

OVERVIEW AND SCRUTINY BOARD

A meeting of the Overview and Scrutiny Board was held on 15 September 2015.

PRESENT: Councillors J Sharrocks (Chair), C Hobson, J McGee and D Rooney

PRESENT AS OBSERVERS: Councillor A Hellaoui

ALSO IN ATTENDANCE: Councillor S Biswas
C Joynes, The Thirteen Group
M O'Connor, North Star Housing Group

OFFICERS: S Blakey, S Caddell, A Crawford, P Duffy, M Quinn, C Stokes

APOLOGIES FOR ABSENCE were submitted on behalf of Councillors E Dryden, T Higgins, T Mawston, F McIntyre, J Rathmell and J A Walker.

DECLARATIONS OF INTERESTS

There were no declarations at this point in the meeting.

1 MINUTES - OVERVIEW AND SCRUTINY BOARD - 18 AUGUST 2015

The Minutes of the meeting held on 18 August 2015 were approved as a correct record.

2 ATTENDANCE OF EXECUTIVE MEMBERS AT THE OVERVIEW AND SCRUTINY BOARD

The Scrutiny Support Officer presented a report which provided information in respect of the scheduled attendance of Members of the Executive at the Overview and Scrutiny Board.

The intention was to enable the Board to hear from each Executive Member on progress towards objectives and priorities and any emerging issues or pressure areas within their portfolio.

Today's meeting was attended by Councillor C Rooney, Deputy Mayor and Executive Member for Regeneration.

Councillor Rooney circulated a paper and made a presentation outlining the challenges faced by the area; how the Council was responding; key successes; and key projects and priorities. He also circulated some photographs of the new developments in the town, including those in Bedford Street.

Councillor Rooney highlighted the following aspects, in particular:-

- More than £500,000 was currently being invested in Middlesbrough, creating over 4,000 new jobs, 7,000 new homes; new learning and leisure opportunities and supporting new and growing businesses in the town.
- In addition to the new homes, some 180 houses had been bought back into circulation.
- A sum of £160 million had already been invested in initiatives such as Middlesbrough College; Manhattan Gate; The Gateway; Boho Zone and a new park.
- Business was thriving at Riverside Park. For example:
 - On a Roll had doubled its business;
 - AV Dawson was investing £10 million in a rail terminal to connect it to the east coast mainline and expanding its deep water quay;
 - Charles Clinkard was investing £3 million in a new Head Quarters and Distribution Centre at Cannon Park; and
 - Teesside Welding Institute was investing £7 million at Teesside Advanced Manufacturing Park.

- The economic downturn had created a huge challenge for the Council but there was growing momentum and the Economic Development service was working with the private sector on a number of projects, including the dock bridge in Middlehaven which would help open up land for development in the north and east of the site.
- Examples of developments included:-
 - The recently opened Holiday Inn Express - it was hoped businesses would be attracted into the spaces available on the ground floor
 - Improvements to Albert Road
 - New buildings in Middlehaven had formed a square which looked impressive
 - The Town Hall refurbishment. The part of the building that is now used by the Registrars Service had already been completed and made an impressive venue for marriage ceremonies
 - The Transporter bridge would be re-opening in October 2015 and would contain a lift which would provide excellent views of the surrounding area
- Discussions would be held with the rail operator about possible improvements to the rail station and the surrounding area.
- Having the right mix of housing was crucial.

Members made the following comments:-

- People were coming back to Middlesbrough and it was important to publicise the good things that were happening in the town.
- There was a stimulating learning environment that now existed for young people in Middlesbrough.
- It would be interesting to see the developments first hand.

In response to questions from Members, the Executive Member said that:-

- A decision had not yet been taken on the swing bridge. Costs were being examined currently, but the aim was for a quality bridge that could open to enable tall ships through. This matter would come back to the Council for determination.
- As well as the 180 houses that had been put back into circulation, there were plans for a further 80 to be recommissioned.

The Chair thanked Councillor Rooney for his comprehensive update.

ORDERED that the visit by the Economic Regeneration and Transport Scrutiny Panel to view the redevelopment of Middlehaven be extended to all Members of the Council.

3 **CHANGES IN HOUSING DEMAND IN THE RENTED SECTOR - SETTING THE SCENE AND ESTABLISHING TERMS OF REFERENCE**

Members considered a report by the Scrutiny Support Officer regarding the Board receiving further information on the issue of changes in housing demand in the rented sector in Middlesbrough, including the challenges facing registered social landlords in respect of attracting tenants and reducing voids.

A number of issues had been highlighted at the Board's 2013/2014 stakeholders' meeting on the Mayor's Strategic Priorities - The Council's Direction of Travel. One of the issues highlighted was apparent changes in housing demand in the rented sector in Middlesbrough. It had been agreed this topic be reviewed by scrutiny.

Housing providers had been asked to provide the Board with information on a number of issues in respect of this review.

Appended to the report was information on long term projections and trends in respect of the different housing providers nationally and locally, together with a breakdown of the social rent/private rent properties in each of the Wards and how this had been changing over time.

Representatives of the Thirteen Group, a leading social housing organisation in the North East, updated the Board as follows:-

- The proportion of long term empty homes had doubled (15,811 as at March 2013).
- 50,000 households were under occupied.
- The provision of homes in the private rented sector had increased markedly.
- There had been a decline in the number of applicants bidding for social rented property – down 42% since 2009.
- The number of people on the Housing register tended to be fairly constant and tended to be the same people. Many people from outside of the area had chosen not to move in to Middlesbrough. There was a perception that “you cannot get social housing”.
- The causes of the above changes included:-
 - Welfare Reform – which had made it more difficult for people to afford housing
 - Customers exercising choice
 - Demographic factors – families tend to be smaller now but there were a lot of three-bedroom properties
 - The perception of how accessible social housing was in the past
 - A disparity in stock profile against housing requirements
 - The increase in private sector/buy to let, which was still a popular option
- Tenants were required to give four weeks’ notice of their intention to leave a property. The Group were taking a pro-active approach and visiting tenant to ask why they were intending to move and asking whether there was anything that could be done to help them remain in the property.
- There were a number of issues caused by empty properties, including the cost in terms of lost rent and the need to keep the dwellings secure.
- In some cases, tenants left as they were trying to escape debt.
- The aim was to retain customers and make the areas more sustainable.
- In response to falling demand, the Group had undertaken a number of actions. These included:-
 - Review of choice based letting and a proposed new approach
 - Developing a marketing approach developing to capture new markets
 - Use of social media
 - Incentives – making the Group’s homes competitive.
 - Sustaining tenancies - measures to maximise tenant income
 - Help with the Spare Bedroom Subsidy
 - Viewing debt differently
 - New homes assessments – thinking about where to build houses
- Zoopla was used and this had brought in some new customers.
- The situation was not assisted by the fact that the rental level is prescribed by the Government.
- The social rented sector had reduced from 28% to 24%.

With regard to the situation in North Ormesby:-

- There had been a steady decline in demand and this had gathered momentum.
- There were a lot of older street terraced houses which were not attractive to entry level buyers.
- The low demand and cheap prices made the properties attractive to private landlords - 38% of properties were privately rented.
- Owner occupiers had fallen by 17%.
- There were a lot of empty properties, which could attract vandalism and arson.
- The area had particularly high levels of deprivation and low resilience to the effects of welfare reform.
- The selective licensing scheme goes live in January 2016. All properties that would be eligible to be licensed had been visited to check that everything was in order.

Members commented as follows:-

- People who had never lived on an estate did not want to move into an estate. The message that social housing was a fantastic option was not being adequately conveyed
- The Group should consider making greater use of social media, such as facebook. They could, for instance publicise an “offer of the week”
- It would be helpful to receive an update on the impact of universal credit in due course.
- In some areas, several properties were being bought to then be rented
- Education was a critical factor

In response to questions by Members, representatives of the Thirteen Group confirmed that:-

- For “less desirable” properties, the location, as well as the actual property, were factors
- There had been some analysis/modelling undertaken of the impact of the forthcoming changes to the payment of universal credit, whereby the tenants would receive rent payment as part of their universal credit and it would be up to them to make the payment to the housing provider. The analysis would involve predicting how many tenants would pay; how many would pay late and how many would not pay at all.
- The Designation Order for the North Ormesby Selective Landlord Licensing Scheme would be for 5 years.

The Chair thanked representatives of the Thirteen Group for attending and for their informative presentation.

ORDERED:-

- a) That the position be noted.
- b) That an update be provided to the Board on the impact of the forthcoming introduction of universal credit in six months.

NOTE: At this stage the meeting became inquorate. Therefore, the remaining items on the Agenda stand deferred to the next meeting on 13 October 2015.

4

BALANCED SCORECARDS: QUARTER ONE 2015/2016

This Item was deferred to the next meeting.

5 **REFERRING REPORTS FROM OVERVIEW AND SCRUTINY BOARD TO THE EXECUTIVE**

This Item was deferred to the next meeting.

6 **FINAL REPORT OF THE HEALTH SCRUTINY PANEL: NEUROLOGICAL SERVICES**

This Item was deferred to the next meeting.

7 **EXECUTIVE FORWARD WORK PROGRAMME**

This Item was deferred to the next meeting.

8 **SCRUTINY PANELS' PROGRESS REPORTS**

This Item was deferred to the next meeting.