

HOMES AND SAFE COMMUNITIES SCRUTINY COMMITTEE

Minutes of a meeting held on 3rd April, 2019.

Present: Councillor Mrs. C.A. Cave (Chairman), Councillor S.J. Griffiths (Vice-Chairman); Councillors Ms. B.E. Brooks, Mrs. S.M. Hanks, M.J.G. Morgan and Mrs. M.R. Wilkinson.

Also present: Councillor L. Burnett, Ms. D. Murphy (Cardiff and the Vale Citizens Advice), Mrs. G. Doyle, Mrs. I. Gannon, Mr. A. Raybould and Ms. H. Smith (Tenant Working Group Representatives).

900 APOLOGIES FOR ABSENCE -

These were received from Councillors Ms. A.M. Collins, M.R. Wilson and Ms. M. Wright.

901 MINUTES -

RECOMMENDED - T H A T the minutes of the meeting held on 6th March, 2019 be approved as a correct record.

902 DECLARATIONS OF INTEREST -

No declarations were received.

903 CUSTOMER SERVICES STRATEGY (HOUSING) - SIX MONTHLY MONITORING REPORT (DEH) -

The Head of Housing and Building Services presented the report, the purpose of which was to update Members on progress in implementing the Customer Service Strategy for Housing.

The Officer advised that the Customer Service Strategy (Housing) set out a framework for driving further improvements to the customer services provided by the Housing Team and that the Strategy could be considered his most important Strategy as it affected all sections of the service he managed. The Strategy included five key priority areas, namely: embedding a customer first culture within the Housing Team; expanding the range of personalised services available to tenants; developing the way customers can access housing services; improving the quality of customer service provided and lastly, using customer feedback to drive service improvements.

Since the Customer Service Strategy (Housing) was approved by Cabinet in February 2017 and incorporated feedback from the Committee, regular monitoring

reports had been reviewed by the Committee and the Officer was pleased to report that all of the key actions had now been completed. The Officer then drew the Members' attention to Appendix 1 of the report which highlighted the progress made against each of the actions in more detail. At this point, the Officer also wished to advise that the lay out of the Strategy would be modified in the near future following on from a point raised by Councillor Gray at the previous Committee meeting to ensure that the status of each action could be more easily identified.

The Officer went on to advise that the large scale tenant satisfaction survey that was completed in 2016 provided the Council with detailed feedback regarding services provided by the Housing Team. With reference to customer service, one of the key issues identified was the need to build closer links with tenants and make it easier for individuals to contact the right member of staff. As a consequence, a lot of work had been done to raise the awareness of the Neighbourhood Team which included a series of estate roadshows where staff had gone out into Council estates across the Vale of Glamorgan to speak to tenants, community events, and advice surgeries. In addition, a programme of monthly estate inspections had been established when staff were on site to walk around each estate with tenant representatives, checking the condition of communal spaces, grass and parking areas. Lastly and to ensure that Neighbourhood staff were more visible to tenants and able to engage better with tenants digitally, the Tenants Newsletter and website ran features on the staff for each neighbourhood, making sure that tenants had the up to date contact details and were able to get in touch with officers quickly and easily.

The Strategy also highlighted the need to promote digital services and to increase the number of tenants who were able to connect with the Council online. To this end, the housing application form was now available online, meaning that applicants could fill in their details and register for the Homes4U scheme via the website. The Officer added that this had resulted in greater efficiencies and meant that application forms were registered much quicker. In addition, the customer portal had been tested and was now live meaning tenants could register and have access to information held about them in the Housing ICT system. This enabled individuals to check rent account balances, log payments, update contact details, submit housing applications and report concerns. In addition, the Officer advised that the launch of the service was regarded as a soft launch and that the primary digital request to date had been regarding repair works in tenant properties.

The next steps would be to migrate the bidding Homes4U process online so that applicants could submit bids for properties each fortnight digitally instead of ringing into the Council's Contact One Vale (C1V) Centre or visiting the Civic Offices. A number of other services had been identified which could be delivered digitally in the future and discussions had taken place with the Corporate Project Group who were responsible for delivering the Council's overall Digital Services Strategy. At this point, the Officer wished to reassure Members that alongside the increased focus on digital services, face to face contact with tenants was still promoted and recommended where appropriate.

The Strategy also contained a commitment to develop personalised services for tenants and the Officer advised that work was currently being taken forward primarily via Neighbourhood Plans. The Plans recognised the fact that the priorities for

tenants living on different estates varied and therefore the way the estates were managed needed to be different. The Officer confirmed that Neighbourhood Plans for 11 estates had been written in conjunction with the local residents to date and would drive local improvements in each area over the next three years.

In conclusion, the Officer drew Members' attention to page 6 of the Strategy document and in particular to the action 'Undertaking tenant satisfaction survey of all Council tenants in the Vale of Glamorgan (STAR)' and advised that a secondary tenant consultation questionnaire would be run from April 2020 which would be very useful to officers given that benchmark data was now available from the first survey undertaken in 2016.

A Member thanked the Officer for his presentation of the report and sought further clarification on the timescales involved with the migration of the Homes4U digital bidding process in comparison to the currently operational paper bidding process. The Head of Housing and Building Services advised that following the last STAR survey, it was made clear to officers that tenants did not appreciate having to use the Contact One Vale centre to place a bid and consequently the Council focused on delivering a digital portal. It was important to note that not all tenants making bids would be directed through the digital route and there would be a trial period for the new digital service and it was important that tenants felt equally as confident that their bid had been received if done so via electronic or paper means. The Officer went on to advise that the migration of the digital Homes4U bidding process was expected to be completed by the end of summer 2019 and the delay was due to software compatibility with the current system and therefore a system upgrade was required. However, a Working Group had already been established to monitor the migration process and the Officer would be looking to commission additional ICT qualified staff to support the current division through the transition.

In conclusion, the Officer offered to bring a live demonstration of the digital bidding portal to the Committee once operational.

A Member then wished to add that tenants were worried that they would no longer be able to view Homes4U property adverts in the local news as she was aware that individuals currently attended the libraries to read about properties within local newspapers. On a secondary point, the Member referred to page 3 of the Strategy document and highlighted that four items on the page were labelled as ongoing regarding a finish date, however, the progress column advised that the action was complete. The Officer apologised for any confusion caused and reiterated that all Strategies under his Division would shortly be amended to ensure that there was greater clarity as to the status of action points and reassured Members that the action as listed within the document had been completed but the work surrounding the action point had now become business as usual for housing staff and therefore the ongoing label reflected this. The Officer also noted the Councillor's point regarding the Homes4U adverts in the local press and reiterated that the paper service as well as the Council's advertising methods would continue alongside the new digital service.

RECOMMENDED -

(1) T H A T the six-monthly monitoring report in relation to the Operational Delivery Plan for the Customer Service Strategy (Housing) be noted.

(2) T H A T a live demonstration of the digital Homes4U bidding portal be provided to Committee when the service is operational.

Reasons for recommendations

(1) To ensure that the actions in the Customer Service Strategy (Housing) are progressed and that they drive improvements in the quality of the Housing Service.

(2) To provide Members with the opportunity to gain experience of the digital service to better support their constituents.

904 REVIEW OF SERVICES TO LEASEHOLDERS INCLUDING THE POTENTIAL FOR INTRODUCING A NEW LEASEHOLDER SINKING FUND (DEH) -

The Head of Housing and Building Services presented the report which highlighted some options for the future management of leasehold properties, including a review of the current Leasehold Management Service and including scope for introducing a sinking fund to recover costs associated with future repair work to leaseholder buildings. The report was requested by the Committee at a previous meeting.

As part of the Welsh Housing Quality Standard (WHQS) programme, the Officer advised that substantial works had been carried out to the Council's leaseholder properties and that this had resulted in leaseholders being asked for significant contributions towards the costs. Typically, individual leaseholders had been liable for sums of £10,000 and sometimes higher, depending on the works required. Whilst some leaseholders had the financial resources to clear the bills, many leaseholders had found it more difficult. In particular, there were a number of leaseholders who tended to be older people, who purchased their flats many years ago under the Right to Buy legislation and did not have the financial means to raise the money required very easily. Whilst a lot of the repair work had now been undertaken, it was an opportune time to review past performance and consider how the leaseholder service could be delivered in future to take account of any feedback and lessons learnt, including how the Council consulted with leaseholders and how charges were recovered.

One option worthy of consideration was to introduce a sinking fund for future repairs work. A sinking fund operated similarly to a savings fund, whereby leaseholders would pay a weekly amount via a service charge and the fund was then used to pay for the cost of eligible works. This avoided the need for leaseholders to pay large sums of money for work at any one time. The Officer confirmed that the Council had not operated a sinking fund historically and therefore did not currently have any funds available for works that were required at the present time. The obvious advantage of a sinking fund would be that the funds would remain with the property

and could therefore be an incentive to any buyer wishing to purchase the property in the future.

The Officer went on to advise that there were currently 301 leasehold flats which were managed by the Council and the properties had been sold via the Right to Buy legislation and were now owned by a cross-section of people from elderly home owners to professional investors. The Council retained the freehold for the buildings and this included the responsibility for maintaining the structure and exterior of the main building such as external walls, foundations, roof, communal areas and main doors. However, under the terms of the individual leases, each leaseholder was responsible for paying a proportion towards the cost of any repair work required.

Historically, the Council had not carried out major repair works to blocks of flats containing leaseholders and this meant that under the WHQS programme, significant works were required and were completed in a short period of time. This had resulted in costly bills for individual leaseholders to cover the cost of the backlog of repairs and major works required.

Whilst many leaseholders had the financial means to pay for the whole costs of the works (typically around £10,000), a large number of leaseholders experienced difficulties meeting their financial obligations. For context purposes, the Officer advised that there was case law in England, referred to as Florries Law which aimed to minimise the potential negative impact of large leaseholder bills. Florries Law was introduced following the tragic case of 93 year old Florence Bourne whose family stated that she died in shame as she had never been in debt all of her life and could simply not afford to pay a £50,000 repair bill that she received.

Whilst Florries Law did not apply in Wales, social landlords had tried to adhere to the principles by ensuring that there was clear communication with leaseholders and that they were supported and assisted to meet their obligations. To this end, there were several repayment options available including statutory loans and repayment agreements as well as the ability for the Council to take a charge on the property, so that the outstanding debt could be recovered when the property ownership was transferred. Each of the above options was subject to a detailed affordability assessment with the individual and would only be agreed if the Council was satisfied that the leaseholder had no alternative means of clearing the service charge account.

The Officer added that as well as the potential for emotional distress and anxiety, the way in which charges were currently raised and collected meant that there was a delay in the Council receiving the repayments. In the case of a charge being taken against the property, the bill may not then be settled for several years. A fund would be a way to address this delay and minimise emotional distress after a legal consultation exercise had been undertaken to ensure that adequate sums were set aside for works in advance. However, fund payments would be an additional cost for leaseholders on top of those already accrued following WHQS works. A sinking fund could also maximise the Council's income to ensure the entire sum for the works was recovered at the earliest opportunity.

The Officer also wished to highlight that as well as the way repair work was charged to leaseholders, there was also a need to consider the Leasehold Management Service more broadly. Since the Council had not previously carried out the rechargeable work, there was not a full time role in the staffing structure and various aspects fell to different staff in different teams. Therefore, in order to consolidate the service and provide one point of contact for leaseholders, a temporary Leaseholder Officer post was created and had been carried out to date by an agency member of staff over the last three years. The Head of Housing and Building Services advised that there would be an immediate benefit now to viewing future staffing requirements and the broader leasehold service, in order to continue to build on the good work undertaken to date and provide a high quality service to leaseholders on a full time basis. The role would be crucial to support leaseholders with understanding their rights and responsibilities regarding their leases.

In conclusion, the Officer advised that Committee was asked to provide its views on the possibility of setting up a Sinking Fund, as detailed in the report, and that all views would be included within a report to Cabinet who would be required to authorise any such change to the leaseholder payment arrangements if required.

The Chairman thanked the Officer for his presentation of the matter and wished to refer to paragraph 4.1 of the report which stated that over the last calendar year around £500,000 of leaseholder recharges were raised to reflect the required contribution towards the WHQS repair work that had been carried out to date. Around £150,000 had been paid by leaseholders and recovery action was underway to maximise the amount of remaining balance that was collected. On this point, the Chairman requested the percentage of outstanding funds above the £150,000 received between commercial and resident leaseholders. In response, the Officer advised that he did not have the figures at hand but would be happy to provide them to Members following the meeting.

A Member then wished to raise the point that historically there had been a misconception amongst tenants that the funds they were paying as a service charge went into a Sinking Fund which had caused annoyance as the tenants were then witnessing buildings in disrepair. Many leaseholders were genuinely unaware that the money they were paying as a service charge was not going where they thought it was and were then faced with huge unexpected bills. The Member stated that this historical experience meant that the Council could not ignore its leaseholder buildings going forward. As a secondary point, the Member also wished to share her empathy of large unexpected bills generating anxiety amongst leaseholder tenants, especially individuals of the older generation. However, it was also recognised that the Council could not ignore its need to fund future leaseholder repairs. Therefore, it was crucial that in-depth and extensive consultation took place with leaseholders to educate the individuals on the terms regarding their lease and that new leaseholders in the future were completely clear of their responsibilities.

Picking up on her colleague's point regarding misconceptions, a Member wished to add that leaseholder tenants had also thought that their home insurance would cover any leaseholder bills however, this was not the case and had caused significant confusion and anxiety in the past also.

The Officer acknowledged the points regarding leaseholders misunderstanding their responsibilities regarding their lease and advised that the point regarding home insurance cover was challenged frequently in historical tribunal hearings. On the matter of reducing anxiety for leaseholders when receiving bills from the Council, the Officer wished to provide reassurance by advising that all bills were hand delivered and by more than one member of staff to offer support and up to date information to the leaseholder.

A Tenant Working Group Representative then wished to clarify her understanding as to why resident leaseholders were charged for works regarding a joint occupancy building and commercial leaseholders were not. The Head of Housing and Building Services apologised for any confusion and confirmed that there was only one single leaseholder charge and both parties were responsible to pay. The only difference between the two types of leaseholder was that the management charge was automatically included within the resident leaseholder terms of lease.

A Member then wished to clarify her understanding in that leaseholders would be responsible for re-payments following the completion of WHQS works and if a Sinking Fund was introduced would also be responsible for contributing to the fund, to which, the Officer advised that the Member's understanding was correct and reiterated that the funds added into the Sinking Fund would be used for future work and would vary for each individual leaseholder. The Officer also wished to add that the survey conducted as part of the WHQS improvement works had afforded the Council the opportunity to survey all of its leaseholder properties so it was more aware of the different property requirements amongst its leaseholders and would therefore be able to advise each property of its potential future repairs and the leaseholder's contribution to the fund which would reflect the repairs required. The current expectation was that the sooner the work was required for a property, the higher the Sinking Fund contribution from the leaseholder would be and the Officer acknowledged that further work was needed to help leaseholder individuals to understand the difference between the costs they would be paying towards a Sinking Fund (for major repairs) and the costs for the Leasehold Management Service.

A Member then wished to commend the Council for its holistic approach to communicating with its leaseholders and stated that the Council could not be criticised on a legal basis for trying to receive funds related to a leaseholder property, however, asked the Officer what process would be in place if the leaseholder did not make repayments.

The Head of Housing and Building Services advised that each leaseholder case would be assessed on its individual merits with the most extreme result being that the lease would be forfeited resulting in repossession of the property. However, before reaching that point, an assessment of the case would need to take place to establish why the leaseholder was not making repayments. Following which, the Council would need to take the case before a tribunal before it requested repayments and invoices were distributed. The Officer added that there would always be a degree of negotiation with the leaseholder on the repayment figure and following a tribunal the Council would be required to take the case to court which was costly both financially and in officer time.

RECOMMENDED -

- (1) THAT the update report in relation to the future management of leasehold properties, including the possible option of introducing a Sinking Fund to pay for future repair works be noted.
- (2) THAT the views of the Committee as set out in the minute above, as well as the key points below, be incorporated into a report to Cabinet detailing options for the payment of major repair works by leaseholders should the matter be progressed:

- An in-depth leaseholder consultation exercise be undertaken; and
- An educational resource be produced and disseminated to all leaseholder individuals.

Reasons for recommendations

- (1) To consolidate and improve the way the Council manages leasehold properties and to maximise the Council's income through the recovery of service charges.
- (2) To ensure that the views of the Committee are considered in any future payment plan arrangements to secure future savings and that any historical payment misconceptions are mitigated as well as an educational resource be produced to help educate leaseholders on their rights and responsibilities regarding their lease(s).

905 RESHAPING SERVICES: SOCIAL ENTERPRISES - AN ALTERNATIVE DELIVERY MODEL (DEH) -

On the Chairman's approval, this item was withdrawn and was not considered by the Committee.