

NORTHUMBERLAND COUNTY COUNCIL

ECONOMIC GROWTH AND STRATEGIC TRANSPORT OVERVIEW AND SCRUTINY COMMITTEE

At a meeting of the **Economic Growth and Strategic Transport Overview and Scrutiny Committee** held in **Committee Room 1, County Hall, Morpeth, NE61 2EF** on **Tuesday 22 November 2016** at **10.00 a.m.**

PRESENT

Councillor A. Sambrook
(in the Chair)

MEMBERS

Cairns, H.
Grimshaw, L.
Nisbet, K.

Riddle, J.
Tebbutt, A.
Wallace, A.

OFFICERS

Little, L.
Nicholson, S.
Soderquest, P.

Democratic Services Officer
Scrutiny Officer
Head of Housing

24. APOLOGIES FOR ABSENCE

Apologies for Absence were received from Councillors Castle and Douglas.

26. MINUTES

RESOLVED that the minutes of the Economic Growth and Corporate Services Overview and Scrutiny Committee held on 25 October, 2016, as circulated, be agreed as a true record and be signed by the Chair.

27. FORWARD PLAN OF KEY DECISIONS

The published Forward Plan for December 2016 to March 2017 (attached to the signed minutes as **Appendix A**) was presented.

RESOLVED that the information be noted.

REPORT PREVIOUSLY CONSIDERED BY CABINET

28. REPORT OF THE DIRECTOR OF PLANNING AND ECONOMY

Northumberland Local Plan Core Strategy Pre-Submission Draft: Proposed Further Major Modifications

Members were asked to note the extract of Minutes from the meeting of Cabinet on 2 November 2016 (attached as **Appendix B** to the signed minutes) in relation to the above report which had previously been considered by this Committee.

RESOLVED that the information be noted.

REPORT FOR CONSIDERATION BY CABINET

29. NCC Rent Setting Policy 2016/17

The report (**attached as Appendix C to the signed minutes**) requested the views of Members on the Draft Rent Setting Policy 2016/17 that would apply to all Council owned residential properties. The draft policy would apply to the supported and general needs tenants of all Northumberland County Council housing and also covered social and affordable rents across the social housing tenures operated by the Council.

P. Soderquest, Head of Housing introduced the report to the Committee with Councillor A. Hepple, Cabinet Member in attendance. The Committee was advised that the draft policy had been discussed at the Housing and Economic Growth Cabinet Advisory Group (CAG) at their meeting on 15 November and also at the Tenants Forum meeting held on Monday 21 November 2016.

Members were informed that the social housing rent charged for the same type of property, i.e. a 2 bedroom dwelling, was dependent on various factors and would not be the same across the County. The reason for charging affordable rents for certain properties was also outlined.

In respect of the first point for comment contained in the recommendation of the report, Members were informed that following discussions at the Housing and Economic Growth CAG and the Tenants Forum both bodies would recommend that a social housing rent should be maintained when a property was re-let.

In respect of the second point, the Housing and Economic Growth CAG had commented that whilst they generally supported the principle for the recalculating of the formula for social housing rents when the property was re-let consideration should be given to utilising rent caps to minimise impact on certain tenants. The Tenants Forum had commented that whilst they

recognised the long term negative effect on the Housing Revenue Account (HRA) of the rent reduction imposed by the Government of 1% per year, they could not accept the proposal to apply the formula rent as there would be no incentive for tenants to downsize from under occupied properties. The Committee was also advised that whilst the proposal to apply the formula rent on all re-let properties would benefit the HRA this could increase housing benefit payments and therefore have an unintended consequence of increased costs to the Council.

The Committee was informed that it had been widely reported in the press that the Government did not intend to implement the Housing and Planning Act 2016 - Social Housing Tenants with High Incomes ("pay to stay"), although this was yet to be officially confirmed by Government.

The Committee advised that this was a very complicated issue for them to comment on and considered that very little benefit to the Council would be gained by applying the formula rent when a property was re-let.

RESOLVED that Cabinet be advised that the Committee recommended that:-

1. social housing rents should be maintained and not replaced with affordable rents on re-letting, and
2. in respect of social housing rents, formula rents should not be applied at the time a property is re-let.

REPORT OF THE SCRUTINY OFFICER

30. Economic Growth and Strategic Transport Overview and Scrutiny Committee Work Programme

The Committee's work programme was attached as **Appendix D** to the signed minutes. The Scrutiny Officer advised that a reports on the implications of the Housing and Planning Act 2016 and the Planning Application Process would possibly added to the December Committee. It was possible that the January Committee would be cancelled as all Scrutiny Members would be invited to attend the meeting of the Corporate Resources and Regional Affairs OSC on 26 January 2017 when the Council's budget would discussed.

Councillor Hepple commented that future items for consideration could also include the Homelessness Prevention Bill and the Implications of Benefit Changes.

In response to a request regarding an update in respect of Broadband and 4G/5G within the County it was clarified that outside bodies could be invited to attend scrutiny committees to answer questions from Members if their operations impacted on the Council's functions.

RESOLVED that the information be noted.

INFORMATION REPORT

The following report was for information only and could be accessed through Northumberland County Council's Website. If a member of the Committee would like further explanation of the report, or had questions they wished to put to the relevant Cabinet Member, he/she should contact Democratic Services Section in order that appropriate arrangements could be made.

31. POLICY DIGEST

The report gave details of the latest policy briefings, government announcements and ministerial speeches which may be of interest to Members.

RESOLVED that the information be noted.

Chair _____

Date _____