

COMMUNITIES SCRUTINY COMMITTEE

Minutes of a meeting of the Communities Scrutiny Committee held in COUNCIL CHAMBER, COUNTY HALL, RUTHIN AND BY VIDEO CONFERENCE on Thursday, 7 December 2023 at 10.00 am.

PRESENT

Councillors Michelle Blakeley-Walker, Karen Edwards (Vice-Chair), James Elson, Jon Harland, Carol Holliday, Alan James, Brian Jones, Delyth Jones, Cheryl Williams and Huw Williams (Chair)

The Lead Member for Housing and Communities (Councillor Rhys Thomas) for agenda item 5, Housing Rent Increase and Budgets 2024/25

ALSO PRESENT

Head of Housing & Communities Service (LG), Lead Officer - Community Housing (GD), Finance and Assurance Manager (JR), Lead Officer Housing Property (MC), Programme Manager - Housing Development (MD), Scrutiny Co-ordinator (KE) and Committee Administrators (NH, RhTJ)

Observer – Councillor Diane King.

1 APOLOGIES

Apologies were received from Tony Ward, Corporate Director: Economy and Environment. In his absence Liz Grieve, Head of Housing & Communities Service supported the Committee.

2 DECLARATIONS OF INTEREST

No declarations of interest were raised.

3 URGENT MATTERS AS AGREED BY THE CHAIR

There were no urgent agenda items raised.

The Chair advised the Committee that he had received a telephone call the previous evening notifying him of the Corporate Director: Economy and Environment's ill health. Due to them being the lead reporting officer for agenda item 6, Rhyl Regeneration and Governance, the report would be deferred to a later meeting.

4 MINUTES

The minutes of the Communities Scrutiny Committee meeting held on 19 October 2023 were submitted.

Matters arising –

Agenda item 5, the Scrutiny Co-ordinator informed the Committee that additional information regarding the Review of Car Park Tariffs requested at the previous meeting had been circulated to committee members.

The Scrutiny-Co-ordinator advised the Committee that the Draft Sustainable Transport Plan was delayed due to the difficulties in procuring an engagement consultant to undertake the survey. The report had been deferred until the meeting on 9th of May 2024.

RESOLVED that the minutes of the meeting held on 19 October 2023 be approved as a true and correct record of the proceedings.

5 HOUSING RENT INCREASE AND BUDGETS 2024 / 25

The Lead Member for Housing and Communities introduced the report (previously circulated) on the Housing Rent Increase and Budgets for 2024 / 25.

The Lead Member for Housing and Communities advised that the report was to consider the process for determining the recommendation on the level of weekly rent increase for Community Housing tenants. Each year the Housing Service, which manages the council housing stock through the Housing Revenue Account (HRA), was required to issue a rent increase notification to tenants.

Introducing supporting officers the Lead Member advised that they would guide the Committee through the report and respond to any queries they might have.:

- Head of Housing & Communities Service (HPPCS);
- Lead Officer - Community Housing (LOCH);
- Finance and Assurance Manager (FAM);
- Lead Officer Housing Property (LOHP) and
- Programme Manager - Housing Development (PMHD).

The Officers informed the Committee that the maximum increase to weekly rents was set by Welsh Government Rent Policy, based on the September CPI figure each year. This year, CPI was 6.7%, so the Minister had recommended a 6.7% maximum increase.

Officers understood that any increase was a challenge for residents and had to be carefully considered. There was the additional requirement to ensure sufficient income generation to maintain and improve the Council housing stock of 3,334 homes to the standard required by the Welsh Housing Quality Standard (WHQS) and the Council's Corporate Plan.

The LOCH informed members that it was a comprehensive report with all the pressures detailed in Appendix 1. The LOCH highlighted the summary of the report as follows –

- With the maximum increase allowed, weekly rents remained within affordability measures for those households with the lowest levels of earned income.
- Even with the maximum increase, the Authority faced significant budget pressures to achieve the new Welsh Housing Quality Standard.
- Denbighshire County Council could demonstrate the positive impact that investment in their stock had on their tenants through reduced bills.
- Any rent increase less than the maximum allowable would mean less investment in existing council homes.
- Council tenants report that they receive value for money.
- Council tenants believe that their rents are fair.
- The Authority can demonstrate that their rental income is well utilised.
- Council tenants were satisfied with the services they received.

The officers demonstrated what the 6.7% increase would look like monetary wise for the various household types that the Council had within their stock; for example, a three-bedroom family council house would be £123.97, this was £4.55 less than the living rent model. It was clear that the Council's rent was lower than the Living rent model.

Rent was set using details from the Office of National Statistics and was calculated against the incomes of Denbighshire, as it was slightly lower than other areas, then using the Joseph Roundtree Foundation (JRF) living rent model - which states that no one in the lowest 30th percentile, of earned incomes should have a weekly rent more than 28% of their income.

Members of the Committee confirmed that the majority of tenants were very happy with both the large-scale improvements to their homes – kitchens / bathrooms / heating etc. and the minor maintenance that the Service undertook in a prompt and efficient manner. They thanked the maintenance team for their service and communication with tenants.

Responding to the Committee's questions Officers advised that:

- Welsh Government are not able to confirm yet if there will be additional funding to cover the increased costs incurred for bringing the Authority's housing stock up to their new standard.
- The cost of new housing development within the council was heavily dependent on WG support.
- The examples of rent increase within the report pertained to tenants who were in paid work.
- 72% of Denbighshire's housing tenants were on Universal Credit (UC), the rent increase would be covered by UC payment.
- Single Access Route to Housing (SARTH) was used by both Denbighshire County Council and Registered Social Landlords (RSLs) with SARTH people were banded depending on a myriad of different factors including links to the area.
- Asylum Seekers and Refugees were offered temporary housing through various funding streams, including the private rental sector.

- Eco4 grants were only available to private landlords; however, there were many different grants which Denbighshire could draw on through housing to promote eco-friendly schemes.

Officers highlighted the budget pressures faced, referring to a table which indicated the need for an increase in the rent to maintain enough funds to support the bare minimum with the HRA annual spending and balances.

There was a summary of the rent increase; for each 1% increase, it equated to roughly a pound extra per week per household. The income generated would be an additional £180k to the Authority annually. The increased revenue income funded the three million pounds of borrowing, which would support the capital spending.

Referring to the Welsh Housing Quality Standard (WHQS) and the additional pressures on the Council's level of investment required, to achieve the required quality of housing stock.

The Authority needed to spend an additional £3.8m per year to achieve the additional WHQS 2 items plus the kitchen/bathroom programme, as well as safety and compliance matters.

Even with the maximum rent increase this year, the Authority did not have sufficient funding to complete the new standards, within the required timescale, without a significant increase in Welsh Government support.

Officers highlighted the positive side of investing in the housing stock; twelve random homes were selected following "retrofit" improvement works, which had significantly improved the energy efficiency and, therefore, weekly bills for those households. Each property saved approximately £36 per month due to Retrofit energy efficiency works.

Members were informed that Denbighshire had an 85% value for money satisfaction, which places Denbighshire County Council at 16th out of 46 in Wales.

Responding to members' questions the Officers advised that:

- The method used to source material and contractors was the same throughout the Council; the matter would go through the agreed procurement process and would go to tender.
- Regarding the WHQS and air source heating, the houses would have a secondary form of heating e.g. a log burner or a Charnwood fire.
- It would be useful to circulate additional instructions with newly installed air heating to advise on the best, most economical way of utilising it.
- Regarding the secondary heating source, officers were happy to circulate a briefing note later to members.
- Members were reassured that through the communication channels and the services of the Citizens Advice Bureau tenants were guided to the correct tariffs for their needs.
- Officers clarified that the WHQS required for social housing did not apply to the Agricultural Estate properties.

The chair thanked the officers and members for the positive discussion.

RESOLVED: that

- I. the committee have considered and agreed the content of the report and
- II. the Committee commend the positive work carried out.

6 RHYL REGENERATION PROGRAMME AND GOVERNANCE

With the agreement of the Chair the report was to be discussed under the Committee's forward work programme and deferred to a later meeting.

7 SCRUTINY WORK PROGRAMME

The Scrutiny Coordinator guided members through the Communities Scrutiny Committee Forward Work Programme report (previously circulated).

The next meeting was scheduled for 1st February 2024, proposed for that meeting were three agenda item –

- Draft Car Park Investment Plan 2024 – 2029
- Community Housing Tenancy Management
- Council Housing Tenant Feedback and Satisfaction.

The Committee were asked if the deferred Rhyl Regeneration Programme and Governance item could be tabled for the March meeting, as the work programme for the month was empty, all members in attendance were happy for item to be discussed in March.

The Scrutiny Co-ordinator encouraged Members if they had concerns on any matters to complete and return the Members Proposal Form (Appendix 2) for deliberation at the next Scrutiny Chairs and Vice Chairs meeting on the 29 January 2024.

RESOLVED that subject to the rescheduling of the above-mentioned Rhyl Regeneration Programme and Governance item to March 2024, to confirm the Committee's forward work programme as detailed in Appendix 1 to the report.

8 FEEDBACK FROM COMMITTEE REPRESENTATIVES

Councillor Alan James informed the Committee that he represented the Committee at the Adult Services and Homelessness Service Challenge. Councillor James highlighted that the meeting was intense and immersive, that despite the significant work being undertaken the figures for homelessness were not reducing. He advised that once the minutes were available from the meeting he would either provide a presentation to the Committee or potentially submit a scrutiny proposal form for the Committee to hear from the Service themselves.

Councillor Cheryl Williams informed the committee that she had attended the Housing and Communities service challenge, the main topic of conversation during

the Service Challenge was the budget constraints and the impact it had on the Service.

Resolved: *that the updates be noted.*

The Chair thanked the Committee's supporting officers for all the hard work they had done over the past year and members for their attendance. The Chair wished everyone a Happy Christmas and closed the meeting.

The meeting concluded at 11:20 am