



Leicester
City Council

Minutes of the Meeting of the
HOUSING SCRUTINY COMMISSION

Held: TUESDAY, 13 JANUARY 2026 at 5:30 pm

P R E S E N T:

Councillor O'Neill – Chair
Councillor Bajaj – Vice Chair

Councillor Aqbany
Councillor Gregg

Councillor Gopal
Councillor Singh Sangha

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Cllr Cutkelvin – Deputy City Mayor for Housing, Economy & Neighbourhoods

57. WELCOME AND APOLOGIES FOR ABSENCE

Apologies were received from Cllr Zaman.

58. DECLARATIONS OF INTERESTS

None were received.

59. MINUTES OF PREVIOUS MEETING

AGREED:

The minutes of the previous meeting of the Housing Scrutiny Commission held on 11th November 2025 be confirmed as a correct record.

60. CHAIRS ANNOUNCEMENTS

The Chair announced that she visited Hospital Close in November. It was positive to go back and see the further developments.

61. QUESTIONS, REPRESENTATIONS AND STATEMENTS OF CASE

None were received.

62. PETITIONS

None were received.

63. DRAFT GENERAL FUND REVENUE BUDGET 2026/27 AND DRAFT THREE YEAR CAPITAL PROGRAMME 2026/27

The Director of Finance submitted two reports to the Commission to present the City Mayor's strategy for balancing the budget for the next 3 years and to seek approval to the actual budget for 2026/27. The two reports were The Draft General Fund Revenue Budget 2026/27 and The Draft Three Year Capital Programme 2026/27.

The Head of Finance presented the reports concurrently. The following was noted.

The Draft General Fund Revenue Budget 2026/27:

- The Draft General Fund Revenue Report set out the budget for 2026/27 and the medium term financial strategy for the following two years.
- The Budget reflects the Government's Fair Funding Consultation from the summertime and despite the improved financial position that arises as a consequence, the Council was still forecasting a budget gap and the strategy agreed by Council last year would continue.
- The strategy included the following five strands:
 - Budget savings of £23M
 - Constraining growth in areas such as Social Care and Homelessness
 - A reduction in the Capital Programme
 - Releasing one off monies to buy time
 - A programme of property sales, which was now planned to reduce the cost of borrowing
- The Report sets out the progress against each of those strands and proposes continuing with this strategy and extending it to March 2029.
- The budget builds in growth to meet ongoing cost increases in Social Care, Homelessness and Housing Benefits.
- Given the underlying financial pressures, the scope for additional investment was limited, but a small amount was included particularly around areas previously funded from grants, that would no longer be received.
- Investments were continuing in the provision of temporary accommodation, which would save money in cost in supporting people staying in B&Bs and the revenue impact of this was reflected in the report.
- Money was included in the budget for an increase in the number of properties leased from private landlords and this was expected to save £3.9M.
- In addition, funding was being made available for additional staff to undertake the increasing volume of work and ensure the focus remained on prevention.
- The final budget would be updated and presented to Full Council on 25th February 2026 and would include the updated figures following the draft finance settlement which the Finance Team were currently working through.

Draft Three Year Capital Programme:

- The General Fund Draft Capital Report seeks approval of just under £130M over the next three years.
- For the Final Report for Full Council this will increase to reflect multi-year grant settlements which will have since been released.
- In 2025/26 the Capital Programme changed to be mainly funded from government grants and borrowing and this approach would remain in place for 2026/27.
- The Revenue Budget would reflect the consequences of the decisions taken in the Capital Report. The report does note that the Council will look to alleviate the revenue pressure placed by borrowing, by using £60M of capital receipts to fund the Capital Programme.
- Of particular interest to the Housing Commission there will be £50M in addition for the acquisition of approximately 250 self-contained properties for use as temporary accommodation and this builds on the £45M approved by Full Council in March 2024 and along with other measures would directly result in annual cost avoidance of over £6M a year.
- In addition, disabled facilities grants continued to be included at just under £1.9M per year.

In response to comments and questions from Members, the following was noted:

- A question was raised on Right to Buy (RTB) Scheme, it was noted that the RTB featured more in the Housing Revenue Account (HRA) which would be heard later in the agenda. The report being discussed could include properties the Council were looking to acquire, could be properties that had previously been bought by council tenants.
- Members discussed the Council's approach to meeting demand for temporary accommodation and the wider actions being taken to address housing need within the city. It was noted that the £45 million investment approved previously had made a significant difference, alongside a further £30 million allocation, in reducing reliance on bed and breakfast accommodation.
- It was highlighted that demand for assistance remained at historically high levels, with around 60% of households being prevented from becoming homeless and permanent accommodation being secured for the remaining 40% and that demand continued to exceed what existing funding could accommodate, with planning assumptions based on demand levels from the previous 1 to 2 years in order to avoid the use of bed and breakfast accommodation wherever possible.
- In response to questions regarding the £50 million addition to the Capital Programme, it was clarified that the Council was not constructing new properties but was purchasing accommodation from the existing housing market.
- Members were informed that £50 million had been allocated for

temporary accommodation acquisitions, enabling the purchase of 90 self-contained units for single households and 160 family accommodation units.

Recommendations:

The Commission recommended that the additional funding allocated towards temporary accommodation, including the £45 million approved by full Council in the previous year, be noted and commended. The Commission recognised that the funding had been highly successful in reducing the number of families and individuals placed in bed and breakfast accommodation and, notwithstanding earlier questions regarding governance, expressed its strong support for the continuation of this approach and ongoing investment in this area.

AGREED:

1. That the Commission note the report.
2. That a report on Temporary Accommodation is added to the work programme.

64. TENANCY SUPPORT (LEICESTER CITY COUNCIL TENANTS)

The Director of Housing submits a report to the Commission to provide detail on the housing support offered by Leicester City Council Housing Services to its tenants.

The Head of Service for Housing presented the item and the following was noted:

- The report highlighted the support offered to LCC tenants
- At present, there were 19,500 tenants in Council accommodation. For some, there was no need for further support however, it was noted by the Head of Service that more tenants were presenting with complex needs.
- The authority attempted to target some support towards tenants who were considered the most at need, this was due to them not having friends, family or other support networks available. It was commented that the STAR team had a specific criteria in place to assess need amongst tenants referred.
- The tenant journey was highlighted. It was explained that the journey would begin with the property lettings team, who would conduct an escorted visit with the tenants and provide information, such as how to do a meter reading, provide decorating vouchers if needed or helping tenants to apply for benefits and community support grants, if they were eligible. The team provided information about fire and water safety as well as the conditions of tenancy. Around 800 escorted visits took place each year.

- The next step was led by the Tenancy Management Service through its Housing Officers. The sensitive lets process attempted to put new tenants in suitable areas and aimed to prevent vulnerable tenants from being put in an area where they did not feel safe.
- Housing Officers conducted property visits to newly moved in tenants within the first 6 weeks of the move in date. This was to check that the tenant had moved in successfully and that they were aware of their responsibilities as a Council tenant. The first visit process was currently under review after feedback from the Tenant Scrutiny Panel who requested that the process was more tenant focused.
- During the first visit to newly moved in tenants, Housing Officers would conduct a welfare assessment and make a referral to the appropriate support agency, if it was needed. If the Council became aware at any point that a tenant was vulnerable, then an assessment would take place. In the previous year, 1,259 Welfare visits were conducted. Pop up Housing Offices were also useful in allowing tenants to self-report issues to Council Officers. The Council also adopted a new vulnerability policy and began storing the identified vulnerabilities of Council tenants, so they were considered when planning services.
- The STAR Service had existed for 25 years and provided wrap around support for tenants. Last year, the service helped 641 vulnerable tenants with issues such as self-harm, hoarding and self-neglect. Several cases were listed in the report to show first hand, the results of the service. Help Beyond Housing worked alongside the STAR Service to assisted 121 tenants with multiple needs such as drug and alcohol abuse and poor mental health. Another project of the Help Beyond Housing Team was the Zip trainer accommodation which supported tenants and taught them to live independently. Since the commission last visited the accommodation, there were several tenants who had graduated and moved out into independent accommodation.
- Teams had done an excellent job with a 96% tenant sustainment rate which was believed to be one of the highest in the country. The Income Management team ensured that 99% of the rent owed to the Council was collected while also supporting the most vulnerable tenants to maintain benefit claims. In the last year, 883 households were supported and rent arrears were reduced by £372,000

Comments:

- The topic of Pop-up Housing Offices was highlighted by the Vice Chair, who requested further detail on the progress of the project. The Head of Service advised that they were still proving to be popular with tenants and that 6 monthly reviews were taking place to track their progress. The Deputy Mayor advised that several other services had requested to join the Pop-Up Housing Offices which demonstrated the success of the project.
- Members asked about the current number of void Council properties and the average time that properties were void. The Director of Housing explained that void properties were at their lowest level in 6 years with

342 properties currently being void in contrast to 19,500 properties that were currently occupied by tenants. The average void time for properties was 110 days. While this was probably a longer period than other authorities, it was detailed that during this period, complex renovations such as rewiring, capital works including new kitchen and bathrooms and removal of asbestos was conducted. Some of which could not be done with tenants in the property or greatly inconvenienced tenants if they were living in a property at the time of the work. Therefore, the Director believed that these reasons justified the longer void period.

- Members requested further detail on the average time that new tenants would spend on the waiting list. The Director of Housing advised that he did not have the accurate information to hand at the meeting as it was not directly relating to the report, but he advised that it will be provided after the meeting.
- The support provided to tenants with complex needs was commented on by Members, who wished to learn more about the current level of unmet need in the City. The Head of Service elaborated that the waiting list for STAR was currently 30 individuals. If emergency support was needed however, then this would be provided but a full case would not be opened, and the tenant would remain on the waiting list to be assessed. The work conducted by the Help Beyond Housing Team which was part funded by Public Health was praised for its work by the Head of Service. It was elaborated that they were able to pick up some of the more complex cases and have added extra capacity to the area.
- The Chair sought additional information on the average wait times for support services such as Star and if there were any underlying causes of the wait time, namely resources or recruitment. The Char also asked for more information about the criteria used by the STAR team when assessing cases. The Head of Service said that she did not have an exact wait time for STAR but could come back with the information at a later date. It was again stressed that in high need emergency cases, the STAR team would act immediately.
- The Chair also raised the subject of Trainer Accommodation which had proved recently proved successful and whether there were any plans to increase capacity from the 11 sites currently in use. It was advised that the Supported Housing Manager was looking into further provision which could be made to increase capacity and that talks were being held with Adult Social Care to reclaim some of the Housing sites which they currently utilise.

AGREED:

1. The report was noted by the Commission.

**65. HOUSING REVENUE ACCOUNT BUDGET (INCLUDING CAPITAL PROGRAMME)
2026/27**

The Director for Housing presented the Housing Revenue Account Budget for 2026/27:

- The Director of Housing advised that the proposed budget for the year was balanced but there were significant pressures that the HRA faced this coming year which totalled over £6 Million.
- The key factors that were causing these pressures were explored. New legislation such as Awaab's Law, regarding mould and damp, which came into place in 2025, had added additional responsibilities to the authority as well as shorter timeframes to handle damp and mould cases. The new Housing Regulator and Consumer standards required new unfinanced actions and tasks. The Regulator also introduced a new Conduct & Competency framework to further professionalise the Housing for all Housing employees. This resulted in the authority putting a considerable number of housing staff through new training to ensure that the authority was compliant with the new standards. It was explained that these combined factors alone made up £3 Million of the £6 million total pressures.
- Other pressures included the continued loss of housing stock which was expected to cost the City Council an additional £1 million in the upcoming year as well as increased running cost expenses due to inflation, which was predicted to cost £750,000. A furthermore, £1 million was also added to the Capital budget for 26/27.
- An increase of 4.8% on core rent, garage rent, and hostel rent for all Council tenant, garages and hostel rents was proposed to help balance these pressures. An increase in rent of 4% for Gypsy and Traveller was also proposed, the difference in percentage increase was due to the different legislation around Traveller plots.
- Regarding district heating, there was a proposed decrease of 16% in the variable charge for metred heat as well as for those on fixed charges. A further 22% reduction was proposed in the fixed metre charges for tenants with metres.
- There was an increase of 3.8% in service charges proposed.
- It was noted that a number of the capital items were due to remain ongoing and unchanged from the previous year including, boilers, rewires, district heating, soffits and fascias, door entry replacements, kitchens and bathrooms.
- It was also proposed that there would be a reduction in the funding for disabled adaptations to Council properties from £1.2 Million to £725,000. It was explained that the authority was handling demand as currently there was no waiting list for adaptations. Consequently, this reduction would cause minimal impact to the area and help balance the budget. The Director of Housing committed to keep an eye on this area and review the funding pot in year if there was any change in the demand.
- A preventative programme of increasing the re-roofing budget was proposed to help tackle the issue of roof repairs and leaks in Council houses. In the previous financial year, it was noted that there was an increase in demand for roof repairs and therefore, the budget of £1.5 million was proposed to increase to £2 million to enable this.

- A programme to upgrade and replace the windows and doors in Council Houses was also proposed. It was stated that the programme which would take place over several years, would have its budget increased from £50,000 to £500,000 to intensify the programme's progress.
- A one-off investment of £500,000 was planned for the St Matthew's Centre. While the building was owned by Housing it was being utilised by Libraries, communities and other groups. At the time, plans were being drawn up for the future of the centre, but nothing had yet been decided. It was explained that regardless of what happened, the centre needed investment for any of the proposed plans and that the money had been set aside to provide the necessary headroom.
- A new £200,000 capital line was proposed for a new supported housing project. A unit was identified where alterations could be made to convert it into a new supported housing unit which would further support the work that was being carried out in this area.
- A sum of £400,000 was put aside for water heater and tank replacements. This project had become linked with the water safety and Legionella checks which the authority routinely carried out on water tanks. The Director of Housing emphasised that the risk of Legionella could be significantly reduced by having direct fed water rather than having water tanks.
- It was noted that the Housing department was not requesting any additional funding in the year 2026/27 for creating additional affordable housing. This was due to the fact that the authority already had £159 Million in the funding pot and was in discussions with Homes England to gain an additional £60 Million. Therefore, it was deemed that no additional funding was needed for the year. The Director of Housing wanted to make it clear that just because further funding was not being requested, it did not mean that the affordable housing delivery was stopping.
- The Director explained that in both online and face to face discussions with tenants and members of the tenant scrutiny board, the reception to the budget changes were overall supported by a majority.

Comments:

- The tenant's responses were commented on by the Chair and the fact that although the majority approved, it was a small majority. The Chair requested further clarification as to what the causes of this slim approval margin was. It was detailed by the Director of Housing that the main cause of concern among tenants surveyed, was the impact these changes would have on the most vulnerable. Particularly with bills increasing, the cost of living and the impact it would have on those working, who would be required to pay the increase. The Housing department were aware of these concerns and reassured and reminded the commission that the Council had tenancy sustainment rates of 96%, which was due the support services provided by the authority. Notably, the Income Management Team, who worked directly with tenants to ensure they were able to make sustainable payments while maximising income for the Council.
- The affordability of the increase in rents was commented on by Members who wished to learn about the broader impacts of this increase on tenants.

The Director of Housing commented that these increases were offset by other pay increases to tenants. It was commented that 60% of Council tenants were on Housing Benefit so they would not be affected, in other areas, Universal Credit increase by 6.2% for 2026/27. Pensions had increased by 4.8% and salaries had increased by 5%. This meant that the overall increase was equivalent to those increases in income people had.

- The topic of Service Charges was raised by the Members who requested further detail on these increases. It was detailed that the authority only charges tenants what it costs the authority, CPI and inflationary pressure had increased to 3.8% hence the proportionate increase. Further reviews of services charges were planned for the rest of the 2026/27 year.
- Questions were raised about the reduction in district heating costs and why they were reducing while several other prices increased across the board. In response it was explained that the City Council only charges its tenants what it costs the authority to buy the fuel. The Council bought gas when it was cheap and in bulk, so the authority has passed those savings on to the tenants.

AGREED:

- The report was noted by the Commission.

66. WORK PROGRAMME

The work programme was noted.

67. ANY OTHER URGENT BUSINESS

With there being no further business the meeting closed 6:28pm.