
COMMUNITIES SCRUTINY COMMITTEE, 05-02-13

PRESENT (Committee members) - Councillor Eric M. Jones, (Chairman)
Councillor Angela Russell, (Vice-chair).

Councillors:- Craig ab Iago, Stephen Churchman, Gwynfor Edwards, Annwen Hughes, Louise Hughes, Dilwyn Morgan, Linda Morgan, Caerwyn Roberts, Mike Stevens, Mandy Williams-Davies, Gruffydd Williams and Gethin Glyn Williams.

ALSO PRESENT:

OFFICERS: Arwel Ellis Jones, (Senior Manager – Corporate Commissioning Service, for item 5 on the agenda – Report of the Scrutiny Investigation into the Provision of Affordable Housing for Local People), Eiliw Llyr, (Strategic Policy Manager – Housing), Gareth James (Member Support and Scrutiny Manager) and Ioan Hughes (Member Support and Scrutiny Officer).

OTHERS INVITED TO THE MEETING: Councillors John Wyn Williams, (Cabinet Member – Planning) and John Wynn Jones, (Cabinet Member – Economy).

APOLOGIES: Councillors Nigel Pickavance, Robert J. Wright and Selwyn Griffiths.

WELCOME

The Chairman welcomed representatives of the Wales Audit Office and a Peer Group from Conwy County Borough Council who were present at the meeting to observe the work of the Scrutiny committee.

MEETINGS

The Chairman referred to meetings recently held by the Welsh Local Government Association for scrutiny committee chairs and vice-chairs. These had been attended by the Chairman and Vice-chair of this Committee and it was confirmed that further reports, on the information received at those meetings, would be submitted to members in due course.

1. DECLARATION OF PERSONAL INTEREST

No declarations of personal interest were received from any member present.

2. MINUTES

The Chairman signed the minutes of the previous meeting of this committee held on 4 December, 2012, as a true record.

3. REPORT OF THE SCRUTINY INVESTIGATION INTO THE PROVISION OF AFFORDABLE HOUSING FOR LOCAL PEOPLE

a) The report of the Scrutiny Investigation into the Provision of Affordable Housing for Local People, was presented by Councillor Stephen Churchman, the Chairman of the Investigation Group, and he thanked his fellow members and officers associated with the investigation for their cooperation. In addition, he noted his appreciation for the contribution of those who contributed evidence for the investigation.

- b) It was explained that the investigation dealt specifically with the 'Sector Scheme' and the main features of the Scheme were elaborated upon.
- c) It was reported on the main activity and findings of the investigation when gathering information from specialists in various fields, Powys and Ceredigion Councils, where the Scheme had already been implemented, a Focus Group of the Citizens' Panel and representatives from Sector Company.
- ch) It was noted that full consideration had been given to possible risks and that the Group was now satisfied that the majority of these were not a cause for concern.
- d) It was added that the Investigation Group hoped that the Scheme would be able to help some people taking the first step onto the property ladder as well as creating general movement within the market. It was noted that the Group was of the opinion that it should be implemented in the entire County.
- dd) The Chairman of the Investigation and the Senior Manager – Corporate Commissioning Service, who had led the investigation, responded appropriately to comments made by members and attention was drawn to the following main points:
- that the Scheme was specifically for first time buyers, but it was hoped that it would create movement within the housing market;
 - that the Scheme should be implemented across Gwynedd, excluding any property with a post code extending beyond the County's boundaries;
 - that detailed consideration would need to be given to the most effective maximum loan value so that it could be as expansive as possible across the County;
 - that Powys and Ceredigion had set maximum loan values of £175,000 and £152,000 but that the average loan was approximately £108,000 - £112,000. This gave some degree of flexibility to help in areas where house prices and deposits were high;
 - that enquiries had been made regarding the financial risk for the Council, and that there had been no defaults with the 1,200 that were now a part of the Scheme;
 - that the Scheme had been mainly targeted at those who would be able to afford monthly payments but could not obtain the deposit;
 - that some people from the Focus Group of the Citizens' Panel had stated that what they currently paid in rent was more than what mortgage payments would be;
 - that the Council would be investing rather than spending £1 million. Therefore, it would be returned, unless any amount would be lost as a result of a default;
 - that there were no self build developments within the Sector Scheme at the moment but that the recommendations of the Investigation Group referred to it as an issue that should be considered by the Cabinet Member;
 - that the scheme would make it possible for approximately 40 buyers and that this could mean 40 families;
 - that a very positive response and feedback had been received regarding the activities arranged in order to seek the views of the public;
 - that evidence from an estate agent had highlighted that some lower priced houses, e.g. terraced houses, were being purchased by landlords for renting purposes, rather than by first time buyers;
 - that no decision had been made regarding which bank or building society would be a part of the Scheme in Gwynedd, but that it was intended to involve one that would offer a local presence;
 - that it was intended to advertise the Scheme effectively and locally;
 - that it would be possible to re-invest £1m in five years' time but that this was not mandatory.

e) Stating their support to the scheme, some members who had participated in the investigation noted:

- i) that a scheme that could be beneficial to local young people should be supported;
- ii) that salaries were low in Gwynedd and the value of the scheme to local communities and the Welsh language should be considered;
- iii) that the scheme offered an opportunity to assist 40 families which would possibly free up houses to rent and create a general movement within the housing market.

However, concern was expressed by some members of the Committee who suggested that better use of the money could be made, for example by buying land for self build developments or buying houses to rent for a reasonable price creating an opportunity for prospective buyers to save money in order to save up for mortgage deposits.

Concern was expressed that movement in the housing market could lead to increased house prices which would create more difficulties for first time buyers.

l) In response to further enquiries, the Cabinet Member – Planning noted that several matters regarding affordable housing were being considered and that prioritising was necessary in order to offer assistance in the appropriate areas.

He confirmed that 106 Agreements, which were causing concern for the members, was one of the matters under consideration.

m) In terms of the overall investigation, it was noted that this was the Committee's first scrutiny investigation and that it had highlighted the value of making enquiries outside Council boundaries. It was seen that this had underlined the fact that a scrutiny investigation created an opportunity to obtain information from groups, associations, businesses and individuals.

RESOLVED:

1. To recommend to the Cabinet Member, who has a responsibility in the Housing field :

a) that the Sector Scheme should be implemented with the commitment to considering investing £1m in the Scheme by:

- **setting a financial maximum for the value of the house and the loan by looking at the variation in house prices across the County so that it could be operated throughout the entire County;**
- **choosing a bank/building society to be a partner that can offer a local presence to ensure that local people can have expedient access to the Scheme;**
- **making every effort, within the rules, to ensure attention to the scheme within the County to raise awareness about it amongst local residents.**

b) Since the Sector Scheme addresses the needs of some people within a specific group, schemes that can address the other groups facing different difficulties should also be looked at, such as:

- **Those interested in self build;**
- **Those interested in shared ownership schemes;**
- **Those wanting a new build property who are facing difficulties in obtaining a mortgage due to the requirements of 106 Agreements;**
- **Those who fail to receive planning permission in order to adapt external buildings as permanent homes.**

4. SCRUTINY OF SOCIAL HOUSING

a) Submitted – the report prepared by the Cabinet Members, John Wyn Williams, (Planning) and John Wynn Jones, (Economy), in response to questions submitted by members of this Scrutiny Committee.

b) They made the following main points:

- that there was particular value in the Council's scheme to bring empty houses back into use;
- making more use of the above Scheme would involve an investment in terms of grants as well as getting more officers to be a part of it;
- that collaboration was needed between the Council's departments and partners in relation to town centre development;
- that centralisation was a matter to be considered in relation to town centre regeneration;
- that matters associated with people living above shops needed to be considered;
- that support was available, such as 50% grants to improve the image of shops, but that the number of people taking advantage of the schemes was disappointing;
- that the value of Europe's investment was evidently seen in the Blaenau Ffestiniog area and that only a few vacant shops were there now;
- that properties above shops were often left vacant as there was no way of gaining access to them without going through the shop;
- that there was close collaboration between the Economy Department and the Housing Department.

c) In response to further enquiries, it was noted that the national definition of an 'empty house' is a 'house that has been vacant for more than six months.' It was added that there were several permanent vacant properties and that the Council had intervened in the past when the condition of a property had deteriorated extremely.

It was noted that vacant properties above shops was a matter of local and national importance and that the Council considered them as 'empty houses'. However, in attempting to deal with the problem it was added that work must be done within the available resources.

It was noted that information was being received regarding the whereabouts of vacant properties, and that as a result it had to be considered whether or not there was a local need to justify bringing the property back into use. It was added that full information was needed to be obtained regarding properties above shops as many of them were used as storage.

In light of this, a member emphasised that it would be beneficial to have a detailed plan regarding a vacant property that would include the location and condition of the property and whether or not there was any type of use being made of the property at the moment.

The local member referred to the situation in Blaenau Ffestiniog where some shop owners were retiring and living above the shop which was being left vacant.

It was suggested that the target of bringing 90 vacant properties back into use during the period between 2013-2018 was not ambitious enough. In response, the Cabinet Member – Planning noted that the available resources must be considered and that there would be an opportunity to consider the situation as part of the New Four Year Plan.

A member noted that a number of people who fail to acquire social housing or fail to obtain a mortgage deposit were people with various special skills. He therefore believed that there was a need to work in partnership so that applicants' jobs could be coupled with the houses that needed to be renovated.

It was agreed that this was a further field for consideration.

ch) Further opinions were expressed by members regarding various fields and in response the Cabinet Members noted the following main points:

- that it would not be possible to impose the ability to speak Welsh as a matter that would gain additional points on the waiting list;
- that parking fees were being considered as part of the efforts to promote town businesses;
- that assisting in a way that would prevent some people from being made homeless was needed, rather than responding to the situations of those who were already homeless;
- that discussions for a new Strategic Plan created an opportunity to propose new ideas and that attracting Community Councils to activities was one of the matters that could be considered;
- that the Council gave consideration to possibilities in the housing construction field;
- that available land had been transferred as part of the Cartrefi Cymunedol Gwynedd agreement and that building plots were therefore sparse;
- that the Council did not have a plan in order to specifically deal with those leaving the Armed Forces who could be homeless, but that it would be possible to address the matter;
- that there was a need to investigate the procedure for dealing with homelessness to ensure that nobody deviated from the rules;
- that people with needs would have the most points in relation to the waiting list and that it was the Council's duty to try to acquire the most points possible for local people;
- that the Council was not associated with any conditions attached to the Welsh Government's Houses into Homes Scheme; with the scheme, owners of houses that had been vacant for over six months could make an application for an interest free loan of up to £25,000 to spend on renovating the houses so that people could live in them.

The Chairman thanked both Cabinet Members for attending the meeting and for their comments.

The meeting commenced at 10.00am and concluded at 12.35pm.