

SHEFFIELD CITY COUNCIL

Safer and Stronger Communities Scrutiny and Policy Development Committee

Meeting held 22 September 2016

PRESENT: Councillors Tony Damms (Chair), Nasima Akther, Sue Auckland, Michelle Cook, Richard Crowther, Lewis Dagnall, Dawn Dale, Keith Davis, Tony Downing, Adam Hanrahan, Mark Jones, Magid Magid, Peter Rippon, Richard Shaw (Deputy Chair) and Zoe Sykes

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1. APOLOGIES FOR ABSENCE

1.1 No apologies for absence were received.

2. EXCLUSION OF PUBLIC AND PRESS

2.1 No items were identified where resolutions may be moved to exclude the public and press.

3. DECLARATIONS OF INTEREST

3.1 There were no declarations of interest.

4. MINUTES OF PREVIOUS MEETING

4.1 The minutes of the meeting of the Committee held on 21st July 2016, were approved as a correct record.

5. PUBLIC QUESTIONS AND PETITIONS

5.1 Alan Kewley raised the following questions:-

- (a) How does this Committee scrutinise the work of the Police and Crime Panel, whose meetings are held in Rotherham?
- (b) What action would the Council be taking to re-establish some form of community-based meetings?
- (c) Would this Committee be undertaking a scrutiny exercise into the role and responsibility of the Safer and Sustainable Communities Partnership?

5.2 The Chair, as well as requesting that written responses be provided to Mr Kewley, stated that the Committee would be receiving a detailed report, twice a year, on the work of the Police and Crime Panel. He added that he had attended several Neighbourhood Action Groups (NAG) and other similar meetings, which had not been well attended, and that there was a need to liaise with the public to find out what they would like to see in terms of public engagement.

6. HOUSING AND PLANNING ACT 2016 - UPDATE

- 6.1 The Committee received a report of the Director of Housing and Neighbourhoods Service providing a further update on the changes for social housing, included in the Housing and Planning Act 2016, which was enacted on 12th May 2016. The report focused on the four key changes impacting on social housing, which included 'Pay to Stay' - Higher Rents for Higher Earners, the extension of Right to Buy to Housing Association tenants, the sale of higher value assets and the phasing out of secure tenancies.
- 6.2 Janet Sharpe, Director of Housing and Neighbourhoods Service, introduced the report, and also in attendance for this item were Councillor Jayne Dunn (Cabinet Member for Housing) and Peter Brown and Louise Cassin (Manager and Project Officer, Future of Council Housing and HRA Business Planning Team), respectively.
- 6.3 Ms Sharpe stated that as a result of the regulations not yet having been published, together with the general lack of clarity in terms of the implications for local authorities, and how the Council would implement the changes, it had been very difficult for the Council to review its 30-year HRA Business Plan, and mitigate for the future policy changes. However, despite the lack of guidance, officers had started work to assess how the changes may be introduced, and to quantify the likely impacts where possible. She reported on the four key policy changes, highlighting the potential implications, based on the guidance received from the Department for Communities and Local Government (DCLG) officials, and what was written in the Housing and Planning Act itself. She also added that a considerable amount of her time was presently being deployed working with DCLG officials to try and achieve the best outcome for tenants, and to ensure that the Council had enough affordable housing in the City to meet the growing need for this type of accommodation.
- 6.4 Councillor Jayne Dunn stated that the likely implications of the Act would require some radical policy changes, and the Council was working closely with the DCLG, with the aim of getting the best outcome for the City, particularly for the tenants who will be affected by these changes. She added that the Housing and Neighbourhoods Service was also working closely with tenants to make sure they were being kept up to date with, and being made aware of, the potential changes in connection with the implications of the Act.
- 6.5 Members of the Committee raised questions and the following responses were provided:-
- It was agreed that the proposed changes in respect of 'Pay to Stay' – Higher Rents for Higher Earners, specifically the requirement of local authorities having to charge a market, or near market, rent to tenants whose household income exceeded £31,000 (£40,000 in London), was unfair even though a "taper" system had recently been proposed by the Government. As the policy would be mandatory for Councils, local authorities would be required to pay the resulting additional income to the Treasury for deficit reduction, with those housing associations deciding to implement the policy being able to retain the additional income for development purposes. Concerns had been raised at

the Strategic Housing Forum, which was attended by housing association leaders, for their position on this, but limited information had come forward. It had been agreed that there was a need for local authorities and housing associations to work together to try and ensure that the housing associations did not 'cherry pick' tenants having in excess of this household income. Presently, where housing associations had received grant or subsidy in regard to financial contribution or land at nil consideration, the Council would nominate a percentage of tenants to their properties. It was expected that this was not likely to change. The Cabinet Member for Housing had also challenged the then Minister for Housing (Brandon Lewis, MP), and this had now been passed on to the new Housing Minister, Gavin Barwell, MP, to meet with the Cabinet Member, but to date, the invite, which would provide an opportunity to discuss the proposals in more detail, had not been taken up.

- The proposed changes in terms of phasing out lifetime tenancies could have benefits in some circumstances, such as if tenants do not look after their properties. However, one of the immediate impacts would be that tenants would be worried that they could lose their home, or be asked to move at the end of the "fixed term" period. This could increase turnover, and stop tenants investing in their homes, which could add an additional cost to the HRA Business Plan. Officers were aware that a lot of tenants in the City spent money on their homes, and this helped the Council to sustain tenancies and the long-term stability of many neighbourhoods in the City, and there was a need to support tenants in their homes. The Council was in a difficult position in that, whilst there was still a lack of clarity in terms of the implications of this change, there was a need for the Service to have some plans in place.
- There was an increasing number of private rented properties in the Council's housing stock, with a mixture of good and bad landlords. When people purchased a Council property, they should do so for their own use, and they were obliged to notify the Council if this changed for a period of time. Since Right to Buy was introduced, over 31,000 homes had been purchased from the Council, which meant there was less affordable housing available in the City to meet growing housing need. When former Right to Buy properties were used as private rented accommodation, the majority of owners made sure that these homes were well looked after, but this would always have the potential to create an issue around short-term tenancies and long-term sustainability of neighbourhoods. This also resulted in a reduced number of properties in high demand areas available for the Council to let, as well as having an adverse effect on income in terms of the HRA.
- Each turnover of a tenancy would cost the Council approximately £3,000, and as there were around 4,000 new lets a year, this resulted in a cost of around £12 million, which placed a significant risk on the Business Plan.
- It was acknowledged that the proposals would place a huge pressure on the Council's housing stock. There were concerns in terms of the reduction in the number of housing association developments, making it very difficult for people to find suitable homes at an affordable cost.

- It would not make any sense to implement the 'Pay to Stay' proposals at this time as the arrangements would simply not work. In the light of the expected administration costs, and the likely level of additional income this element of the policy would generate, there would be a very small net income to be returned to the Government. This, however, would depend on how much of the administration cost the Council would be allowed to top-slice from the income. The proposals would require a dedicated and skilled resource to manage the process, and once more information about the policy was received, officers would be talking to tenants and briefing elected Members on how this would be implemented. A number of system changes and changes to housing allocations may be required, and it could take at least six months for the Service to be changed in terms of being able to manage the new arrangements.
- There would be a requirement to ensure that there was an appeal process built into the arrangements regarding the phasing out of lifetime tenancies. When details of the implications were received, a report would be submitted to the Cabinet on the proposed policy changes, which would include details of an appeal structure.
- There was no indication as to how long tenants would have to provide details of their earnings in connection with the 'Pay to Stay' policy.
- The Council was still waiting for information in terms of the effects of the changes on disabled tenants, and there was a lack of clarity as to whether the assessment criteria would still be the same. There would be a need to work closely with such families to ensure that they were not disadvantaged in any way, and it was expected that Housing Plus would assist this process. There was an expectation that the disabled and carers would be able to extend their tenancies, as well as families with school-aged children in cases where they would prefer their children to remain at the same school.
- In terms of obtaining tenants' income details, in connection with 'Pay to Stay', it was considered that it would make sense for the HMRC to undertake this task. Any further delays in the introduction of the proposals would be a benefit as it would enable the Government to work with the HMRC to make sure it had the capacity to undertake this role.
- In terms of the phasing out of lifetime tenancies, it was envisaged that tenants would be able to re-apply for the same tenancy after a period of five years. Although new tenants may be able to sustain their tenancy pending a review after five years, the new policy would need developing to ensure the Council provided as much security of tenure that was possible. If tenants needed to move, it was hoped that the Council would still be able to offer some form of lifetime tenancy.
- Under the present Right to Buy regulations, owners would still be required to inform the Council when selling their property. The Council was looking at its

monitoring of this to make sure it understood how many former Council homes were being used as private rented accommodation.

- In terms of the Council's responsibilities with regard to the phasing out of lifetime tenancies, if, for whatever reason, a tenant was requested to find another property, sufficient notice would have to be provided to enable the tenant to find alternative accommodation. Every effort would be made to look at alternative options with tenants before asking them to leave home as this could be extremely stressful for them, and this would be considered in the new policy.

6.6 RESOLVED: That the Committee:-

- (a) notes the contents of the report now submitted, together with the comments now made and the responses to the questions raised;
- (b) reaffirms its strong objections to the Housing and Planning Act 2016, specifically with regard to the anticipated adverse implications and impacts as detailed in the report;
- (c) thanks the officers in attendance for responding to the questions raised and for the work undertaken by them, and their colleagues, to date, in connection with the implications of the new regulations; and
- (d) offers an open invitation to the officers to attend a future meeting in order to provide a further update if and when any further information becomes available.

7. DRAFT WORK PROGRAMME 2016/17

7.1 The Policy and Improvement Officer submitted a report containing the Committee's Draft Work Programme 2016/17, which set out a number of different topics for consideration by the Committee at its scheduled meetings during 2016/17.

7.2 Diane Owens stated that the Hate Crime Task Group would be meeting for the first time next week and that a brief update on the work of the Task Group would be reported at the Committee's meeting on 20th October 2016. She added that regular update reports on hate crime statistics would be submitted to future meetings of the Committee, from October 2016.

7.3 The Committee noted the contents of the report now submitted, together with the comments now made.

8. DATE OF NEXT MEETING

8.1 RESOLVED: It was noted that the next meeting of the Committee would be held on Thursday, 20th October 2016, at 4.00 pm, in the Town Hall.