



Leicester
City Council

Minutes of the Meeting of the
HOUSING SCRUTINY COMMISSION

Held: MONDAY, 18 APRIL 2016 at 6:15 pm

P R E S E N T:

Councillor Newcombe (Chair)
Councillor Alfonso (Vice Chair)

Councillor Aldred
Councillor Aqbany

Councillor Cank
Councillor Joshi

In Attendance

Councillor Connelly – Assistant Mayor for Housing

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66. APOLOGIES FOR ABSENCE

Apologies were received from Councillor Byrne.

67. DECLARATIONS OF INTEREST

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

Councillor Aldred declared an Other Disclosable Interest in the general business of the meeting that family members were council tenants.

Councillor Aqbany declared an Other Disclosable Interest that a family member was a council tenant.

Councillor Cank declared an Other Disclosable Interest that family members were council tenants.

Councillor Joshi declared an Other Disclosable Interest that a member of the family was a council tenant.

Councillor Newcombe declared an Other Disclosable Interest that family members 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 of the agenda items.

68. MINUTES OF THE PREVIOUS MEETING

AGREED:

that the minutes of the meeting of the Housing Scrutiny Commission held on 4th February 2016, be approved as a correct record.

69. PETITIONS

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

70. 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.

ORDER OF BUSINESS

The Chair stated that he would take the reports out of the order given in the agenda, and would hear the report on Housing Voids Improvement Project Update first, in order to allow officers to attend another meeting.

71. HOUSING VOIDS IMPROVEMENT PROJECT UPDATE

The Acting Director of Housing submitted a report to inform Members of the Commission of the progress made on the Voids Improvement Project. The report was presented by Simon Nicholls, Head of Service.

It was noted that improvements had been made. Next steps were to implement the process improvements aligned to the Housing Transformation Programme which would see improvements in re-let times.

Members asked questions and received the following responses:

- The Void Improvement Programme would enable officers to review changes made throughout the process;
- Liaison would take place with Tenants and Leaseholder Forum;
- With regard to concern raised over the 2015/16 forecast rent loss of £635k and Council Tax liability of £174k. It was recognised that turnaround time needed to be improved, and that through improved technology, and challenging people undertaking the work on repairs, re-let times would be

- improved;
- Members were assured the bidding process would be looked at in detail to ensure a smooth process for prospective tenants, and to reduce rent loss. There were many variables for those bidding to consider, for example, whether the property was high rise, a one bedroom flat, location, house, etc. Information would also be reviewed on the Home Choice website;
 - Properties were advertised pre-let before the repairs were complete, to reduce re-let times, rent loss and Council Tax liability;
 - The average re-let time was 66.5 days. The aim was to reach a 50 day average;
 - Members asked if smaller repairs could take place when the tenants were in situ. Officers responded the idea would not be discounted, but would be looked at on an individual basis;
 - In Paragraph 6.1 of the report, the £300K saving referred to staff changes under the Housing Transformation Review. Craft operatives roles were also changing, and was linked to the possibility that money spent on materials would be reduced.

The Chair requested void figures up to March 2016 when available, in addition to the appendices in the report. He also asked for further detail on St Peter's tower blocks refurbishment project, and how this had affected voids figures.

Councillor Connelly said the current figures for voids were disappointing, but was fairly confident that 2016/17 would see the figures improve. He acknowledged the financial challenges facing the Housing Revenue Account but assured Members that rental income lost would be minimal.

The Chair asked that the Scrutiny Policy Officer to set up an evening meeting for the Task Group. Provisional dates were 27th or 28th April.

AGREED:

that:

1. figures on voids and re-let times to March 2016 be provided to Members of the Commission;
2. further detail on St Peter's tower block refurbishment project be sent to the Chair;
3. the Scrutiny Policy Officer to set up an evening meeting for the Task Group, either 27th or 28th April.

72. AREA MANAGERS' BRIEFING: BRAUNSTONE / HUMBERSTONE & ROWLATTS HILL HOUSING MANAGEMENT AREAS

Ellen Watts, Area Manager, delivered the presentation on Braunstone. The following points were covered during the presentation:

- There were few younger tenants on the estate;
- The 'Farm' (community allotment) had had a huge impact, with gardening donations made by Housing and the tenants' incentive budget to fund a poly-tunnel.
- Conversions relocating bathrooms, using the smallest of the three

- bedrooms in properties had taken people out of the 'bedroom tax' bracket.
- Challenges included further funding to complete / continue renovation projects on the estate.

Members asked questions and received the following responses:

- High levels of deprivation, the lower life expectancy and use of food banks was noted.
- Work would continue with the 'b-connected' community group in Braunstone to promote health.
- Braunstone Park had been redeveloped with park run paths, and there were schemes to help people get into exercise.
- Hockley Farm health centre were addressing the health priority of smoking through the smoking cessation scheme.
- Insulating properties had had a big impact on health – properties were warmer, less damp, which led to less asthma.
- The void figure was usually around 20 properties, though turnover was usually good. Housing tried to convert where possible properties from three bedrooms to two bedrooms to accommodate an upstairs bathroom, usually when the properties were empty.
- The farm allotment volunteer base fluctuated seasonally. The intent was to get people growing at home, and send excess produce back into the community.

Councillor Connelly congratulated Ellen for bringing two houses on Raven Road back into use, and also noted that Ellen had put considerable effort into the external wall insulation scheme, which in itself had benefits in reducing heating bills for tenants, and improved the look of the properties. He also noted the levels of food poverty in the area which would benefit from a supermarket.

The Chair thanked Ellen for the area reports which provided a useful understanding of issues on other wards.

Suki Supria, Head of Service, presented the Humberstone & Rowlatts Hill presentation. The following points were covered during the presentation:

- Humberstone & Rowlatts Hill tended to have a larger proportion of empty private sector homes.
- Capital works had included the installation of parking bays on some roads, though parking still remained a concern across the area.
- Growth bid monies had been used to improve landscape issues. Use of knee-rail fencing had also been used, and the look of green areas had improved since its installation.
- Priorities for 2015/16 were established by tenants, and included resurfacing hard standing areas, improved lighting and shrub removal.

Members asked questions and received the following response:

- Parking was an intense issue across the city. Where feasible, car parking

spaces and laybys were created using the environmental budget. Car parking space for 6 cars cost approximately £20K. Work would have to be prioritised for the next year, as the level of spending could not be guaranteed year in, year out.

Councillor Connelly informed Members that with a 1% reduction in rent, there was a reduced amount of money that could be spent. For 2015/16 half a million pounds had been given to Highways to improve area roads, but that would not be possible for 2016/17. He added that the outside of houses was important, and when the financial opportunity arose landscaping works would continue. He also added it was hoped that knee-rail fencing could be introduced in other areas of the city.

That Chair thanked Suki for the presentation, and requested that larger maps included in the presentation be sent to the Scrutiny Commission Members.

AGREED:

that officers send larger paper copies of the maps, as outlined in the presentations, to Commission Members.

73. HOUSING DIVISION RECONFIGURATION AND CHALLENGES

Chris Burgin, Acting Director of Housing, presented the latest Housing Division structure chart. As outlined in the document, he set out the key service areas covered by the Heads of Service in the division.

Members were informed that a recruitment exercise had been undertaken to fill the roles vacated by Chris, and Vijay Desor who had moved to a part-time role. Caroline Carpendale and Charlotte McGraw were now Heads of Service in Housing.

Members were told the Housing Revenue Account (HRA) operated in a self-financing environment. Spending priorities were made in the context of a 30 year business plan and needed to achieve the right balance between investing in maintaining and improving the housing stock, providing landlord services to tenants, building new homes and supporting and repaying housing debt of £198m.

- The Government's summer budget statement in July 2015 had a profound impact on assumptions about future rent increases. All housing associations and councils were required to decrease rents by 1% each year for 4 years, compared to the previous national policy of increasing rents by CPI + 1%. It would result in £2.2m less income in 2016/17 compared to previous business plan expectations, rising to £11.7m a year in 2019/20. The overall Housing budget would reduce from £85m pa to £73m pa. Over the four years, it meant that total income of some £27.3m was expected to be lost.
- The Housing Transformation Programme began a programme of *efficiency savings* in 2013. To date, Spending Review Phases 1 and 2 had achieved revenue savings of £3.2m and capital savings of £1.1m. Totalling £4.3m.

- It was proposed that the Executive consider the outcome of work on the HRA Spending Review Phase 3 in the summer of 2016 to identify total reductions of £11.7m p.a. by 2019/20. Further efficiency savings and options for service reductions, with an analysis of their impact, would be made. Proposing capital reductions in the 15/16 budget and deferring revenue reductions until next year and beyond allowed for a planned approach to making the required savings.
- The single Central government decision to reduce rent by 1% for four years placed the HRA under significant pressures to deliver a balance budget. A number of other external pressures and changes also brought about by Central government placed the HRA at further risk.
- The Department of Work & Pensions commenced the roll out of a new combined benefit called Universal Credit. This would place individual pressure on tenants which was likely to impact upon their income, thus impacting upon their ability to pay their rent. The rent due and collected totalled £84,900,000. This solely finances Housing budgets and spending. Currently Housing achieved excellent rent collection rates exceeding 99%. If the collection rate was to reduce, this would directly impact the budget available to run the Housing service adding further to the size of savings that would be required to achieve a balanced budget.
- The significant difference and risk for Housing with the Welfare benefit change was that over 13,000 tenants out of the 21,900 (60%) that previously had an eligibility for Housing Benefit would now receive this money personally, and would now have to manage the money alongside other benefits they received directly and would be required to pay their rent. The welfare benefit changed placed over £50m of income formally paid directly to the HRA at risk.
- In the Comprehensive Spending Review in November 2015, the Government outlined plans to extend Local Housing Allowance (LHA) to social landlords. The Government would cap the amount of rent that housing benefit would cover in the social sector to the relevant Local Housing Allowance. The new rules would apply to affected individuals who signed their tenancy from April 2016 onwards, although the LHA rate of housing benefit entitlement would not apply until 2018.
- Central Government were also working legislatively to introduce a 'pay to stay' scheme in local authority properties. That would require further resource, development and change in order to meet the requirements of the new scheme. The scheme would place significant burden on the Housing service to collect income details annually from tenants and calculate and implement individual rental levels for those on income levels above a specific value.
- Central Government was also imminently due to introduce a high value vacant homes levy. That might require some Leicester City Council homes

to be sold when they became vacant. It was not yet known how much the levy would be or how many homes might have to be sold. Reserves might be required to pay the levy before the receipts from any sales had been received. There would also be a further impact on rental income should the housing stock numbers consequently fall at a faster rate than already anticipated.

- The Council faced significant financial pressures across its general fund with significant reductions in that budget over the coming years.
- Welfare reforms were pushing people into additional financial hardship and pressures, along with other factors, was culminating in a national increase in rough sleeping, homelessness and begging. Since 2015 the number of rough sleepers in Leicester had increased. There had also been a significant visible increase in the presence of rough sleeping and begging across the City Centre.

Members asked questions and received the following responses:

- New tenants would now pay rent through direct debit;
- People currently on Housing Benefit might have been on it for some time and would find it difficult to prioritise their money when Universal Credit was introduced. Education and communication with them was essential to make it clear that they must pay, or lose their home. It would be beneficial to all concerned to try and push people to move to direct debit payment, and take out the money the same day it went into their account;
- Where tenants were identified as vulnerable or got into arrears, payment of rent could be requested directly;
- Housing were looking at a roll-out of tablet devices to support mobile working, enabling officers to use live information, such as tenants' rent account balance when officers visited tenants in their homes, and also reducing duplication of work;
- Phase 3 of the implementation of the Northgate software system would enable tenants to access a number of services online including rent, report repairs, make payments, report estate or other issues/problems and track progress;

Cllr Connelly thanked Chris for the information and emphasised the challenges ahead for the Housing Division. He made the following points:

- He believed the Government wanted to eradicate social housing;
- HRA was self-financing, and with the 1% reduction in rent it would make it very difficult and challenging to continue to provide affordable social housing;
- With the 'Pay to Stay' scheme, he envisaged more people exercising their right to buy;
- The high value vacant homes levy might force the Council to sell properties of 3/4/5 bedrooms, preventing the authority from being able to tackle the blight of overcrowding.

The Chair thanked Chris for the update. He was interested to find out more on the high value levy on voids when it became available. He also requested a future report on homelessness and hostels challenges.

The Chair requested that the overview on the Housing service be made available to any new Members of the Housing Scrutiny Commission in the next Municipal Year.

AGREED:

that:

1. further information on the high value levy on voids be provided when it became available;
2. a report on homelessness and hostels challenges be brought to a future meeting;
3. the overview on the Housing service be made available to any new Members of the Housing Scrutiny Commission in the next Municipal Year.xt Municipal Year.

74. WORK PROGRAMME OF THE SCRUTINY COMMISSION

The Scrutiny Policy Officer submitted a document that outlined the Housing Scrutiny Commission's Work Programme for 2016/17.

The Chair noted the document, and suggested that further items be added to the work programme going forward, at the first meeting in the next Municipal Year.

AGREED:

that the work programme be noted.

Members thanked the Chair and Vice-Chair for their leadership over the past year.

The Chair thanked Officers and Members of the Commission. He added they had faced some difficult challenges, but looked forward to working with them on the Commission in the future.

75. CLOSE OF MEETING

Close of meeting 8.21pm.