



Leicester  
City Council

**MINUTE EXTRACT**

**Minutes of the Meeting of the  
HOUSING SCRUTINY COMMISSION**

Held: MONDAY, 10 JANUARY 2022 at 5:30 pm

**P R E S E N T :**

Councillor Westley (Chair)  
Councillor Chamund (Vice Chair)

Councillor Ali      Councillor Aqbany  
Councillor Byrne    Councillor Gee  
Councillor Rahman

**In Attendance:**

Councillor Cutkelvin – Assistant City Mayor (Housing and Education)

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**58. APOLOGIES FOR ABSENCE**

There were no apologies for absence.

**59. DECLARATIONS OF INTEREST**

The Chair declared an interest as members of his family lived in Council accommodation.

The Vice-Chair declared an interest as a member of her family lived in Council accommodation.

Councillor Aqbany declared an interest as members of his family lived in Council accommodation.

Councillor Byrne declared an interest as she lived in Council accommodation.

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 Members were not, therefore, required to withdraw from the meeting.

## **66. HOUSING REVENUE ACCOUNT BUDGET (INCLUDING CAPITAL PROGRAMME)**

The Director of Housing submitted a report, which described the City Mayor's draft Housing budget for 2022/23, prior to consideration at Full Council on the 23 February 2022.

It was reported that the financial landscape of the four-year period from 2016 to 2020 had been dominated by the Government requirement that rents be reduced by 1% each year. Despite this pressure, the HRA delivered balanced budgets.

It was noted that for the 5 years from 2020 rents were permitted to increase by up to CPI+1% and whilst that relaxation would help to sustain a financially viable HRA and support investment in the housing stock, the continuing impact of Right to Buy (RTB) sales on rental income persisted.

The Chair commented on the Government's policy and referred to the increased pressure on tenants, including rising cost of living expenses, fuel prices and inflation, leading to increased poverty.

The Assistant City Mayor (Housing and Education) was invited to comment.

Councillor Cutkelvin referred to the difficult outcome and reluctance to propose a 4.1% rent increase and stated that this had been the third year that such difficult and challenging decisions had been necessary, due to Government policy. In terms of consultation with the Tenants and Leaseholders Forum it was confirmed that although not in favour of the proposed core rent increase, there had been no suggestions or proposals of reduced services to allow for a reduced rent increase. This situation was acknowledged by Commission members and would be explained further in the pending presentation to be given by the Director of Housing.

The Director of Housing then gave a presentation, which identified a proposed core rent increase of 4.1% and confirmed previous increases in 2020/21 of 2.7% and in 2021/22 of 1.5%. It was noted that this was an average rent increase of £3 per week. In this regard the Director of Housing pointed out that 50% of tenants were on full Housing Benefit / Universal Credit (HB / UC), and 20% of tenants were on partial HB / UC.

The ongoing significant provision offered to ensure tenancy sustainment support through the Income Management Team, Rent Management Advisors, Housing Officers, welfare visits and ASB, STAR and Discretionary Housing Payments were welcomed and noted.

The tenure comparison with the average rents nationally and with other East Midlands Authorities were presented and it was noted that Leicester's position remained favourable as one of the most inexpensive authorities.

In terms of the equivalents and reduction in the proposal to 3.1% were described and it was noted that this would result in a loss of £675k to the HRA each year, with a total loss of £22m in 30 years.

It was reported and noted that the impact could be:

- 85 fewer new roofs each year, or
- 125 fewer kitchens and bathrooms each year, or
- 250 fewer boilers per year, or
- 17 less repairs operatives, or
- 15.5 less Housing Officers

The impact on garages, service charges and hostel rents and the district heating charges were also reported, it being noted that over 2,400 tenants and 800 leaseholders were on the district heating scheme. A considerable increase in energy wholesale prices nationally with a 20% increase in energy bills, due to advanced purchasing proposed 7.29% increase for district heating charges was proposed, with an average increase of £1 per week to tenant's bills.

In terms of the proposed changes to the Capital Programme the budgets concerning kitchen and bathroom replacements, boiler replacements and window and door replacements were noted.

Further projects concerning door entry system upgrades (to be suspended) district heating maintenance and communal and environmental works were described and accepted. In respect of future works and projects into 2022/23, details were provided of adaptations for incoming tenants, fire risk work, property conversions and extensions, affordable Housing Programme, and the Dawn Centre reconfiguration.

As reported previously by the Assistant City Mayor (Housing and Education), the Tenants Forum feedback had suggested that the proposed rent increase of 4.1% was too high, although support was given the proposed Garage (4.1%) and service charges (2%) increases. To mitigate a lower rent increase, it had been suggested that garage rents could be increased.

The Director of Housing provided details on the minor impact this would have, given the number of garages in the Council's ownership, compared to the much greater housing stock.

In concluding the presentation, it was confirmed that the report would be submitted to Overview Select Committee on 10 February 2022, prior to Full Council on 23 February 2022.

*Councillor Byrne left the meeting at 6.20 pm and indicated her support to the recommendations to increase the rent and service charges.*

*Councillor Ali left the meeting at 6.48 pm and indicated her support to the recommendations to increase the rent and service charges.*

AGREED:

To support the recommendation to Full Council to:

- I. Note the financial pressures on the HRA and comment on the proposals for delivering a balanced budget;
- II. Note the comments from the Tenants' and Leaseholders' Forum at Appendix G, the Housing Scrutiny Commission at Appendix H, and the Overview Select Committee at Appendix I;
- III. Approve the Housing Revenue and Capital budgets for 2022/23;
- IV. Approve rent and service charge changes for 2022/23 as follows:
  - 4.1% increase to core rent;
  - 4.1% increase to garage rent;
  - 2.5% increase to Hostel rent and service charges;
  - 7.29% increase in District Heating charges;
  - 2.0% increase to all other service charges;
- V. Note the equality impact assessment of the proposed revenue and capital reductions required to present a balanced budget, at Appendix J;
- VI. Note that the scheme of virement (included within the General Fund Revenue Budget report which is also on your agenda) applies also to the HRA budget with total expenditure and total income acting as budget ceilings for this purpose;
- VII. Note that the capital strategy in that report applies also to the HRA;  
Agree that the delegations and determinations applicable to the main capital programme (which is also on your agenda) shall also apply to the capital programme in this report.