homes, facilitating the continued regeneration of Dean Bank, Ferryhill. Members were informed of some demolition work at Chilton to enable bungalow development in partnership with Esh and Livin, which included 16 bungalows, medical centre and further development.

Councillors learned as regards master planning activity at Horden, following the withdrawal of Accent Housing from Horden and Blackhall, and the delivery of several group repair schemes, most recently at Dawdon and Easington.

The Housing Manager, Alan Hunter added that the Team had delivered various services including: Managing Money Better, with 629 households assisted saving a total of £182,000 off energy bills; Warm Homes Discount; and fuel debt write off in 2019. He explained that in relation to energy efficiency, 942 households were assisted using £1.27 million of Energy Company Obligation (ECO) funding for new boilers and insulation measures and noted the Warm Homes Campaign had received both regional and national awards. The Housing Manager, Alan Hunter noted there had been a successful bid for £600,000 from Homes England for a purchase and repair initiative, a buy to lease scheme.

The Housing Manager, Alan Hunter referred the Committee to several slides highlighting the actual works carried out, with before and after photographs at: Wembley, Easington – Phase 3 Group Repair Scheme; Dawdon – Phase 10 Group Repair Scheme; Wheatley Hill – regeneration; Craghead – award winning work with solid wall insulation, brick effect render, windows, doors, roofs, solar panels, environmental improvements and boundary walls; and South Moor, Stanley – housing and environmental improvements, master planning, Sustainable Urban Drainage, heritage and energy efficiency improvements.

Members were asked to note a photograph of the Housing Regeneration Project Manager, Adrian Cattle-Jones and partners showing works as part of the Solid Wall Insulation Innovation (SWI) Project at Gordon Lane, Ramshaw, Bishop Auckland providing external, stone effect, thermally efficient insulation.

Councillors were informed that Lynne Grange of the NE First Credit Union had delivered the Managing Money Better Project in Durham for a number of years and had won National Energy Action's national Heat Hero Award for assisting fuel poor households in the County.

The Housing Manager, Alan Hunter continued by reminding the Committee of the type of work undertaken by the HIA to help vulnerable people to remain in their own home for as long as they wish to do so, including: ramps, enabling access; level access showers; stair lifts; through floor lifts; internal alterations; extensions; and property improvements. Councillors noted the performance highlights relating to works with 2017/18 having 579 completed Disabled Facilities Grants (DGFs) with a spend of £3.7 million and ten completed Home Improvement Loans, compared to 2018/19 having 557 completed Disabled Facilities Grants (DGFs) with a spend of £3.75 million and 13 completed Home Improvement Loans. The Committee were referred to slides setting out photographs from a case study, demonstrating the types of works carried out.

Members noted that the Empty Homes Team was now within the Housing Regeneration Team and worked with landlords/owners to encourage them to get their empty properties back into use.

The Housing Manager, Alan Hunter noted the types of activity included: investigations to identify owners; financial assistance in terms of move-in grants and interest free loans; and advice, negotiation with and support for owners. He reminded Councillors that enforcement was a tool that was available, however, only used as a last resort. The Committee noted key achievements in relation to empty homes, with annual targets having been achieved or exceeded since 2014, with 169 properties having been brought back into use in the financial year to date. The Housing Manager, Alan Hunter added other achievements included: assisting in the recovery of Council Tax debt; provision of financial assistance; several successful interventions with several problematic empty homes; a visit from the Shadow Secretary for State for Housing; delivery of the Empty Homes Roadshow; and the development of the Empty Properties Protocol.

Councillors were referred to before and after photographs of empty properties brought back into use at Trimdon Station and Waterhouses. The Housing Manager, Alan Hunter concluded by referring to the ongoing delivery of the projects previously mentioned and in relation to the regeneration of the former Easington Colliery School site, empty since 1997, and with consultation with residents suggesting 98 percent were in favour of demolition.

*Councillors L Maddison and R Ormerod left the meeting at 2.28pm*

Councillor T Tucker asked as regards rent arrears and how benefits were now paid, whether it is direct to applicants and if they could request payments be made direct to landlords. The Housing Manager, Marie Smith commented that tenants could apply for Alternative Pay Arrangements (APA) or request direct payment to landlords under Universal Credit (UC) however this is only on a temporary basis. She added that arrears figures were not increasing overall, however, work was ongoing in relation to this issue and on the impact of UC. She noted a Government pilot scheme involving payments direct to landlords. The Housing Manager, Marion Rucker noted that the Council offered advice to those individuals in the PRS that chose to keep the 'housing benefit' element of their UC, providing support and explaining the potential consequences of arrears. The Housing Manager, Marie Smith noted that for the new Local Lettings Agency the 'housing benefit' element was required to be paid directly, otherwise this would be a breach of their tenancy agreement.

Councillor M Wilkes noted the reorganisation within the Housing Solutions service and its timing, very close to budget setting. He referred to page 39 of the agenda papers which set out the key messages of the new Housing Strategy including "*work with those communities most effected by long-term empty properties*". Councillor M Wilkes reminded the Committee of his motion at Council approximately two years ago which had cross-party support and was successful in gaining funding to provide an increase in staffing, namely three additional Empty Homes Officers, in order to bring more empty homes back into use.

He noted the positive outcomes since the additional staffing resource had been put in place, however, he had concerns that following the retirement of the Empty Homes Manager, with the post not being advertised and the work split amongst other Managers. He added this was a significant loss in resources. Councillor M Wilkes noted examples of long-term empty properties in his Division and the amount of Officer time that was required in dealing with such cases. He added that he did not feel it was right that the area, in which an increase of staffing had been agreed, was now subject to a decrease in resources. Councillor M Wilkes noted he felt a replacement should be recruited and that he would look for support from Members of all parties. The Strategic Manager for Housing noted she had been part of the decision-making process and noted it had been felt the team would be able to take on the work from the post, and that resources had been kept on the frontline.

Councillor E Scott noted the gap referred to in relation to support services and asked where the resources came from in terms of funding and people. The Strategic Manager for Housing noted that previous funding, "Supporting People Fund" had ended and therefore there would be a look at budgets and need. She reminded Members of the funding bids mentioned by the Housing Manager, Marie Smith and the continued need to lobby Government.

**Resolved:**

- (i) That the report and presentation be noted.
- (ii) That the Economy and Enterprise Overview and Scrutiny Committee includes a further update on the development of Durham County Council's Housing and Homelessness Strategies and the delivery of regeneration and empty homes projects by Housing Solutions in its 2020/21 Work Programme.