

REGENERATION SCRUTINY AND PERFORMANCE PANEL

Monday 25 November 2013 at 6.00 p.m. at the Council House

Panel Members Present: Councillor L. Harrison (Chair)
Councillor I. Azam
Councillor D. Barker
Councillor S. Wade
Councillor R. Worrall
Councillor D. Anson

Other Members Present: Councillor G. Illmann-Walker

Officers Present: Simon Neilson – Executive Director, Regeneration
David Elsworthy – Head of Planning and Building Control
Matt Crowton – Principal Transport Planner
Dan Mortiboys – Senior Finance Manager
Kelly Valente – Lead Accountant
Jackie Hodgson – Team Manager: Asset Management
Matt Underhill - Committee Business and Governance Manager

Portfolio Holders

Present: Councillor A. Andrew – Regeneration
Councillor C. Towe – Finance and personnel

Invitees: Robert Hughes – Head of Housing Services, whg
Mark Causer – Welfare Reform Specialist
Richard Lynds – Senior Stakeholder Manager, Post Office Ltd

291/13 APOLOGIES

Apologies received for the duration of the meeting from Councillor Flower.

292/13 SUBSTITUTIONS

There were no substitutions received for the duration of the meeting.

293/13 DECLARATIONS OF INTEREST AND PARTY WHIP

There were no declarations of interest or party whip for the duration of the meeting.

294/13 MINUTES

It was agreed that the resolution in relation item 287/13 be re-worded as followed:

That the Panel supports the development of the strategy consistent with the EU thematic priorities, with an update to be received prior to its submission in January 2014.

RESOLVED:

That the minutes of the meeting held on Thursday 17 October 2013, as amended, be approved as a true and accurate record.

295 /13 whg & THE UNDER OCCUPANCY (BEDROOM) TAX

The representatives of whg introduced the report. The following is a summary of the presentation and subsequent discussion:

- It was explained that the bedroom tax had been in place since 1 April 2013 and whg have acted to respond to the implications of its introduction, together with that of the benefit cap and personal independence payments. It was also explained that whg anticipated that the Universal Credit would be introduced within the next eighteen months in Walsall. In terms of mitigating the impact whg have factored in a bad debt provision as they have identified the potential risk of an increase in rent arrears, together with a threat to the sustainability of tenancies where claimant's benefits are at risk;
- It was explained that to date 3,419 whg tenant households have been effected in some way by the bedroom tax, with 2,480 currently subject to it. It was further explained that the arrears of whg under-occupiers subject to size criteria at the start of April 2013 were £330k, this has risen to £650k in the financial year to date, with around 862 households currently in arrears. It is anticipated that it is likely there will be a £320k increase in arrears for whg under-occupiers due to size criteria being imposed. In response to a Panel query it was explained that the degree and period over which tenants have been affected varied. For example, there might be some who have been in and out of benefit due to a change in their personal circumstances. The Portfolio Holder for Finance and personnel explained that tenants in difficulty paying rent might be entitled to a housing payment to prevent them falling into crisis. However, he emphasised that this was not a bottomless pit of funding;
- It response to a Panel query it was explained there have been a total of 211 under-occupier transfers within whg, 18 households have moved to other housing associations, 29 moved to the rented private sector, 69 mutual exchanges, 39 properties were abandoned, 44 were lodging, 17 were deceased and 5 had been evicted due to ASB;
- It was explained that whg have mounted a number of interventions in response to the welfare changes. This included significant customer service training for whg advisors. For example, revised scripts, training on answering basic incoming queries regarding the reforms, together with signposting to specialist advice. In addition, a bedroom tax calculator is available for tenants. In terms of communications it was explained that a variety of medium are being used to ensure that the most suitable type of contact is made with individuals. This includes personal contact, mailshots of welfare reforms summary leaflets, website information and the use of social media;
- It was explained in relation to mitigating the impact of the welfare reforms whg have the aim of transferring all their customers to direct debit payments. whg are also encouraging those tenants without bank accounts to consider a Walsave jam jar account provided by Walsave Credit Union. It was also explained that whg incentivises customers to set up a jam jar account, with £120k budgeted to pay for account credits and top-ups;

- In terms of partnership working it was explained that whg is working with the council's Regeneration directorate in promoting customer employability and skills. Other work includes making external social and care partners aware of the impact of the changes. A Panel Member queried whether there were enough properties for tenants to which to downsize and what assistance was being provided to those who cannot afford to downsize. It was explained that a key issue was an absence of one bedroom flats. There were not enough of these types of property and it was likely that there never would be. In relation to the provision of support it was explained that the "Your Move" scheme was a joint initiative with the council where for those who meet certain criteria some financial help would be available. This included help with the cost of removals, skips etc. It was also explained that whg also had a limited development programme to build up to three hundred homes. However, this would not focus on the building of one bedroom homes as the danger is it would create the anti-social behaviour problems associated with this type of development. whg agreed with Panel Members that the shortage of homes for those wishing to downsize was not a good state of affairs, with one property available for every six households looking to downsize nationally. In response to a further Panel query whg explained that some work was undertaken with private landlords and other registered providers to manage the demand for one bedroom properties. whg also explained that two bedroom flats were very difficult to let, particularly in Willenhall where there was over supply. A Panel Member explained that he was aware that other social landlords were also having difficulty in letting two bedroom properties. It was also explained that whg had now started marketing their properties in similar to the private landlord sector and this approach was proving successful;
- Following further Panel queries it was explained that rent arrears built up by tenants effectively leads to increased rental costs for other tenants and a reduction in the range of services provided by whg. whg have also built a provision for bad debt into the organisation's business plan. It was agreed that when Discretionary Housing Payments (DHP) are no longer available the financial challenges will increase, as they will when the Universal Credit is introduced. It was also explained that eviction was the last resort in situations where tenants were unable to pay their rent or had accumulated arrears. whg will work with tenants who are in these circumstances and where they are able to effectively engage with them the prospect of eviction is much less likely; The Portfolio Holder for Regeneration stated that he viewed the bedroom tax as a ridiculous policy. He was concerned that the policy risked social engineering as a means of controlling the cost of the benefits system, as well as limiting families access to larger more suitable properties. He also suggested that there would be merit in inviting other social landlords to explain how they are addressing the difficulties created by the bedroom tax.

RESOLVED:

That the report was noted.

296/13 ROYAL MAIL PROPOSALS FOR THE CROWN POST OFFICE, WILLENHALL

The Senior Stakeholder Manager, Post Office Ltd introduced the report. The following is a summary of the report and subsequent discussion:

- It was explained that while post offices served a social purpose they remained commercial businesses and needed to turn a profit. It was explained that the post office network received a subsidy of £210m and lost £116m annually. A large proportion of that loss was made in the Crown network of £37m, with the Willenhall Crown post office losing around £100k per annum;
- It was explained that a modernisation programme was being undertaken across the network, with the Bloxwich branch having been updated. In response to a Panel query it was explained that Royal Mail related services accounted for 30% of the business of post offices. It was also explained that of a network 1,500 post offices, 380 were Crown post offices. Post Office Ltd was seeking to increase income through diversification into insurance and financial services. It was explained that this included the introduction of current accounts for those who did not have bank accounts. It was explained that a key benefit of this account was that if funds were not available to pay a direct debit payment repeated calls would not be made on the account with the associated penalty charges. These services were proving to be successful as the Post Office was a trusted brand;
- It was further explained that the Willenhall branch was currently costing £1.45 for every £1 of income, with staff costs greater than income. It had been determined that this branch would be more sustainable with a business partner operating it. It was explained that it was intended to seek to have the new arrangements in place within the current financial year. However, with a six week consultation period and other requirements it was unlikely that the process could be completed much before the end of the financial year. It was emphasised that this process would include effective management of the transition for staff and the option to TUPE transfer to the new partner. For those staff who do not wish to transfer Post Office Ltd will look for opportunities for re-deployment elsewhere or offer redundancy to those staff who wish to leave;
- In response to a Panel query it was explained that Post Office Ltd recognised the importance of maintaining a branch in Willenhall. This meant that should it not prove possible to identify a partner with whom to operate the branch, Post Office Ltd would continue to run it;
- Councillor Illmann-Walker asked where the loss of £1.40 per £1 of income at the Willenhall branch placed it in relation to the losses experienced at other branches. It was explained that it was difficult to place the branch in terms of relative performance with other branches as financial loss was one of a number of factors. However, the degree of financial loss at Willenhall would place it at the lower end of the spectrum with losses of £2.27 for each £1 of income being experienced at some branches elsewhere in the country. In response to a further query from Councillor Illmann-Walker as to whether the Willenhall branch was in the right place it was explained that it could be argued that it was in a good position given that it was not too far from the centre. However, there had been a decline in business at the Willenhall branch over the last three years. The solution to this issue was to seek to bring in a partner which would benefit from the increased footfall following the opening of a Morrisons supermarket. In response to a further question from Councillor Illmann-Walker it was explained that modernisation was taking place across Crown post office branches. It was further explained that every single branch would have been supported to establish if it could operate sustainably. If not then the option to franchise a branch with a partner would

then be considered. In response to a further query from Councillor Illmann-Walker it was explained that all services would be transferred should the Crown branch in Willenhall begin to operate with a business partner. This would be with the exception of the biometric residence permit machine and the requirement for this service in the branch would be determined by the Border Agency. In response to a further query it was explained that Post Office Ltd had a ten year contract with Royal Mail which would run until 2022. However, the indications from Royal Mail were that they were happy with Post Office Ltd as a service partner and equally it would be difficult to find an alternative partner.

RESOLVED:

That a further update will be received if and when the consultation on a new business partner for the Crown Branch in Willenhall commences; &

the report be noted.

297/13 DRAFT REVENUE BUDGET & CAPITAL PROGRAMME 2014/15 FOR REGENERATION & TRANSPORTATION PORTFOLIO (REGENERATION ELEMENT ONLY)

The Portfolio Holder for Regeneration introduced the item.

RESOLVED:

That the report be noted

298/13 QUARTER 2 FINANCIAL MONITORING POSITION FOR 2013/14

The Lead Accountant introduced the report. The following is a summary of the report and subsequent discussion:

- It was explained that the forecast financial position for 2013/14 was a revenue overspend against budget of £0.219m. It was further explained that £331k of variance relating to Property Services, which included back dated energy costs and an overspend on centralised energy, had been off-set by three vacant posts within Design and Project Management;
- It was explained that the forecast financial position for 2013/14 was a capital under-spend against budget of £13.690m which it will be requested to be carried over into 2014/15. It was explained that £11,813k of the variance was due to delayed expenditure on the Darlaston SDA project while a date for the public enquiry is set.

RESOLVED:

That the report be noted

300/13 CHASE LINE ELECTRIFICATION & BLOXWICH LEVEL CROSSING

The Principal Transport Planner introduced the update. The following is a summary of the report and subsequent discussion:

- In relation to the works at Broad Lane Bridge it was explained that all of the traffic management issues had been resolved, with some “business as usual” signage also having been installed. In terms of the design of the bridge it was explained that the council was still in negotiations with Network Rail. The current position was that as far as Network Rail were concerned the cost of any widening of the bridge (over existing total width) would have to be met by the council. It was further explained that the Council believed Network Rail was responsible for the costs of any necessary widening. A resolution is anticipated shortly. In response to a Panel query it was explained that the potential maximum cost to the council of the further works was approximately £150k;
- In relation to the Bloxwich Level Crossing it was explained that Network Rail had confirmed the requirement for the crossing to be permanently closed to accommodate the electrification upgrade. The council is discussing the necessary traffic mitigation measures with Network Rail;
- It was explained that within the town centre part of the rail tunnel structure requires some intervention. Officers are currently exploring with Network Rail how to manage the completion of these works in line with the electrification programme;
- The Chair thanked the officers in the Traffic Management Team for their efforts in the successful installation of traffic management measures in relation to the works at Broad Lane Bridge. This had helped mitigate the impact on local traffic of the works.

RESOLVED:

**That Network Rail attend an upcoming Panel meeting; &
the update be noted.**

301/13 DEVELOPMENT ISSUES UPDATE

The Head of Planning and Building Control introduced the update. The following is a summary of the update and subsequent discussion:

- It was explained that the focus of the update would be to respond to the petition which had been lead by Councillor Wade regarding Raven’s Court and the former Warrener’s Arms Pub, Brownhills. In relation to Raven’s Court it was explained that there has been positive developments in this matter as the agent of the owners has indicated a wish to meet with the local planning authority to discuss the site. The Portfolio Holder for Regeneration explained that it had not been possible to arrange such a meeting previously so this represented a significant step forward;
- In relation to the Warrener’s Arms Pub it was explained that officers had just

received confirmation that the applicant has paid the District Valuer Services invoice indicating commitment from the developer in relation to completing the of s.106 agreement. This means that the planning application for the development of 58 flats can now go forward. It was explained that viability was the issue as it was originally started with a scheme to improve a highway junction. However, the Planning Committee response was to require a scheme based on open space and affordable housing. The s.106 agreement is for £82k towards public open space (this can be divided between the neighbourhood and the Arboretum, which will receive 25% of the monies) and an offsite affordable housing contribution of £46K. .

RESOLVED:

That the update be noted

302/13 CORPORATE ASSET MANAGEMENT PLAN

The Team Manager: Asset Management introduced the report. The following is a summary of the report and subsequent discussion:

- It was explained that the report provided a summary of the Corporate Asset Management Plan 2014-19. It was explained that the total number of council assets currently stood at 765, this was a reduction from the 2010 total of 873. It was also explained that the Asset Management Plan Handbook was a framework document intended to serve for the full five years of the plan. It set out governance arrangements, performance management framework and operational matters. It was further explained that the Review of Progress 2013/14 is updated annually and will capture changes to the portfolio. It was also explained that the report, together with Member feedback, will be reported to Cabinet in February 2014.

RESOLVED:

That the report was noted.

303/13 WORK PROGRAMME & FORWARD PLAN

The Panel considered the work programme and forward plan.

RESOLVED:

That the work programme and forward plan be noted

304/13 DATE OF NEXT MEETING

The Chair noted that the next meeting of the Panel would be 23 January at 6:00pm.

The meeting closed at 8:00 p.m.

Chair:

Date: