



Leicester
City Council

Minutes of the Meeting of the
HOUSING SCRUTINY COMMISSION

Held: MONDAY, 18 DECEMBER 2017 at 5:30 pm

P R E S E N T :

Councillor Cank (Chair)
Councillor Alfonso (Vice Chair)

Councillor Aqbany

Councillor Halford

Councillor Hunter

In attendance

Councillor Connelly – Assistant City Mayor, Housing

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54. APOLOGIES FOR ABSENCE

Apologies were received from Councillors Byrne.

55. DECLARATIONS OF INTEREST

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

There were no declarations of interest.

56. PETITIONS

The Monitoring Officer reported that no petitions had been received.

57. QUESTIONS, REPRESENTATIONS OR STATEMENTS OF CASE

The Monitoring Officer reported that no questions, representations or statements of case had been received.

58. HOUSING REVENUE ACCOUNT BUDGET 2018/19 TO 2020/21

The Chair noted the purpose of this special meeting and thanked Officers for preparing the report.

The Director of Housing presented a report which sought the views of the Commission on proposals for setting the Housing Revenue Account (HRA) budget for the three years from 2018/19 to 2020/21, before being taken to Executive and then Full Council.

Key points presented by the Director of Housing in the report included:

- A number of factors had placed the HRA under significant pressure to deliver a balanced budget including the government's decision to implement a 1% rent reduction over a four year period, Universal Credit, High Value Vacant Homes Levy, inflation pressures and the impact of Right to Buy sales.
- The report recommended that the budget for 2018/19 was set as a balanced budget and set out proposals to address the pressures of 2019/20 and 2020/21 giving time to make the necessary savings which was shown in appendix A.
- It was noted that the proposed increase in hostel rents was to align costs between running the service, of which the Dawn Centre and Border House would be affected.
- The Housing Transformation Programme began a programme of efficiency savings since 2013 which reduced expenditure by £9m a year with the latter phase proposals being required to enable savings to address the budget gap of £3,965k in 2018/19 and £8,028k in 2020/21.
- Proposals for the revenue savings set out in 4.12 to 4.13 of the report and proposed reductions (Appendix C) were noted for considerations.
- The commission were informed that despite all the proposed savings, there would still be a shortfall in savings of £1,130k in 2019/20 and £1,164k in 2020/21 demonstrated in table 2 of the report.
- The expected HRA Reserve position at the end of 2017/18 was noted as £17.3m. Over £6m was set aside to be spent on the refurbishment of Goscote House.
- In the recommendations a HRA invest to save scheme was proposed to deliver new and innovative ways of reducing ongoing revenue expenditure and/or to generate additional income.
- On the 7th December 2017 the Tenants' and Leaseholders' Forum met and were presented with the proposals for the Housing Revenue Account rent setting and budget for 2018/19. The Tenants and Leaseholders Forum considered and made comments on the proposals contained within the report. The Director of Housing presented the comments and feedback to the commission. (A member of the forum was also present at this meeting).

Agreed; A copy of the comments on proposals provided by the Tenants and Leaseholders' Forum would be inserted to the report (as an appendices) and feedback provided to the Executive.

Arising from Members questions, the following was noted:

- Explanation for hostel rent increase - This was clarified that the proposed increase was to ensure balanced accounts in this business

area with actual cost of running service. Most tenants occupying hostel accommodation were noted as being in receipt of housing benefit.

- Reduced stock levels - Each year 460 stock was noted to be lost through RTB. It was noted as necessary that stock numbers were reduced, calculations could be done by working out the number of repair jobs done, and the amount of resources including staff to deliver services.

Agreed: Further to a query regarding repair team numbers, it was agreed that a staff structure breakdown of the Housing repair teams would be provided to the Commission.

- A member had concerns that as housing stock became older, would it cost more to repair older houses? And would cutting repairs not have an impact on the service provided. The response was that stock conditions were assessed continually, each year and for many years previously there had been capital investment to maintain and improve Council Housing and the Council house stock was in very good condition, which reduced the amount of responsive repairs and allowed for planned repairs.
- Details of the government's current position with RTB were explained including the proposed government scheme with RTB for Housing Associations. Further details were still being awaited from central government on this second element.
- The cost impact of High Value Vacant Homes was queried. It was noted that the budget had set aside a one off amount in preparation for this should the government move forward with it.
- A pilot scheme to install individual heat meters to several homes had taken place. The results showed that on average tenants saved money and could see what energy was being used. However, some complexities of installing these heat meters were noted in other blocks, for instance challenges at the Aikman Avenue blocks which were due to pipework. The installation was also noted to be very costly.
- Future consideration was to be given to extending the scheme to remaining properties using district heating and the relevant officers were currently looking into how this would be charged and implemented.

Agreed: Further details regarding district heating would be provided to the commission in the future.

- Universal Credit (UC) – A member had concerns about the potential of high number of rent arrears which could escalate from tenants being paid directly and whether any support was in place for tenants once the UC rolled out in June. It was noted that;
 - a) A recent UC plan report was recently sent to the Assistant Mayor for Housing setting out all the work the Housing Division was doing to meet this major challenge and this included requesting additional resources to meet it.
 - b) Works with the Department of Work and Pensions (DWP) were taking place, part of which was for DWP Officers to support UC recipients and LCC IMT officers working alongside DWP staff.
 - c) Hardware devices had been requested in order for assistance to be

- provided within recipients homes when dealing with DWP/UC claims.
- d) Part of the plan was to implement additional resources. LCC were pushing to become a 'trust of partner' which would allow direct processing and application for some appropriate payment to the landlord for tenants with arrears which had escalated past a certain number of weeks.
 - e) Direct debit payments were also being encouraged.

Agreed: The report for consideration of setting up a housing company was requested by the Chair and agreed to be provided by the Director of Housing.

Agreed: For further details on Housing Benefit (HB) entitlement for certain age groups and proposed reductions to be provided in a future report. It was noted that further information was also being awaited from central government.

Other points raised about the report included;

- Adult Scrutiny Commission (ASC) and the transition from care to adult care was highlighted. The commission were informed that this month all heads of Housing and ASC came together to enhance joint working arrangements and to work to continue to improve this with a list of necessary improvements. All the items were then allocated to the relevant Officers. One of the aims was to ensure the services were working for specific individuals.
- A number of services were reported to now be available online. Future aims also included the online 'my account' service for matters such as rents and repairs. It was noted that the rent aspect of this service was hoped to be implemented by Spring 2018 and the repairs aspect was aspired by Autumn 2018. This would see a further reduction in phone calls and encourage savings for channel shift improvements.
- A member requested more information for services such as my account, online services and recycling to be more available publicly for instance; posters in libraries and community centres. Another member did have concerns that staffing at these places was not necessarily available.
- The representative from the Tenants and Leaseholders forum agreed to provide information in the future about their recent meeting with a Minister in London, of which the main discussion was homelessness.
- Following a member's positive response to the transformed hostel on Lower Hastings Street and request for more buildings of this type. It was noted that there was only a small borrowing head room to build more, which limited what could be achieved within the HRA account.
- The Chairs final note was that fire safety remained a priority.

Assistant Mayor for Housing, Councillor Connelly thanked Officers regarding the work on budgets and was happy to bring a report along on the new housing company which would potentially be introduced. Happy Christmas celebrations were expressed to all.

The Chair thanked Councillor Connelly, The Director Housing, all the Officers including Scrutiny and extended appreciation for the reports.

59. CLOSE OF MEETING

The Chair declared the meeting closed at 6.35pm