

Housing Services Committee  
23 April 1998

**IRVINE, 23 April 1998** - At a Meeting of the Housing Services Committee of North Ayrshire Council at 2.00 p.m.

**Present**

Samual Taylor, Gena Seales, Thomas Barr, James Clements, Samual Gooding, Jane Gorman, Margaret Munn, and Robert Rae

**In Attendance**

The Director of Housing Services, F. Kelly, Head of Strategy and Development, J. Paul, Head of Property Services, (Housing Services), H. Hunter, Senior Accountant (Financial Services), M. Hewitt, Corporate Policy Officer and S. Bale, Administration Officer (Chief Executive).

**Chair**

Mr. Taylor in the Chair.

**Apologies for Absence**

Patrick Browne, Thomas Dickie, John Donn, Irene Oldfather and George Steven.

**1. Minutes Confirmed**

The Minutes of the Meeting of the Committee held on 12 March 1998, copies of which had previously been circulated, were confirmed.

**2. 1998/99 Housing (Non-HRA) Capital Programme**

Submitted report by the Director of Housing Services on options for the 1998/99 Non-HRA Capital Programme.

On 14 April 1998 the Corporate Strategy Committee determined the Council's 1998/99 Capital Programme and agreed to allocate £0.3m for the Housing Non-HRA Programme. This sum constitutes only 24% of the costs of the original draft rehabilitation programme and accordingly these proposals require to be reviewed.

Funding has not been committed for two outstanding approved Housing Action Areas at Countess Street, Saltcoats and at Fullarton Place, Stevenston, which were included in the original programme. The Countess Street properties have been included in a bid for special funding under the Empty Homes Initiative for 1998/99 and although a successful bid would defray some of the costs, it is likely that a grant contribution of £100,000 from the Non-HRA allocation would still be required. In relation to Fullarton Place, the Committee has already made a Final Resolution declaring a Housing Action Area for Demolition and it will not be possible to acquire all properties by agreement and it is proposed to seek authority to implement a Compulsory Purchase Order. The cost of acquisition and demolition is unknown, but could be in the region of £100,000. In addition, the draft programme included mandatory grants where the Council have served Repairs Notices or Improvement Orders, and discretionary grants, to cover disabled grants; care and repair schemes (for which the Council has received a special allocation which will fund the commencement of a care and repair project on Arran); lead replacement; private water supplies; and grants for ex local authority houses which form part of common repairs schemes initiated by the Council for its properties.

In reviewing the proposed programme, the three broad strategic priorities to be considered in priority order are (i) below tolerable standard housing and major disrepair; (ii) public health; and (iii) community care. A proposed programme has been drawn up on the basis of these priorities, which has a number of resulting implications including (i) no funding being available for the completion of the Countess Street Housing Action Area; (ii) no funding being available for the next Housing Action Areas on the Council priority list at Kirkland Road, Kilbirnie and Brisbane Road, Largs; (iii) no funding for grants to owners of former Council houses whose properties are included in the Council's re-roofing, re-roughcasting and fabric painting work programmes; (iv) funding for lead replacement grants being reduced; (v) funding for private water supplies being insufficient to meet identified needs; and (vi) funding for improvement grants for the disabled being substantially reduced. In relation to the grants programmes there are two options, viz. to continue to offer grants at the present levels until all funding is exhausted or to review how the limited funding can be distributed more widely.

Members were advised that as the non-HRA Capital Programme is no longer "ring-fenced" and is now part of the Council's non-Housing Capital Programme funded from a single allocation covering all services other than the Housing Revenue Account, the Council has to determine its own priorities across all Directorates in terms of the capital allocation and it is unlikely therefore that additional funding would be made available by the Scottish Office for the non-HRA Programme including the two town centre Housing Action Areas.

After a full discussion, the Committee agreed (a) to approve the non-HRA Programme for 1998/99 as detailed in the annexed report (Appendix HS1); (b) that preparatory work and statutory procedures be commenced in respect of the proposed Housing Action Areas at Kirkland Road, Kilbirnie and Brisbane Road, Largs, subject to no grant funding being committed on these projects without the approval of the Council; (c) in the event that the Council is successful in its bid for special funding for the Countess Street, Saltcoats Housing Action Area under the Empty Homes Initiative for 1998/99, that the Director of Housing Services report back on the implications on the non-HRA Grant Funding Programme to allow the project to be completed; (d) that joint discussions be held with the Social Work Directorate on the funding of improvement grants for the disabled; (e) that the Director of Housing Services report back to the next meeting of the Committee with proposals in relation to grant levels and eligibility criteria; (f) to remit to the Support Services Committee on the proposal to initiate a Compulsory Purchase Order in respect of the Fullarton Place Housing Action Area for Demolition; and (g) to write to the two local MPs advising them of the Council's funding position particularly in relation to the two town centre Housing Action Areas.

### **3. Scottish Homes Stock Transfer: Irvine**

Submitted report by the Director of Housing Services on progress made on the proposed transfer of Scottish Homes stock in the Irvine New Town area.

In September 1997, the Committee agreed (a) not to pursue its earlier intention to bid for the Garnock Valley Scottish Homes housing stock; and (b) to take up the offer from the Scottish Office to begin discussions with Scottish Homes at an early stage on the development of a new housing partnership in the Irvine area. On 29 January 1998, the Committee agreed (a) to authorise the Director of Housing Services to register with Scottish Homes the Council's interest in the Garnock Valley transfer proposals; and (b) that further progress reports be submitted to future meetings of the Committee.

Initial discussions have been held with Scottish Homes and local tenants' representatives on the possibility of a New Housing Partnership being set up to acquire the transferring stock in the Irvine New Town area which currently amounts to around 860 properties. Tenants' representatives believe that most of their members would wish to exercise their earlier expressed preference for transferring directly to the Council as landlord. The Council has, however, already agreed not to bid for the Garnock Valley Scottish Homes housing stock in the light of the Government's indication that although Councils may bid for the transferring stock, no extra resources will be made available to them. All purchase and future costs would therefore have to be funded from the HRA Capital Programme and the overall cost is likely to exceed the total capital allocation. The same considerations would therefore apply to the Irvine area transferring stock. Opportunities do however exist to establish a new housing partnership or company and whilst

Councils would not wholly own any such new company, they could have a very strong influence on its operation. The Government proposes that Councils may acquire up to 49% of any new organisation and furthermore, the model structures currently being discussed include partnerships where Councils would have 33% representation and tenants 33% representation with the remainder being made up of other appropriate parties such as local organisations, developers and housing associations. Any funding required would come from the private sector.

It was emphasised that the Government have made it clear that there will be no additional resources made available to fund local authority bids to take over the housing stock. In the light of the Government's position further detailed examination of the new Housing Partnership initiative proposals would appear to be the best way forward.

After a full discussion, the Committee agreed to remit to the Director of Housing Services (a) to explore the feasibility of setting up a new Housing Partnership between the Council, the tenants and other appropriate partners in relation to the Scottish Homes transfer stock in the Irvine New Town area, as detailed in the report; and (b) to report on future proposals to the August meeting of the Committee.

#### **4. 1997/98 New Housing Partnerships**

Submitted report by the Director of Housing Services on the outcome of the 1997/98 New Housing Partnerships funding application.

On 29 January 1998, the Committee was advised of bids which had been submitted under the new Housing Partnerships Initiative, whereby the Scottish Office had made £10m available to Scottish Local Authorities for spending in the financial year 1997/98 on Housing Partnership Projects. An allocation was provisionally identified for each authority and would be awarded if authorities could submit suitable projects. Whilst the criteria were never fully specified, projects were required to have private finance and had to be implemented by a Partnership. Within the short timescale available, discussions were held with Cunninghame Housing Association (CHA) as the partner and three bids were submitted, viz. (i) the transfer of the former children's unit at Warner Street, Stevenston to CHA for conversion to self-contained flats; (ii) the acquisition and conversion of premises for homeless people in conjunction with CHA; and (iii) a feasibility study in the Garnock Valley to aid sites development in Kilbirnie. Formal confirmation has now been received from the Scottish Office that the bids have been successful and an allocation of £249,000 has been awarded.

Good progress has been made on all three projects. Ten two-apartment flats will be created at Warner Street which will assist in meeting the needs of smaller households and a Council owned site in Irvine is being discussed with CHA with a view to providing premises for homeless people. These two developments are due to be completed in 1999. The feasibility study in the Garnock Valley which is currently underway, as a housing market study will look particularly at special needs such as those of elderly people.

Noted.

#### **5. Private Sector Housing Grants**

Submitted the annexed report (Appendix HS2) by the Director of Housing Services on grant applications for improvements, disabled, repairs and lead replacement grants.

The Committee agreed to the decisions intimated in the final column of the said appendix.

#### **6. Urgent Items**

The Chair agreed that the following item be considered as a matter of urgency.

## 7. Rent Arrears

The Director of Housing Services reported to the Committee on the background to the issue of letters on rent arrears to tenants throughout the Irvine area.

The current level of rent arrears amounts to £1.5m, which equates to 6% of the total rent collected. Whilst this also equates well with the national average in Scotland, North Ayrshire had previously experienced a lower level of rent arrears and there is concern that the percentage is increasing. The total number of tenants in arrears is approximately 10,500, being 56%. In view of the concerns about the increasing percentage of arrears and the additional concerns of Members as to the level of arrears, it was decided to put more staffing resources into tackling this problem. Officers have therefore been re-allocated from other duties to address the situation.

Since it is impractical to deal with all 10,500 tenants in arrears simultaneously, the Irvine area has been dealt with initially, with letters being sent out to 2,030 tenants. The category covered those with arrears of between £35 and £250 whilst those with arrears of over £250 are already being dealt with through the legal process. Whilst it is appreciated that 61% of tenants are on some form of benefit and face difficult financial circumstances, there is a hard core of non-payers. Given the large volume of cases being dealt with it appears likely that some people will be advised wrongly that they are in arrears but Officers will continue to look closely at all cases before issuing letters and will try to target those who are making no attempt to pay off arrears. The initiative will, however, have to be sustained throughout North Ayrshire and it is anticipated that the letters being sent out will have a positive effect in recovering outstanding arrears.

During discussion of this item, reference was made to the large number of complaints which Members had received from those tenants paying by standing order who were only "technically" in arrears for the period until their standing order payment was made, but who had nonetheless received reminder letters. Such information was being extracted manually, but assurances were given that this aspect would be looked at again.

The letters being issued remind tenants of the Council's statutory powers in relation to what action it can take to pursue arrears but as part of the decentralisation process already approved by the Committee, arrears recovery is being transferred to local offices whose follow-up action will in future include visiting tenants houses.

With regard to the implementation of the new computerised housing benefit system, as reported to the meeting of the Committee on 12 March 1998, the system is now live, the transfer from the old to the new system is on programme and assurances were given that the bulk of the backlog of cases will be dealt with by June 1998. Meetings have now been held with local landlords to appraise them of the situation and every effort is being made as far as possible to check that arrears letters are not sent to those awaiting housing benefit.

The Committee agreed (a) that a report be submitted to the next meeting on the programme for the issue of rent arrears letters to other areas; and (b) that the minimum level of arrears currently being used as the criteria be reviewed, particularly with a view to avoiding letters being issued to those tenants who pay by standing order.

The meeting ended at 3.00 p.m.