



Leicester
City Council

MINUTE EXTRACT

Minutes of the Meeting of the HOUSING SCRUTINY COMMISSION

Held: MONDAY, 17 DECEMBER 2018 at 5:30 pm

P R E S E N T:

Councillor Westley (Chair)
Councillor Alfonso (Vice Chair)

Councillor Aqbany

Councillor Joshi

Councillor Newcombe

In Attendance

Councillor Connelly, Assistant City Mayor – Housing

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50. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Byrne and Corral.

51. DECLARATIONS OF INTEREST

Members were asked to declare any interests they might have in the business to be discussed.

Councillor Joshi declared an Other Disclosable Interest in the general business of the meeting in that he had family members who were council tenants.

Councillor Alfonso declared an Other Disclosable Interest in the general business of the meeting in that she had a family member who was a council tenant.

In accordance with the Council's Code of Conduct, these interests were not considered so significant that they were likely to prejudice the Councillors' judgement of the public interest. The Councillors were not therefore required to withdraw from the meeting during consideration and discussion of the agenda items.

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54. HOUSING REVENUE ACCOUNT BUDGET (INCLUDING CAPITAL PROGRAMME 2019/20 TO 2021/22)

The Director of Housing submitted a report, which considered the proposed Housing Revenue Account (HRA) budget for the three years from 2019/20 to 2021/22 and was set in the context of the government requirement that rents are reduced by 1% per annum for the four-year period from 2016 to 2020. The proposed budget included the final year of the four-year rent reduction.

In presenting the report, reference was made to Appendix D showing rent comparison figures for various property types. It was noted that the Government's decision to implement a 1% p.a. rent reduction over a four year period had placed the HRA under significant pressure to deliver a balanced budget. Several other external pressures and changes also brought about by central government placed the HRA at further risk including the impact of increasing Right to Buy sales, the introduction of Universal Credit and inflationary pressures. It was expected that these issues would create a period of significant uncertainty in setting the budget for the HRA.

Despite those pressures and uncertainties, the report recommended that the budgets for the three years from 2019/20 to 2021/22 be set as balanced budgets, with the limited use of reserves to fund specific schemes.

In response to Commission Members' questions, the following issues were discussed and noted:

- The budget marked a watershed for the department in that it would include the last year of a four-year programme of reducing rents by one per cent each year. The reductions were at the direction of government.
- From the second year of the proposed programme the adjustment of the Government's rent cap would (for now) allow for increases in rents and the Commission acknowledged that rents would be likely to rise by Consumer Price Index (CPI) plus one per cent – the highest allowed under current government rules.
- The tenant representative suggested that they might want to comment on future rent proposals and the negative impact on the department's plans for building new homes out of HRA funds and improving the housing stock and the environment of estates across the city was recognised.

In this regard it was considered that the comments were important because they came from those who directly use the council's services and were in the best position to see how well those services were performing. The Commission echoed the tenant representatives' comments supporting the proposals and agreed to note:

- The financial pressures on the HRA
- The proposed rent reduction of one per cent and the increases in service

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- charges and garage rents
- The proposal for unchanged hostel rent levels.
- Many programmes had been cut back over the last three years. However, the 12-month pay-back period for the installation of new LED lighting in communal areas and in walkways was welcomed as an environmentally and economically strong programme and was being continued.
- In considering the capital programme, the plans to build 50 new homes across six sites were particularly welcomed. The Commission also welcomed the evidence presented concerning continued improvements to disabled facilities, and improving fire safety across all estates, but particularly within the high-rise blocks in the city.
- The reasons for demolishing Goscote House were understood, but members were keen to see proposals for redevelopment on the site at the initial planning and design stages. The commitment to invest in the stock through kitchen, bathroom and boiler replacements together with external concrete path repairs was welcomed.
- The Commission also supported the contributions being made to General Fund programmes aimed at improving living conditions on the council's estates, including enforcement programmes relating to anti-social behaviour, fly-tipping and litter, and was also appreciated by the tenant representatives.
- Having regard to the inclusion in the budget of further allowances for debt arising from the roll-out of the Universal Credit (UC) system, Members shared officers' concerns about the potential impact of switching to the new system, but also noted that there was good joint-working with the Department of Work and Pensions (DWP) at local level.

Members indicated that they may wish to review that operation in the future. They also indicated scrutiny would continue to take an interest in the issues of voids – their numbers and the times taken to bring them back into occupation, the effectiveness of the repairs and maintenance programme and the impact of mobile technology.

In conclusion, the Assistant City Mayor (Housing) was invited to comment. He referred to the comprehensive report and the full debate and welcomed the questions put by Commission members, which had been answered in detail by the Director. He advised that having regard the financial pressures and current circumstances, the budget was an excellent proposal that would not show any significant detriment to tenants in the City.

It was confirmed that the report would be submitted to Council on 20 February 2019.

It was AGREED to:

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1. Note the financial pressures on the HRA and comment on the proposals for delivering a balanced budget;
2. Note the proposed reduction in rent of 1%, increase in service charges of 2% (excluding district heating and communal cleaning), and increase in garage rent of 3.7% for 2019/20; and
3. Note the proposal for Hostel rents to remain unchanged.
4. Note that the Chair of the Commission would write to the Director to summarise the discussion, as above.

55. CLOSE OF MEETING

The meeting closed at 6.32 pm.