



Leicester  
City Council

Minutes of the Meeting of the  
HOUSING SCRUTINY COMMISSION

Held: MONDAY, 9 JANUARY 2023 at 5:30 pm

P R E S E N T :  
Councillor Westley (Chair)  
Councillor Chamund (Vice Chair)

Councillor Ali  
Councillor Aqbany

Councillor Gee  
Councillor Pantling

In Attendance  
City Mayor Sir Peter Soulsby  
Councillor Cutkelvin Assistant City Mayor  
Councillor Whittle  
Councillor Solanki  
Councillor Valand  
Councillor Nangreave  
Councillor Dawood

\* \* \* \* \*

**51. APOLOGIES FOR ABSENCE**

The Chair welcomed those present and led introductions.

Apologies for absence were received from Councillor Modhwadia.

**52. DECLARATIONS OF INTEREST**

Members were asked to declare any pecuniary or other interests they may have in the business on the agenda.

There were no such declarations.

**53. MINUTES OF THE PREVIOUS MEETING**

RESOLVED:

That the minutes of the meeting held on 7<sup>th</sup> November 2022 be confirmed as an accurate record.

**54. PETITIONS**

The Monitoring Officer reported that no petitions had been received.

## **55. QUESTIONS, REPRESENTATIONS OR STATEMENTS OF CASE**

The Monitoring Officer reported that there were no questions, representations or statements of case received.

## **56. ANY OTHER URGENT BUSINESS**

The Chair announced a change to the running order of the agenda as he had agreed to take an item of urgent business to include a district heating update report as the first substantive item of business on the agenda, on the basis that there needed to be further scrutiny consideration before any decision was taken around any increase in district heating charges.

The Chair noted that the HRA proposals had been deferred to a special meeting to be held on Monday 30<sup>th</sup> January 2023.

It was noted that an invitation had been extended to non-committee members to attend and participate in the discussion about the district heating proposals.

## **57. DISTRICT HEATING UPDATE REPORT**

The Director of Housing submitted a report providing an update in relation to proposals to increase district heating charges and the reasons for that.

Assistant City Mayor Councillor Cutkelvin introduced the report and summarised the current arrangements for district heating which dated back to 2011, this included a look back at the system and arrangements in place over time as well as background information about previous consideration given to installing metering, outcomes of metering testing in 2014 and the previous decision not to proceed with installation of metering as it was cost prohibitive at that time, and the cost analysis was not as compelling as now.

It was reported that unprecedented conditions had triggered massive increases in gas and fuel costs and there was ongoing uncertainty around such costs coming down in future. Residents on district heating had been protected from increases initially as the council purchased its gas in bulk and costs had been below market levels, however with subsequent wholesale gas price increases it was necessary to consider whether to absorb or pass on the increased cost.

Members were reminded of the report presented at the last meeting noting that included a proposal that was “right” at that time. It was also noted that the government had given everyone at least £400, and in some cases more, towards mitigating increased fuel and cost of living impacts. Those on the district heating scheme had also received that additional support but without facing increased gas costs and it was felt that residents with the district heating arrangement had no financial incentive to reduce their heating and there was a tendency for those with district heating to use much more than an average user.

Members noted there remained legitimate concerns about the district heating

system, this had led to further extensive work by officers to identify a way forward and evaluate the impact of increased gas/fuel prices; that work also explored key issues around contracts, revisited metering as an option, and considered potential alternative solutions such as electrification.

The Strategic Director of City Development & Neighbourhoods gave a presentation of the work that had been carried out since the last meeting which included the following points:

- if steps were not taken to address the issue of the increasing price of gas not being matched by increases in charges to district heating customers, then the Council would have to sustain £4.5 million costs from the general fund and £10.2 million costs borne by the HRA (proportionally split between homeowners and Council tenancies).
- An overview of how district heating charges looked in November/December 2022 with a new modelled set of charges that included incremental changes on a proposed 70% increase and a 300% increase together with comparison annual charge forecast 23/24 and estimated capital costs for other forms of heating.
- There had been some reduction in the cost modelling forecast, and a number of assumptions had been removed because the latest bulk gas purchase had come in at a little lower price.
- Metering had been further explored, taking account of previous pilots and findings and revisiting what might be delivered in real terms. The cost of installing meters was estimated to be circa £3m and taking account of a timeline for procurement the work could potentially be completed in 40 weeks.
- A metering programme to deliver across all properties other than within the Aikman Avenue area, which was more problematic could be completed by October 2023, benchmarked upon taking a decision at Full Council in February 2023.
- Viability testing had already been done along with how the metering and billing system would work, with an assessment of impacts and resources needed to manage the new system.
- It was estimated that the average tenant could save around 30% with a meter installed on their district heating charge.
- The provision of localised controls to enable tenants to reduce their heating or turn it off in warmer months had also been explored along with alternative heating options.

Members thanked officers for the additional work done on this issue and discussed the contents of the report.

There remained some uncertainty about introducing a level increase and the point was made that although tenants hadn't had increased costs to their district heating charge, they were never the less having to pay for increased costs on other utilities connected to their properties.

There was concern also that tenants were not able to look elsewhere for their heating provision and that a full consultation should take place so that residents were aware of what the increases could be. It was also felt that residents

should be consulted before any move to install meters was taken.

There was a general consensus that the council should not be subsidising the increased cost and it was recognised that the cost of living issues were likely to remain longer term.

The City Mayor stressed that this was still work in progress and officers continued to explore all options to try to minimise any detrimental effect of passing on an increase in charges and there would be opportunity to come back. The City Mayor advised that it was necessary to minimise the gap between costs and drew a comparison to the economic climate of when the metering trial was carried out in 2014 to the current economic climate noting that much had changed and a 30% saving now would make a considerable difference.

In response to call for further consultation, it was noted that consultation had taken place as far as any consideration to a decision being made to increase up to 70%, however further consultation had not yet been undertaken as final costs were still being evaluated. Any further consultation would be embedded within HRA budget proposals and would go to the tenants forums and resident meetings with opportunity to feedback on the proposals, there would also be opportunity to bring that feedback to the next scrutiny meeting and subject to agreement at the next full council all tenants would then be written to, at least 28 days in advance of any proposed charge increases.

A member of the committee referred to several questions submitted by residents in her area. As those questions were not submitted to the meeting in accordance with the Scrutiny Procedure Rules set out in the Council's Constitution officers were not required to provide a response at the meeting.

*(Post meeting note: the questions were forwarded to officers for a written response outside the meeting.)*

Members noted that there were 17000 tenants who were not on district heating and that the HRA could not absorb the costs as that would impact on other housing services. There was general satisfaction that officers had found an alternative through other interventions such as metering, and it was felt that as much as possible should be done to limit the effect on those contributing to HRA.

Members suggested that if the wholesale prices of gas were now closer to what they were 12-18 months ago then this exercise to increase district heating costs was no longer relevant as the cost had come down.

The Director of Housing clarified that the modelled cost in relation to 300% increase to the district heating charge was a forecast anticipated for the coming financial year, however details of gas prices were firmer to a mean average after metering so the proposed cost would now equate to an increase overall of 247% from April 2023.

The Director then provided responses to a number of points raised prior to the meeting which included the following comments:

- Boilers used in the district heating were powered by gas fires, there was also a bio mass boiler which was not on the network.
- There had been savings on projected carbon emissions.
- The government had announced a heat network efficiency scheme and it was intended to apply to that scheme to enable more efficiency works to be undertaken.
- Leicester was not the only council with a district heating system. Officers had consulted nationally to explore the solutions other cities had made in relation to their heating and power systems, there had also been discussion with heating experts about the different district heating systems across the UK.
- There were no formal assisted living buildings on the district heating system, although there was some sheltered living accommodation linked to the scheme. At the current time no other formal actions had been considered in relation to providing additional support to more vulnerable or disabled residents other than the matters presented tonight. Council stock conditions were a factor and there was already ongoing work to make sure stock was efficient and that EPC ratings were improving. Vulnerable and disabled residents would be prioritised in that piece of work too.

The Chair drew the discussion to a close, concluding that leaseholders on the district heating scheme needed to have some form of control to allow them to turn off or reduce the heating in their homes themselves. The Chair also commented that the suggestion that the HRA be used to subsidise the district heating system would mean that, the HRA investment programme would be cut and council tenants would be subsidising residents who had bought their homes from the council which would not be fair.

It was proposed and seconded that 1. the move to Tenant and Leaseholder control of heating be supported; 2. that regular reports on the negotiations with the provider, including the grounds for increasing service charges in line with gas prices be provided to the commission; 3. that a report be brought to a future meeting on how the service charges have changed to reflect the reduction in gas prices over the last six months; and upon being put to the vote each recommendation was unanimously supported.

The Chair thanked members who had attended the meeting who were not part of this commission for their contribution to discussion.

**RESOLVED:**

1. That the contents of the report be noted;
2. That the move to Tenant and Leaseholder control of heating be supported;
3. That regular reports on the negotiations with the provider, including the grounds for increasing service charges in line with gas prices be provided to the commission;
4. That a report be brought to a future meeting on how the service

charges have changed to reflect the reduction in gas prices over the last six months.

## **58. TENANCY MANAGEMENT VISION AND SUPPORT REPORT**

6.40pm The Chair agreed to a short adjournment.

6.50pm Meeting resumed.

The Director of Housing submitted a report setting out the new vision and priorities for the Tenancy Management service including details of the support provided to sustain tenancies and prevent homelessness.

The Head of Service, Tenancy Management introduced the report and gave an overview of recent developments, this included insight into the number of welfare visits undertaken, and highlighted the support provided to tenants to help sustain their tenancies and prevent homelessness.

Members noted that the profile of estates had changed significantly and the number of tenants with complex needs and chaotic lifestyles had risen. The “Everyone In” initiative had helped house people who had mental health issues or alcohol/drug dependency requiring additional support in their accommodation to manage those issues.

Along with the vision to be “a customer focused landlord service that enables tenants to live well and have successful tenancies” six key priorities had been developed (set out at paragraph 1.5 of report). These were based upon feedback from tenants as well as information gathered from other services and best practice identified elsewhere.

Members were informed about the support provided by the Supporting Tenants and Residents (STAR) service, this included details of new eligibility criteria introduced in May 2021 and how STAR had developed its service around Trauma Informed Practice which was a strength based approach that valued the capacity, skills, knowledge, connections and potential of individuals and communities.

Attention was drawn to the partnership working being carried out as well as data within the report which included information about referrals and information detailing the vulnerabilities of tenants being supported.

The Chair thanked officers for the report and commented upon recent national publicity about homes that were not fit to live in due to condensation and mould, and the death of a child had highlighted the issue.

Officers responded that there were still problems in council housing such as condensation or other defects and as soon as an issue was reported arrangements were made for an inspection to be carried out to identify the source of the issue and offer advice to tenants. Cases were prioritised based on condition and vulnerability of the household and sometimes alternative housing was offered whilst works were carried out.

The Director of Housing confirmed that a specialist group had been brought together to tackle mould/damp issues and all homes reporting that issue in the last 2 years had been reassessed. There had also been increased activity and investment such as in humidity devices to identify problems, referrals to technical teams, and assessment of tenants who say damp/mould was their reason for wanting to be re-housed.

The Chair commented that priority 3 online services reflected a lot of issues for people, and it was queried where the balance of the issue lay. Officers confirmed that they were trying to introduce online services and there was a need to champion those services assisting people with less IT ability to use them the first time and showing where they can get further help and support e.g., at libraries. It was recognised there may always be a group that could not access services online and so the service would still want to provide local housing officers that people could contact directly.

The Chair commented that fire safety remained a critical issue and enquired whether there was any progress in the government adopting recommendations from the Grenfell Fire Enquiry. The Director of Housing replied that fire safety was paramount in all housing stock and this council had always taken it seriously to the extent where millions of pounds had been invested to ensure compliance and there was close work with the fire service. Housing services always undertook the works recommended or required, including recent installation of sprinkler systems in all tower blocks to add an additional degree of protection.

Members noted that in terms of a key recommendation around Personal Emergency Evacuation Plans (PEEP's) for disabled and vulnerable tenants who need assistance to evacuate, this was something Leicester had in place for a number of years although the government had not yet adopted that.

The Commission congratulated the staff member who received the Turning Point Inspiring Leicester award.

Members raised concerns about the number of people experiencing difficulties calling to request repairs especially the elderly and people with English as a second language. The Director of Housing advised that he was not aware of any specific delays to calls coming through and there was an intention to encourage more reporting online, so the channel shift would free up the customer service centre to be able to answer more important calls. There were still some priority emergency calls that went through customer call centre but in relation to the online system, thousands of reports had been logged and had gone very smoothly and Members were invited to provide more detail of any specific delays outside the meeting.

There was a brief discussion about family and community support services, and it was noted that where cases were identified of people struggling financially, they were referred for STAR support, who could assist with budgeting advice and help claiming benefits.

Members were advised that in terms of next steps the team would be developing an action plan to include timelines for implementing all elements of the tenancy management offer however some aspects would occur sooner i.e., the ASB team would be set up around April 2023, so there was work to do on connecting timelines and tying in funding streams.

In relation to help and support available within libraries it was noted that housing officers shared a joint reception area so people should be able to go into their nearest library and get initial advice as well as sign posting and support to access online services.

The Chair asked officers to provide a future report providing details of the setting up of a customer care system (para 4.4 of report) and how well that system had been received and how well targets and objectives were being met.

RESOLVED:

1. That the contents of the report be noted,
2. That a future report providing details of the setting up of a customer care system be brought to a future meeting as requested above.

## **59. EMPTY HOMES (PRIVATE SECTOR) REPORT**

The Director of Housing submitted a report providing details of the work of the Empty Homes Team to bring long term private sector homes back into use.

Assistant City Mayor Councillor Cutkelvin introduced the report noting this area of work was vital and a service the council should be proud of and look to sustain into the future.

The Head of Service, Housing explained the overall purpose of this team was to bring empty properties back into use and went on to provide an overview of the team structure, smarter working initiatives, and the process stages of bringing a property back into use.

Members noted there was a focus on bringing back into use family sized accommodation and this would be diversified later in the year to include property such as flats above shops and similar.

7.30pm Councillor Aqbany left the meeting.

Attention was drawn to the data within the report, including the number of properties brought back into use and caseloads within the team and the trajectory of work. There was a brief discussion around common misunderstandings about compulsory purchase orders.

Members noted that officers also worked with colleagues in the Crime and Anti-Social Behaviour team as well as officers in regulatory services to use intelligence around rogue landlords and to identify patterns and themes of



properties linked to Crime and ASB.

Assistant City Mayor Cutkelvin commented that whilst working on the strategy it was identified that organisations needed to be better linked when it came to tackling rogue landlords and a lot of work had been carried out through the strategy board and through external partners to take a more comprehensive look at criminality within the housing sector with a view to working towards a joined up approach.

The Chair thanked officers for the report and members contributions to the discussion.

RESOLVED:

That the contents of the report be noted.

## **60. WORK PROGRAMME**

Members of the commission received and noted the Work Programme.

There being no further business the meeting closed at 7.45pm.