

**BOROUGH COUNCIL OF KING'S LYNN & WEST NORFOLK**

**CABINET SCRUTINY COMMITTEE**

**Minutes of a Meeting of the Cabinet Scrutiny Committee  
held on Tuesday 18<sup>th</sup> February 2014 at 6pm  
in the Committee Suite, King's Court, Chapel Street, King's Lynn.**

**PRESENT:**

Councillors C Joyce (Chairman)  
D J Collis, J Collop, J Loveless (Vice-Chairman),  
A Lovett and Mrs K Mellish

**Portfolio Holders Present:**

Councillor N Daubney, Leader and Portfolio Holder for Resources  
Councillor A Lawrence, Portfolio Holder for Community

**Management Team/Officers:**

Sheila Farley, Housing Services Operations Manager  
Debbie Gates, Executive Director  
Lorraine Gore, Chief Financial Officer  
Ray Harding, Chief Executive  
Karl Patterson, Private Sector & Mortgage Rescue Officer

Apologies for absence were received from Councillor A Beales, Councillor T Manley, Councillor M Tilbury and Councillor D Whitby.

CSC81: **MINUTES**

The minutes of the meeting held on 28<sup>th</sup> January 2014 were agreed as a correct record and signed by the Chairman.

CSC82: **URGENT BUSINESS UNDER STANDING ORDER 7**

There was no urgent business to report.

CSC83: **DECLARATIONS OF INTEREST**

Councillor J Collop and Councillor Mrs K Mellish both declared a personal interest in CSC89 as private Landlords.

CSC84: **MEMBERS PRESENT PURSUANT TO STANDING ORDER 34**

There were no Members pursuant to Standing Order 34.

CSC85: **CHAIRMAN'S CORRESPONDENCE**

The Chairman had no correspondence to report.

CSC86: **RESPONSE TO PREVIOUS COMMITTEE RECOMMENDATIONS**

There were no previous Committee recommendations.

CSC87: **MATTERS CALLED-IN PURSUANT TO STANDING ORDER 12**

There were no matters called-in pursuant to Standing Order 12.

CSC88: **FINANCIAL PLAN 2013-2017**

Councillor J Collop referred to Section 3.13 of the Financial Plan and questioned whether the additional £158k towards stabilisation of the Pension Fund was an increase compared to that of the previous year and how such a figure was determined. The Chief Financial Officer explained that there were two different methods in terms of contributing to the Pension Fund, an annual on-cost salary rate of 14% and a stabilisation payment which included historic pension contributions. The Pension Fund was reviewed every 3 years with the next review scheduled in 2014/2015 financial year. Discussions were being held with Norfolk Pension Fund in order to identify if any savings could be made by paying a lump sum on a three year basis.

Councillor J Collop referred to press reports where in some cases, companies were not in a financial position to meet their future pension liability and questioned whether the Council had sufficient safeguards in place in terms of their pension liability. The Chief Financial Officer explained that the fund was revalued every three years and the pension liability was obtained annually at the close down of the accounts at the end of March. The figure was subsequently reported in the outturn report to Members in June. In response to a question from Councillor D J Collis as to what the Borough Council's current financial pension commitment was, the Chief Financial Officer explained that she could provide the figure as at March 2013 but an updated figure would be obtained at the close down of accounts at the end of March 2014. Councillor D J Collis stated that he was happy to wait for the figures following the close down of accounts in March and subsequent outturn report.

Councillor D J Collis questioned whether the Council had sufficient financial resources to avoid any future staff redundancies in the year 2015/2016. The Leader explained that the Council did have sufficient financial provision to support any future redundancies if required. However, each decision was fully scrutinised including the payback period and sufficient budget provision was allocated. In a further question from Councillor D J Collis, the Leader stated that he was not in a position to confirm that there would be no more staff redundancies. The Council based their budget on a four year

rolling programme with service provision and efficiencies under constant review.

Councillor J Collop referred to the amount of reserves that the Council had allocated to its General Fund Balance; being £3.8m in 2015/16 and £2.3m in 2016/17 and questioned whether the Leader was comfortable with this amount or whether he felt it was too high. The Leader explained that a judgment had to be made each year as to the amount the Council deemed appropriate and given the current financial and economic climate, he felt comfortable with the figures. He stated that it was difficult to predicate precisely how much financial grant the Government would award the Council in the future. The Leader made reference to statements that had been made at Panel meetings regarding “black holes in budgets” which he stated in financial terms meant a deficit that cannot be funded and that was very far from the case with the Council. The Chief Executive stated that the Council were acutely aware that there was a General Election in 2015; the outcome and impact was an unknown. Therefore in the years 2016/2017 onwards there was a lot more uncertainty with no indication of what level of Government Grant the Council would receive. Therefore the budget figures were based on a best estimation. Councillor J Collop acknowledged that it was prudent for the Council to make such a provision but that there was a balance to be achieved as to what was held in reserves and what was allocated for expenditure.

The Chairman referred to recent reports from the Low Pay Commission that indicated that the national minimum wage may possibly be raised by 10% from £6.31 per hour and questioned whether the Council had sufficient budget provision to meet this requirement if it was introduced. The Leader stated that he was aware of the proposals and was very confident that the Council had sufficient financial resources for any such increase. Historically the Council had made such a commitment to protect their low paid staff. He explained that any pay award was determined at a local level but was benchmarked against national figures.

CSC89: **DISCHARGE OF HOMELESSNESS DUTY BY PRIVATE RENTED SECTION OFFER OF ACCOMMODATION**

The Chairman questioned what role the Council would be taking as the local housing authority in reducing homelessness by offering private rented sector accommodation. The Portfolio Holder for Community explained that this offered the Council an additional option to help those people who had become unintentionally homeless and met specific criteria. It would hopefully lead to less people having to be temporarily accommodated in bed and breakfast establishments and provide more stability for those households.

In relation to a further question from the Chairman as to what was deemed to be “private sector”, the Portfolio Holder for Community

gave an example of a member of public who owned a second (or several) property and rented it out.

The Chairman questioned whether individuals who were approved for the scheme would apply via West Norfolk Homechoice. The Housing Services Operations Manager explained that the Council had a duty to help those people who became unintentionally homeless. The Social Housing Allocations Policy adopted by Council established the Council's intention to use new powers to discharge its homelessness duty with an offer of suitable accommodation via a Private Rented Sector Offer. Those eligible could make a bid via the housing register or if they met the appropriate criteria, they could be offered private sector rented accommodation. This option offered a further tool to aid households who became homeless and helped avoid them having to go into temporary accommodation.

Councillor Lovett referred to Section 3.12 of the report in terms of the financial implications and benefits of the scheme for a homeless person and questioned whether the Council would pay any difference in rent requested by a Landlord to that which was affordable by the person in question. The Housing Services Operations Manager explained that a financial assessment would be carried out to ensure the Council was satisfied that the property was affordable for the individual household. Councillor Lovett suggested that this would restrict the number of households the scheme could assist because of the income/outgoings of individuals would likely be lower compared to the rent that was payable to the Landlord. The Portfolio Holder for Community stated that the scheme offered the Council a further tool in assisting those people who were unintentionally homeless.

Councillor D J Collis stated that some individuals had experienced difficulties in finding suitable housing and referred to a particular case suggesting that they had not received much assistance from the Council and questioned how this scheme would assist such people. The Portfolio Holder for Community reiterated that the Council had a statutory duty to assist those households that became unintentionally homeless.

Councillor D J Collis questioned whether the Portfolio Holder for Community was happy with the Council's Social Housing Allocations Policy which had been adopted by the Council last year. The Chief Executive advised that the Committee were not in a position to scrutinise a report which had been approved last year as Members did not have it available. If appropriate, the policy could be reviewed by one of the Policy & Review Panels. Councillor D J Collis suggested the policy limited the number of households that could be offered assistance as some were being removed from the Housing Register.

In response to a question from Chairman as to the definition of homeless, the Portfolio Holder for Community explained it was a person or household who had lost their dwelling through no fault of their own and had no alternative accommodation. The Council had a statutory duty to assist those who had become unintentionally homeless.

Councillor J Collop questioned whether the Portfolio Holder for Community accepted that the increase in homelessness was a result of the current economic climate and austerity measures taken by the Government. He also questioned what details would be provided to the Landlord on any prospective tenant for example, whether details of credit rating and criminal checks would be passed on. The Private Sector & Mortgage Rescue Officer explained that the Council worked closely with Landlords and shared appropriate information with them and with the tenants' consent, credit checks were carried out and details of previous tenancies were provided. An affordability assessment was also carried and ultimately it was at the Landlord's discretion as to whether he accepted the tenant.

Councillor J Collop stated that he had concerns that the Landlord would not receive sufficient information to make an informed decision about whether to accept a tenant and again questioned what information would be provided. The Private Sector & Mortgage Rescue Officer explained that the Landlord could carry out their own investigation and would also have an opportunity to interview the tenant at any viewing. Prospective tenants had to provide proof of identification and income prior to being accepted onto the housing register. They also had the opportunity of a support worker to help them. The Chairman questioned what criminal convictions would be declared to the housing authority and in turn to the Landlord, particularly the more serious convictions. The Private Sector & Mortgage Rescue Officer explained that each case was assessed on an individual basis and consideration given to how long ago a conviction had been received and the type of convictions. A tenant would not be put forward if it was deemed to be a risk.

Councillor D J Collis suggested that the scheme was limited and would not assist very many homeless people/households. In response to his request for clarification as to the contract being between the Landlord and tenant, with no third party involvement from the Borough Council, the Portfolio Holder for Community confirmed that this was the case. Councillor D J Collis stated that in other parts of the country, the local authority were part of the agreement, where they took on the property on behalf of the Landlord with the agreement that it was returned in the same condition. He questioned whether the Borough Council had given consideration to doing anything of a similar nature and if so, when would it be introduced. The Portfolio Holder for Community explained that the Council were constantly looking at different options but currently had no specific plans to introduce such a similar arrangement.

Councillor J Collop questioned whether the rent would be directly payable to the Landlord. The Private Sector & Mortgage Rescue Officer explained that once the tenancy agreement had been signed it would operate in the same way as a normal private sector agreement. However, with regards to those in receipt of Housing Benefit, it would be dependent on the individual's circumstances; in particular cases where the applicant was deemed to be vulnerable, the Council may be able to pay the Housing Benefit to the Landlord direct.

Councillor Mrs Mellish stated that, in her opinion, the aim of the report was to comply with current legislation and make available to the Council another option to assist those households that became unintentionally homeless and not to go into the finer details of the scheme.

Councillor J Collop suggested that those people who became homeless were likely to have an adverse credit rating which would make it more difficult to secure private rented property. The Portfolio Holder for Community stated that this was not the case, for example, a person could find themselves to be homeless if they were in private rented property and their Landlord decided to sell the property. In this instance, if that matched the necessary criteria, they could be offered a private sector rented property via the Council. Councillor J Collop suggested that in normal circumstances, the Landlord had a statutory duty to give a tenant two months' notice giving them sufficient time to find another property themselves.

CSC90: **PORTFOLIO HOLDERS' DECISIONS MADE UNDER DELEGATED POWERS**

There were no Portfolio Holders' Decisions to consider.

CSC91: **DATE OF NEXT MEETING**

It was noted that the next meeting of the Cabinet Scrutiny Committee was scheduled to be held on Wednesday 19<sup>th</sup> March 2014 at 6pm.

**Meeting closed at 6.58pm**