

Leicester
City Council

MEETING OF THE HOUSING SCRUTINY COMMISSION

DATE: MONDAY, 27 JULY 2015

TIME: 5:30 pm

PLACE: Meeting Room G.01, Ground Floor, City Hall, 115 Charles Street, Leicester, LE1 1FZ

Members of the Scrutiny Commission

Councillor Newcombe (Chair)
Councillor Alfonso (Vice Chair)

Councillors Aldred, Aqbany, Byrne, Cank and Joshi
1 Un-allocated Non-Group Place

Members of the Scrutiny Commission are invited to attend the above meeting to consider the items of business listed overleaf.

For Monitoring Officer

Officer contacts:

Angie Smith (Democratic Support Officer):

Tel: 0116 454 6354, e-mail: Angie.Smith@leicester.gov.uk

Jerry Connolly (Scrutiny Support Officer):

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Leicester City Council, City Hall, 115 Charles Street, Leicester, LE1 1FZ

Information for members of the public

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- ✓ to ensure that the sound on any device is fully muted and intrusive lighting avoided;
- ✓ where filming, to only focus on those people actively participating in the meeting;
- ✓ where filming, to (via the Chair of the meeting) ensure that those present are aware that they may be filmed and respect any requests to not be filmed.

Further information

If you have any queries about any of the above or the business to be discussed, please contact Angie Smith, **Democratic Support on (0116) 454 6354** or email Angie.Smith@leicester.gov.uk or call in at City Hall, 115 Charles Street.

For Press Enquiries - please phone the **Communications Unit on 0116 454 4151**

PUBLIC SESSION

AGENDA

1. APOLOGIES FOR ABSENCE

2. DECLARATIONS OF INTEREST

Members are asked to declare any interests they may have in the business to be discussed.

3. MEMBERSHIP OF THE COMMISSION 2015/16

Members are asked to note the membership of the Commission for 2015/16:

Councillor Newcombe (Chair)
Councillor Alfonso (Vice-Chair)
Councillor Aldred
Councillor Aqbany
Councillor Byrne
Councillor Cank
Councillor Joshi

4. DATE OF COMMISSION MEETINGS 2015/16

Members are asked to note the meeting dates of the Commission for 2015/16 (all to start at 5.30pm):-

Monday 27 July 2015
Tuesday 8 September 2015
Monday 2 November 2015
Monday 14 December 2015
Monday 8 February 2016
Monday 18 April 2016

5. MINUTES OF THE PREVIOUS MEETING

Appendix A

The minutes of the meeting of the Housing Scrutiny Commission held on 18 March 2015 are attached and Members are asked to confirm them as a correct record.

6. PETITIONS

The Monitoring Officer to report on the receipt of any petitions received in accordance with Council procedures.

7. QUESTIONS, REPRESENTATIONS OR STATEMENTS OF CASE

The Monitoring Officer to report on the receipt of any questions, representations or statements of case received in accordance with Council procedures.

8. TERMS OF REFERENCE **Appendix B**

Members are asked to note the Terms of Reference for the Housing Scrutiny Commission, attached.

9. COMMUNAL CLEANING: DEPARTMENTAL RESPONSE **Appendix C**

The Director Housing submits a report which provides the formal feedback required by the Housing Scrutiny Commission on the recommendations made by the Communal Cleaning Task Group on 18th March 2015. The previous report can be found at the following link:

<http://www.cabinet.leicester.gov.uk:8071/ieListDocuments.aspx?CId=735&MId=6510&Ver=4>

The Housing Scrutiny Commission is invited to approve the recommendations within the report.

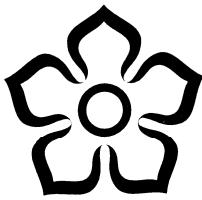
10. RENT ARREARS **Appendix D**

The Director of Housing submits a report on rent arrears for the period April 2014 to March 2015.

11. WORK PROGRAMME **Appendix E**

The current work programme for the Commission is attached. The Commission is asked to consider this and make comments and/or amendments as it considers necessary.

12. ANY OTHER URGENT BUSINESS



Leicester
City Council

Minutes of the Meeting of the
HOUSING SCRUTINY COMMISSION

Held: WEDNESDAY, 18 MARCH 2015 at 5:30 pm

P R E S E N T:

Councillor Newcombe (Chair)
Councillor Alfonso (Vice Chair)

Councillor Westley

In Attendance

Councillor Connelly: Assistant Mayor, Housing

* * * * *

56. APOLOGIES FOR ABSENCE

Apologies were received from Councillors Joshi and V. Patel.

57. DECLARATIONS OF INTEREST

Members were asked to declare any interests they had in the business to be discussed on the agenda.

Councillor Aqpany declared that a family member was a council tenant.

Councillor Newcombe declared that he was a council tenant.

Councillor Westley declared that members of his family were council tenants.

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

58. MINUTES OF THE PREVIOUS MEETING

Minute 49, City Mayor's Delivery Plan, Housing Contribution
Members had received a written response for questions raised at the last

meeting.

Minute 50, Housing Allocations Policy Consultation

The Chair noted an amendment to the minutes of the meeting on 3rd February 2015, Minute Item 50, final paragraph to read “They also asked that wider member consideration of the report would be required”.

Cllr Aqbany noted other questions raised and not included in the minutes would be presented to the Chair in written form.

RESOLVED:

that the minutes of the meeting of the Housing Scrutiny Commission held on 3 February 2015, subject to the above amendment, be confirmed as a correct record.

59. QUESTIONS, REPRESENTATIONS OR STATEMENTS OF CASE

In accordance with Council procedures, it was reported that no questions, representations or statements of case had been received by the Monitoring Officer.

60. PETITIONS

In accordance with Council procedures, it was reported that no petitions had been received by the Monitoring Officer.

61. COMMUNAL CLEANING TASK GROUP REPORT

The Chair presented a report to the Housing Scrutiny Commission on the review of the communal cleaning service undertaken by the City Cleaning Services on behalf of Council tenants and leaseholders.

The Chair said a number of meetings and site visits alongside tenants had taken place, and was a very useful review undertaken in the light of concerns expressed by councillors, tenants and tenant representatives about the standard, value for money and effectiveness of the communal areas cleaning service. The report contained a number of short term and long term recommendations.

Members noted there were some areas that were difficult to clean by staff. They requested that the floor coverings in difficult to clean areas be looked at, and if the budget could be looked at with the possibility of replacement floor coverings in certain areas. Mats had also been removed from outside of flats, which meant dirt was being taken into flats. It was reported that a resident had contact the fire service, and he had been informed that mats outside of flats did not pose a fire risk. He asked if they could be reintroduced.

Task Group members had also highlighted the differential in charges, as the foremost of tenants concerns, and the variation of charges from flats to flats. Members said that there needed to be some consistency in charging, and that

the different charges were causing a lot of problems. A tenant representative also asked that shutter doors also be maintained.

The Chair thanked everyone involved with the review. The Assistant Mayor for Housing echoed comments and welcomed the report.

RESOLVED:

1. that the Commission note the Task Group report and supported its recommendations.

62. RENT ARREARS REPORT

The Income Collection Manager presented a report relating to rent arrears for 6th October 2014 to 2nd January 2015. He summarised details in the report and answered questions from Members as follows:

- There was a 1.69% improvement in the amount of cash owing compared to the same quarter last year, despite economic problems and the impact of welfare reforms.
- There was a 19% increase in tenant numbers with serious rent arrears, but overall the number of cases was less than 2011/12.
- It was estimated an extra £1.34million in cash would need to be collected as a response of the bedroom tax.
- The arrears among those affected by Bedroom Tax had decreased, and reflected the efforts made by officers in this area of work.
- There were 78 evictions in the nine months up to 2nd January 2015, compared to 44 for the same period the previous year. 56 were single people and 22 were families. Only 12 of the evictions were directly affected by the impact of welfare reforms, with some but not all having an element of Bedroom Tax impact. Members were interested in where people went who had been evicted. The Income Collection Manager said the information on a case by case basis would take time to accumulate, and would be provided at a future meeting.
- Of the 3,816 people owing 2 weeks or more arrears, about half were long term cases, and had been in debt for a long time. A lot of officers' work was with the same families over a period of time. The other half dealt with their arrears or ended up abandoning the property.
- Members asked if officers provided benefits information for people facing hardship. They were informed that there had been little take-up of the service Clockwise offered, with only five applications for rent payment accounts having been processed, though it was believed interest would increase once Universal Credit was implemented.
- Assistance was given to people in arrears if they engaged with Housing Services, including benefit entitlement assessment, and steered towards services people could access, for example, Citizens Advice Bureau, the welfare benefits service at the council, Christians against poverty helping people to budget, and deal closely with revenue and benefits.
- There had been problems retrieving the figure for the proportion of rent collected (formerly BVPI 66(a)), and at the time of the meeting the figure was not available, and would be reported at the next Scrutiny Commission

meeting. However, it was reported that rent arrears for the four months from December 2014 were approximately £22k less than at the same point the previous year. The figures stated that Leicester was quite good in comparison with other authorities, at around 99.11% collection rate at year end. Members requested further background information in comparison with other authorities.

Members asked the minutes to note that the future Housing Scrutiny Commission be asked to look at the eviction policy, and what help individuals received throughout the eviction process. The Scrutiny Officer noted the request for the work programme of the Scrutiny Commission in the new municipal year.

The Chair thanked the Income Collection Manager for the report.

RESOLVED:

1. that the progress report be noted by the Commission Members.

63. TENANTS' AND LEASEHOLDERS' FORUM ACTION AND DECISION LOG

The meeting was informed it had been agreed at a previous meeting that the minutes from the tenants and leaseholders meeting would be attached to agendas for the Scrutiny Commission Members to note.

AGREED:

1. That tenants and leaseholders meeting minutes be attached to future agendas for Commission Members to note.

64. HOUSING SCRUTINY COMMISSION WORK PROGRAMME

The Chair thanked everybody for their contributions and work over the last municipal year, and looked forward to working with everyone in the future. The meeting was informed the new work programme for the Scrutiny Commission would be developed in the next municipal year following the local election.

65. ANY OTHER URGENT BUSINESS

1. Councillors thanked tenants' representatives for their work with scrutiny, the Director and officers in the Housing Department for their work for the betterment of tenants, and officers supporting the Scrutiny Commission. The Assistant Mayor for Housing also thanked Councillors, officers and tenants for the constructive work undertaken.

66. CLOSE OF MEETNG

The meeting closed at 6.10pm.

SCRUTINY COMMITTEES: TERMS OF REFERENCE

Scrutiny Committees hold the executive and partners to account by reviewing and scrutinising policy and practices. Scrutiny Committees will have regard to the Political Conventions and the Scrutiny Operating Protocols and Handbook in fulfilling their work.

The Overview and Select Committee and each Scrutiny Commission will perform the role as set out in Article 8 of the Constitution in relation to the functions set out in its Terms of Reference.

Scrutiny Committees may:-

1. Review and scrutinise the decisions made by and performance of the City Mayor, Executive, Committees and Council officers both in relation to individual decisions and over time.
2. Develop policy, generate ideas, review and scrutinise the performance of the Council in relation to its policy objectives, performance targets and/or particular service areas.
3. Question the City Mayor, members of the Executive, committees and Directors about their decisions and performance, whether generally in comparison with service plans and targets over a period of time, or in relation to particular decisions, initiatives or projects.
4. Make recommendations to the City Mayor, Executive, committees and the Council arising from the outcome of the scrutiny process.
5. Review and scrutinise the performance of other public bodies in the area and invite reports from them by requesting them to address the Scrutiny Committee and local people about their activities and performance; and
6. Question and gather evidence from any person (with their consent).

Annual report: The Overview Select Committee will report annually to Full Council on its work and make recommendations for future work programmes and amended working methods if appropriate. Scrutiny Commissions / committees will report from time to time as appropriate to Council.

The Scrutiny Committees which have currently been established by the Council in accordance with Article 8 of the Constitution are:

- Overview Select Committee (OSC)
- Adult Social Care Scrutiny Commission
- Children, Young People and Schools Scrutiny Commission
- Economic Development, Transport and Tourism Scrutiny Commission
- Health and Wellbeing Scrutiny Commission

- Heritage, Culture, Leisure and Sport Scrutiny Commission
- Housing Scrutiny Commission
- Neighbourhood Services and Community Involvement Scrutiny Commission

SCRUTINY COMMISSIONS

Scrutiny Commissions **will**:

- Be aligned with the appropriate Executive portfolio.
- Normally undertake overview of Executive work, reviewing items for Executive decision where it chooses.
- Engage in policy development within its remit.
- Normally be attended by the relevant Executive Member, who will be a standing invitee.
- Have their own work programme and will make recommendations to the Executive where appropriate.
- Consider requests by the Executive to carry forward items of work and report to the Executive as appropriate.
- Report on their work to Council from time to time as required.
- Be classed as specific Scrutiny Committees in terms of legislation but will refer cross cutting work to the OSC.
- Consider the training requirements of Members who undertake Scrutiny and seek to secure such training as appropriate.

Housing Scrutiny Commission

**Feedback to Housing Scrutiny Commission on the
recommendations made by the Communal Cleaning
Task Group.**

Housing Scrutiny Commission : 27 July 2015

Assistant Mayor for Housing : Cllr Andy Connelly

Lead director: Ann Branson



City Mayor
7

Useful information

- Ward(s) affected: all
- Report author: Suki Supria, Marie Murray and Alex Doyle
- Author contact details: 37 51 25
- Report version number: V2.1

1. Summary

- 1.1 This report provides the formal feedback required by the Housing Scrutiny Commission on the recommendations made by the Communal Cleaning Task Group on 18th March 2015.

2. Recommendations

- 2.1 Please see section 3 which clarifies all the proposed actions and comments that are made in relation to the recommendations made by Housing Scrutiny Communal Cleaning Task Group.

3. Supporting information including options considered:

- 3.1 The recommendations made by Housing Communal Task Group which was reported to the Housing Scrutiny Commission on March 18th 2015 are as below. The proposed action /comment from Housing Services and City Cleansing is in red under each point :

RECOMMENDATIONS MADE BY THE TASK GROUP: PAGE 6 of the report presented to the Housing Scrutiny Commission 18th March 2015:

SHORT TERM RECOMMENDATIONS

- 2.1 Tenants should ensure records of meetings fully reflect the issues they raise and proposed resulting actions should be monitored on a regular basis.
Proposed Action/Comment:
Minutes are produced at Ward Meetings. However it may not be produced in local forums or walkabouts. Housing will ensure that any TARA or Tenants meetings reflect the issues that have been raised.
- 2.2 Estate management staff should take proportionate steps to ensure able tenants clean the areas for which they are responsible. If necessary tenancy conditions should be amended to make this easier to enforce
Proposed Action /Comment
Conditions of Tenancy are in place and enforceable however we have to be reasonable and proportionate in the actions that are taken. It may be unreasonable for a tenant to have their house possessed because the communal areas had not been cleaned. There are many stages before we

consider litigation to repossess a dwelling.

- 2.3 Signage showing cleaning schedules and scope and cleaners' sign-offs should be on all estate buildings which have the service. Sign-off boards should be monitored regularly by City Cleaning Service supervisors. Assistant estate management officers should also monitor the sign-offs on a regular basis and report concerns to the cleaning services team as appropriate

Proposed Action/Comment :

This is already in place but may vary from area to area and a consistent approach may be needed. City cleaning supervisors monitor the standard of cleaning that is undertaken. Cleaning schedules and sign offs are in place. It is accepted that some surfaces may not allow Notice Boards and it therefore recommended that Estate Management will now look at all areas that are cleaned with a view to ensure appropriate Notice Boards are in a place, that cleaning schedules are placed , with the dates and times and are signed off. A programme will be established to do this.

- 2.4 The cleaning service should be more proactive about devising new work patterns to deal with the current problems caused by ageing work surfaces, (for example by extending the time allowed for cleansing a block while at the same time reducing the frequency of cleaning)

Proposed action/Comment

More Cleaning time will incur more costs. It is accepted that some of the work surfaces are in poor condition. It has been agreed by the Assistant Mayor that that a programme of works is undertaken to improve the surfaces of the worst blocks on a yearly basis. This will be achieved by a combination of the following:

- 1) A programme of Deep Cleaning*
- 2) By using the Environmental and Communal Area Budget to improve surface area*
- 3) Capital investment to improve the worst surface areas on a yearly basis*

- 2.5 The housing service should invest in infrastructure within estates to support the cleaning service, including storage areas and accessible water supplies. This should form part of the HRA environmental improvements programme

Proposed action/Comment

This is accepted and a working group is being established, which will include Housing, City Cleaning and members of the Tenants Forum to look at these options and also to look at good practice across the country. This is also supported by 2.4.

- 2.6 The cleaning service needs to invest in fit for purpose equipment, including trolleys to carry water and cleaning equipment and materials to enable front line staff to move more easily around the areas they are required to clean.

Proposed Action/Comment

This is accepted and a working group is being established, to look at a number of issues that have been identified in this report. The group will include representatives from Housing, City Cleaning and members of the Tenants Forum. They will look at a number of these options that are cost effective and achievable and also to look at good practice across the country.

LONG TERM RECOMMENDATIONS

2.7 A complete renegotiation of the communal cleaning contract is required. Recognising that it will impact on all parties a working group should:

- (i) define what areas should be covered by a communal cleaning service

Proposed Action /Comment

This is accepted and a working group is being established, to look at a number of issues that have been identified in this report. The group will include representatives from Housing, City Cleaning and members of the Tenants Forum. They will look at a number of these options that are cost effective and achievable and also to look at good practice across the country.

- (ii) Re-calibrate work patterns to ensure enough time to do the required work. This should include further investigation into alternative frequency of cleaning associated with more times being allowed to do the work

Proposed Action/Comment

The working group will look at the frequency and time allocated to undertake the cleaning

- (iii) Establish new cleaning standards reflecting current conditions. This should include investigating the cost and value of re-introducing annual and other period deep-cleans.

A programme of deep-cleaning is to be established commencing 2016/17. The programme will identify the worst blocks and have a yearly programme to undertake this.

The tenants and leaseholders forum could be a suitable vehicle for developing these issues, with the cleaning team joining it for the specific programme of developing new contract structures.

2.8 Charges should be simplified and more closely reflect the actual cost of the service provided. Tenants and leaseholders should be consulted on the level of service they require and what they are prepared to pay for it.

Proposed Action /Comment

The Assistant Mayor has not increased the service charge in 2015/16. We will consult tenants on the service levels.. It has also been agreed by the Assistant Mayor that a programme of works is undertaken to improve the surfaces of the worst blocks on a yearly basis. This will be achieved by a combination of the following:

- 4) *A programme of Deep Cleaning*
- 5) *By using the Environmental and Communal Area Budget to improve surface area*
- 6) *Capital investment to improve the worst surface areas on a yearly basis*

2.9 A clear consultation process should be put in place to specifically ask tenants what service they want, its frequency and the likely cost. This should be

repeated on a three-year cycle to ensure consultation is reasonably relevant to all tenants. It could be part of wider tenant satisfaction consultation work. It should include tenants and leaseholders who do not receive the service.

Proposed Action/Comment.

This is accepted and a working group is being established, to look at a number of issues that have been identified in this report. The group will include representatives from Housing, City Cleaning and members of the Tenants Forum. They will look at a number of these options that are cost effective and achievable and also to look at good practice across the country.

- 2.10 The cleaning service should consider new methods of organising delivery of the service through more locally-based teams, possibly including the setting up of community co-op style contractors to develop greater community connections between contractors and users of the service.

Cleaners are locally based and work in specific blocks. However this can be looked at more detail by the Working Group.

TENANTS FORUM RECOMMENDATIONS

- 2.11 The Tenants’ and Leaseholders Forum met on 29th January 2015 to consider possible recommendations to the Task Group. These are set out in the below table and should be considered in conjunction with the recommendations above.

No.	Recommendation
1.	<p>Regular cleaning times and dates need to be set</p> <p><i>This is the same as 2.3</i></p>
2.	<p>Clear information needs to be available on notice boards to say when cleaning takes place and what is cleaned</p> <p><i>This is the same as 2.3</i></p>
3.	<p>A cleaning record should be pinned to notice boards and the cleaner should sign, with their name, after each clean</p> <p><i>This is the same as 2.3</i></p>
4.	<p>Produce a document that describes what an “acceptable” standard of cleaning is.</p> <p><u>Proposed Action /Comment</u> <i>City Cleansing already have this in place. The supervisors monitor the standard and the cleaners have to reach 80% of the performance that is required.</i></p>
4.	<p>A more effective, workable system should be in place for Estate Management Officers and cleaning supervisors to check cleaning has been completed and this is to an acceptable standard. This could be linked to fire safety inspections</p> <p><u>Proposed Action/Comment</u></p>

	<i>This is accepted and will be incorporated in the new working arrangements of the Estate management Officers role. This will be incorporated in any estate walkabout, site inspection or fire inspection</i>
5.	<p>People should be made aware of the cost of the cleaning service</p> <p><u>Proposed Action/Comment</u> <i>Housing is currently looking at the possibility of a yearly statement to be sent to tenants that will include a breakdown of the costs of their rent which will include the cleaning charge. The working group will look at this in more detail. For new tenants this can be provided at sign up.</i></p>
6.	<p>A more effective system needs to be in place to cover cleaners when they are on holiday or sick</p> <p><u>Proposed Action/Comment</u> <i>This is already in place and City Cleaning have a 'relief team and a sub-contractor that will cover such periods</i></p>
7.	<p>Work needs to take place to encourage tenants to take more responsibility of keeping communal areas clean and tidy themselves. New tenants need to be advised what responsibilities they have and the responsibilities of the cleaners.</p> <p><u>Proposed Action /Comments</u> <i>This is accepted and Estate management Officers will cover this at site visits and estate inspections. New tenants can be advised of their responsibilities at sign up.</i></p>
8.	<p>Include window cleaning as part of the cleaning service, also cleaning of communal doors and removal of all cobwebs</p> <p><u>Proposed Action/Comments:</u> <i>This is not part of the contract and is not part of the scope for this report.</i></p>
9.	<p>Ensure the cleaners have access to hot water to clean and a review to take place to ensure they are provided with the most appropriate cleaning materials and products</p> <p><u>Proposed Action/Comments:</u> <i>This is not feasible until appropriately assessed due to the risk of hot water being carried. The working group could look at this and look at what other authorities do and make recommendations.</i></p>
10	<p>Take steps to make the communal areas smell nicer</p> <p><u>Proposed Action/Comments:</u> <i>This is COSHH regulated in terms of the materials that are used. The materials that are used should ensure that the smell is neutral.</i></p>
11.	<p>Consider using the Community Payback scheme or the Neighbourhood Improvement Operatives to improve the appearance of the communal areas</p> <p><u>Proposed Action/ Comments:</u> <i>This service does not cover communal cleaning only the clearance of large overgrown landscaped areas.</i></p>
12.	<p>Pilot reducing the frequency of the cleaning, but increase the time available to clean when this takes place. To be agreed with tenants prior to the pilot taking place.</p> <p><u>Proposed Action/Comment</u></p>

	<i>A working group is being established, to look at a number of issues that have been identified in this report. The group will include representatives from Housing, City Cleaning and members of the Tenants Forum. They will look at a number of these options that are cost effective and achievable and also to look at good practice across the country.</i>
13.	<p>Over a specific timeframe review communal cleaning in each block to establish whether people want this to continue, and if so what standard of cleaning they want, involving tenant reps in this process</p> <p><u>Proposed Action/Comment</u></p> <p><i>A working group is being established, to look at a number of issues that have been identified in this report. The group will include representatives from Housing, City Cleaning and members of the Tenants Forum. They will look at a number of these options that are cost effective and achievable and also to look at good practice across the country.</i></p>
14.	<p>Review the communal cleaning charges to ensure the charge to tenants actually reflects the cost of the service</p> <p><u>Proposed Action/Comment</u></p> <p><i>A working group is being established, to look at a number of issues that have been identified in this report. The group will include representatives from Housing, City Cleaning and members of the Tenants Forum. They will look at a number of these options that are cost effective and achievable and also to look at good practice across the country.</i></p>
15.	<p>Consider using electric machines to carry out cleaning tasks e.g. steamers</p> <p><u>Proposed Action/Comment</u></p> <p><i>A working group is being established, to look at a number of issues that have been identified in this report. The group will include representatives from Housing, City Cleaning and members of the Tenants Forum. They will look at a number of these options that are cost effective and achievable and also to look at good practice across the country.</i></p>
16.	<p>If recommendations are implemented but do not improve the service consider whether it is more cost effective to use an external provider.</p> <p><u>Proposed Action/Comment</u></p> <p><i>This has already been done and an external contractor used in the 1990s. They could not cope with the demands of the service and terminated the contractor.</i></p>

4. Details of Scrutiny

Various Commission Cleaning Task Group Meetings
Report to Housing Scrutiny Commission 18th March 2015
Report to Overview Select Commission 23rd March 2015

5. Financial, legal and other implications

5.1 Financial implications

5.1.1 A programme of deep cleaning is expected to cost £50k a year. This could start immediately and can be funded from in year savings. A permanent revenue growth can be included in the 2016/17 budget. Improving floor surfaces could be met from the existing Environmental and Communal Area capital budget (£1m). District managers should make provision in their programmes to include such schemes. The current programme includes some replacement floor schemes. The value of these schemes in 2014/15 was £60K. Annual capital investment would be required to replace surface areas in poor condition. The proposed ongoing programme of £100k can be included in the capital bids for 2016/17. Funding would be subject to approval and other competing HRA schemes.

5.2 Legal implications

5.2.1 There are no legal implications.

Jeremy Rainbow

5.3 Climate Change and Carbon Reduction implications

No Direct Climate Change implications

5.4 Equalities Implications

5.4.1 This review looks at the relationship between two council departments and their relationship with an external client group – namely council tenants and leaseholders who use their services.

5.4.2 The objective of the review is to make proposals which improve the service to tenants. Initiatives/recommendations that lead to improvements will impact tenants across all protected characteristics in a positive way. Well managed communal spaces can contribute to a sense of belonging and can foster good relations between, and within communities.

Surinder Singh (Equalities Officer) x 374148

5.5 Other Implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

None

6. Background information and other papers:

Report to Housing Scrutiny Commission 18th March 2015

7. Summary of appendices:

None

8. Is this a private report (If so, please indicated the reasons and state why it is not in the public interest to be dealt with publicly)?

Yes

9. Is this a “key decision”?

No

10. If a key decision please explain reason

Report to Housing Scrutiny Commission

Annual Rent Arrears Progress Report (April 2014 to March 2015)

HSC meeting: 27th July 2015

Useful information

Ward(s) affected: ALL

Report author: Vijay Desor, Mike Watson

Author contact details: Vijay.desor@leicester.gov.uk Ext 37 5177

Report version number: 1

1. PURPOSE OF REPORT

- 1.1 To inform Members of the Scrutiny Commission of progress in the above area of work over the full financial year, as requested.

2. SUMMARY

- 2.1 This report covers the financial year from the April 2014 to March 2015.
- 2.2 The cash amount owing as at 5th April 2015 was £1.537m, this is 0.5% **lower** than at the end of the previous financial year – see 3.1, table 2.
- 2.3 The number of tenants in arrears at the end of March 2015 was 4,372, which is 1.4% **more than** at the end of last year – see 3.5, Table 4.
- 2.4 The number of tenants in more serious debt, (owing more than 7 weeks rent) was 1,438, some 21.9% **lower** than last year – see 3.5, table 4.
- 2.5 For the financial year from April '14 to March '15, c. £1.34m **extra rent** was collectable as a result of the “bedroom tax.” See 3.16 below.
- 2.6 £321,427 was paid by Discretionary Housing Payments (DHP's) for all Council tenants, of which £197,268 was for those affected by the Bedroom Tax, from April 2014 to March 2015. This compares to about £430k the previous year.
- 2.7 The arrears among those affected by the Bedroom Tax **fell by £19,716**, from £240,066 to £220,350 over the course of the 2014/15 financial year.

3. REPORT

Current Rent Arrears

- 3.1 In this report, the term rent includes those charges that are treated as rent e.g. district heating, way lighting, door entry etc. Former tenant arrears are reported separately. Current rent arrears at the end of each quarter for the financial year 2014/15:

Table 1. Quarterly Arrears

Period	Arrears at end of quarter
Quarter 1	£ 1,843,279
Quarter 2	£ 1,873,442
Quarter 3	£ 1,300,040
Quarter 4	£ 1,537,967

- 3.2 Comparison of year-end figures for the last four years:

Table 2. Year- end figures

Period	Arrears at end of financial year
2011/12	£1,183,519
2012/13	£1,281,757
2013/14	£1,545,119
2014/15	£1,537,967

- 3.3 There is a clear seasonal trend for rent arrears to increase in the first part of the year, falling rapidly towards the latter part of the financial year. The rent collection figures for Leicester remain good in comparison with other authorities.
- 3.4 Rents rose by 3.2% on average in April 2014. The arrears fell slightly between April 2014 and March 2015 by 0.5%, compared to an increase of 20.5% from 2012/13 to 2013/14. This shows that stability has now been achieved over the past year.

Number of Cases

- 3.5 After removing monthly payers (i.e. Direct Debits, Wage Stops, Arrears Direct (DWP), Bank Standing Orders) the number of tenants with rent arrears is shown in tables 3 & 4 below:

Table 3. Breakdown of Arrears Cases by Quarter end 2014-15

Period	Owing 2 Weeks or more Net	Owing 7 Weeks or more Net **
Quarter 1	5,788	2,472
Quarter 2	4,920	2,063
Quarter 3	3,816	1,617
Quarter 4	4,372	1,438

N.B. Where no net rent is payable (i.e. on full benefit), full rent has been used as a default value to calculate number of weeks owing)

*** Those owing 7 weeks or more rent are included within the figure for owing 2 weeks or more.*

Table 4. Breakdown of Arrears Cases by Year Ends

Period	Owing 2 Weeks or more Net	Owing 7 Weeks or more Net **
2011/12	4,000	1,216
2012/13	4,614	1,410
2013/14	4,310	1,841
2014/15	4,372	1,438

- 3.6 The number of cases in arrears increased by 1.4% over the previous year end figure. The number of more serious cases fell by 21.9%. There is a lot of variability in these figures, but the overall upward trend previously reported seems to be stabilizing.

Arrears per Tenancy

- 3.7 The total arrears divided by the total number of tenancies are shown in tables 4 & 5 below:

Table 4. Average debt by quarter end 2014-15

Period	Average Debt
Quarter 1	£86.62
Quarter 2	£88.59
Quarter 3	£61.02
Quarter 4	£72.27

Table 5. Average debt by year end

Date	Average Debt
2011/12	£54.71
2012/13	£59.36
2013/14	£72.44
2014/15	£72.27

- 3.8 The figures in Tables 4 & 5 reflect the slight decrease in the actual rent arrears over the period. As can be seen, arrears have been increasing steadily over three of the past four years, since the economic downturn began, but have stabilized this year.

Highest 10% of Debt (by value)

- 3.9 Tables 6 and 7 Below shows the highest 10% of arrears cases:

Table 6 Highest 10% of arrears cases by quarter – end 2014-15

Period	No.Cases	Highest Case	Lowest Case	Average	Total Value
Quarter 1	1116	£3281	£432.60	£717.65	£800,788
Quarter 2	1005	£3,532	£445	£744	£748,112
Quarter 3	930	£3,790	£389	£659	£613,811
Quarter 4	737	£2,607.00	£452.25	£745.84	£550,429

Table 7 Highest 10% of arrears cases by year-end

Period	No.Cases	Highest Case	Lowest Case	Average	Total Value
2011/12	737	£2,975.88	£366.66	£580.24	£427,638
2012/13	906	£2,543.34	£382.89	£630.90	£571,978
2013/14	810	£3,119.63	£460.56	£757.02	£613,186
2014/15	737	£2,607.00	£452.25	£745.84	£550,429

- 3.10 Table 7 shows that the highest arrears cases have been varying over several years. Due to the volatility of these figures it is difficult to make a clear conclusion from them.

Rent Arrears Comparison with 2013/14

- 3.11 Arrears started 2014/15 running consistently about £200k higher than last year, as a result of Welfare Reforms, the cost of living squeeze and the general economic downturn.
- 3.12 However, over the latter half of 2014/15, the gap has been closed, due to the hard work done with income maximisation and partnership working to manage the level of debt. At the end of March '15, arrears were roughly £7k less than at the end of 2013/14.
- 3.13 Appendix 1 shows the detailed comparison of rent arrears for 2014/15 and 2013/14.

Impact of the Bedroom Tax

- 3.14 When the Bedroom Tax started (April 2013), 12% (2701) of our tenants were affected by the bedroom tax and 39% (1044) of these were already in rent arrears at the start of the scheme.
- 3.15 From the original 2701 cases that were originally identified, by April 2015 the number of active cases had reduced to 1866. This is because the numbers affected are constantly changing as people come out of the bedroom tax, and new cases arise, due to changes in household composition or financial circumstances.
- 3.16 At the start of 2014/15, it was estimated that an extra £1.28m would need to be collected over a full year. However, this was revised to £1.34m as more people than expected are still affected.

What we do know about Bedroom Tax cases is:

- 189 tenancies had terminated between April 2014 and March 2015.
- In April 2014, there were 58% of affected tenants in arrears. This fell to 54% by end of March 2015 (1008 out of 1866).

- By the end of March 2015, a total of £321k of Discretionary Housing Payments had been received on behalf of all Council tenants, of which £197,268 was for bedroom tax cases.
- The arrears among those affected by the Bedroom Tax have decreased by almost £20k over the course of the 2014/15 financial year.
- These numbers will continue to change as the situation evolves.

Impact of Benefit Income Cap (BIC)

- 3.17 An estimated 83 LCC tenants were affected by the BIC at the start of April 2014. The average loss of Housing Benefits for this group is £52.09 per week.
- 3.18 The changes have been phased in as cases are identified by DWP. For the year from April 2014 to March 2015, this would equate to an extra collectable rent of about £224k.
- 3.19 The arrears among those affected by the Benefit Income Cap have decreased by £6,528 over the course of the 2014/15 financial year.

Evictions

- 3.20 There were 103 evictions carried out for non-payment of rent from April 2014 to March 2015.
- 3.21 This compares to 68 evictions in whole of the previous year.
- 3.22 Of the 103 evictions, 28 were family cases, 2 were childless couples, and 73 were single people.
- 3.23 There were 13 evictions whose debt included some Bedroom Tax.
- 3.24 Single people were more than 2 ½ times as likely to be evicted as families.
- 3.25 Only 13% (13 out of 103) of the evictions were directly affected by the impact of Welfare Reforms. Bedroom Tax and BIC cases account for about 10% of all tenants. The majority of evictions, along with the majority of the rent debt, occurred among the 90% of tenants NOT directly affected by Welfare Reforms.
- 3.26 The cost of living crisis resulting from a range of economic impacts affects all households, and is thought to be the biggest single factor in the increase in evictions.

4. Priorities for Income Management Team 2015/16

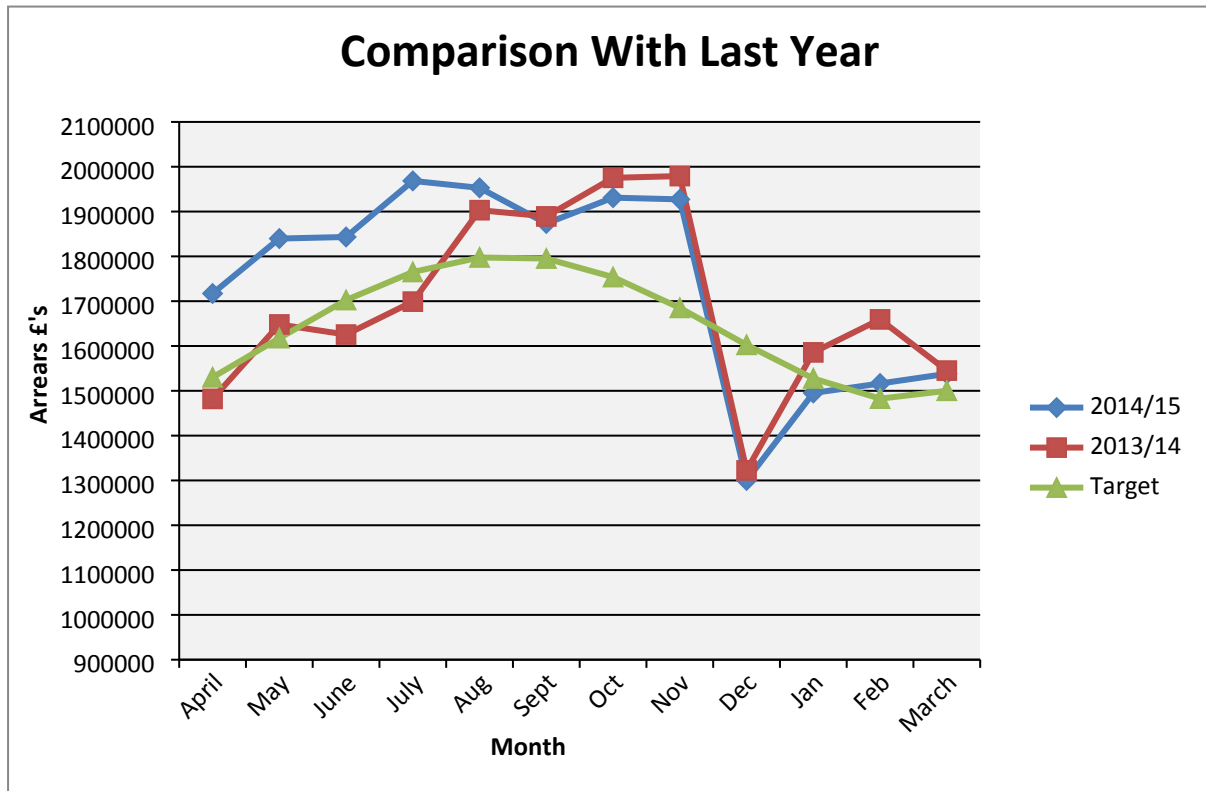
4.1 The priorities identified for the coming year are:

- **Preparation for Universal Credit:**
 - Communications with tenants and staff
 - Links with DWP
 - Adapt working practices
 - Identify vulnerable tenants for direct payments
- **Sustain tenancies when DHP ends:**
 - Budgeting / rehousing advice
 - Prompt, preventative actions
 - Collaborative working with partners
- Promote the use of Direct Debits and Bankers Standing Orders.
- Investigate the introduction of Mandatory Direct Debits for new tenants
- Promote Rent Payment Accounts (ClockWise).
- Develop further payment technologies (e.g. mobile applications).
- Assist with the implementation of a new Housing IT system (Northgate) to improve the rent collection process.

5. REPORT AUTHORS

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Appendix 1 Rent Arrears Comparison With Last Year



GLOSSARY

Gross annual rent. This is the total amount due on a property over the course of a year. E.g. if the average rent is £78, times 22,000 properties, times 50 payable weeks = approximately £86m.

Collectable rent – the gross annual rent, plus the carried forward arrears, less Housing Benefit payments, less void loss or any other miscellaneous income. E.g. £86m (gross rent), plus £1.3m arrears, minus £50m Housing Benefit, minus £2m void loss, less £250k miscellaneous income, EQUALS £35.05m actual cash to be collected from tenants.

The percentage of rent collected shown is based on the proportion of gross rent, less void loss and miscellaneous income that has been received. HB received is included in this calculation, as is the arrears carried forward. This figure is used for comparative purposes only.

Poly. (Polynomial) – a statistical function used to generate a curved target line that reflects the established annual trend.

**HOUSING SCRUTINY COMMISSION
WORK PROGRAMME 2015/16**

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MEETING	MEETING ITEMS	LEAD OFFICER	ACTION AGREED
27th July 2015	Communal cleaning scrutiny review: Departmental response Rent arrears/impact of bedroom tax/benefits ceiling		
8th September 2015	Voids report Area managers' briefing Housing Transformation Project		
2nd November 2015	G&T review update re new sites/Meynell's Gorse Area managers' briefing Rent arrears/impact of bedroom tax/benefits ceiling		Site visits to be arranged for members before the commission meeting

Appendix E

**HOUSING SCRUTINY COMMISSION
WORK PROGRAMME 2015/16**

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MEETING	MEETING ITEMS	LEAD OFFICER	ACTION AGREED
14th December 2015	Area managers' briefing HRA budgets and rent-setting		
8th February 2016	Area managers' briefing		
18th April 2016	Voids – further update Rent arrears/impact of bedroom tax/benefits ceiling Area managers' briefing		

**HOUSING SCRUTINY COMMISSION
WORK PROGRAMME 2015/16**

TIMING TO BE CONFIRMED	MEETING ITEMS	LEAD OFFICER	ACTION AGREED
February	Empty Homes Strategy		
February	Housing repairs improvement programme		
September	Homelessness strategy		
November	Council tenants and universal credit		
December	Tenancy management improvement project		
November	Individual meters for district heating tenants		
July	Tenant and leaseholder heating charges		
September	Affordable Housing Programme annual review: 2015-2019		

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