



Leicester
City Council

Minutes of the Meeting of the
HOUSING SCRUTINY COMMISSION

Held: TUESDAY, 7 JULY 2020 at 4:00 pm

P R E S E N T :

Councillor Westley (Chair)
Councillor Nangreave (Vice Chair)

Councillor Gee
Councillor O'Donnell

Councillor Pickering
Councillor Willmott

In attendance:

Assistant City Mayor, Councillor Cutkelvin

In attendance for item 7:

Deputy City Mayor, Councillor Clarke
Deputy City Mayor, Councillor Clair
Councillor Govind
Councillor Solanki

* * * * *

65. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Aqbany.

66. DECLARATIONS OF INTEREST

There were no declarations of interest.

67. MINUTES OF THE PREVIOUS MEETING

AGREED:

that the minutes of the Housing Scrutiny Commission meeting held on 25 February 2020 be confirmed as a correct record.

68. PETITIONS

The Monitoring Officer reported that no petitions had been received.

69. QUESTIONS, REPRESENTATIONS OR STATEMENTS OF CASE

Kim Burley Jones was present in the virtual meeting and asked a number of questions to the Housing Scrutiny Commission on behalf of Climate Action Leicester and Leicestershire Action Group:

Question 1:

Since in order to both reduce greenhouse emissions, and to ensure the housing continues to be fit to live in as climate change takes hold you – and every other council - needs to deep-retrofit all the council housing stock, please would you tell us what you are doing as a council to find funding to deep-retrofit and/or externally insulate all your council housing in the next 5 years?

Response to question 1, provided by Director of Housing:

“As a division we have been carrying out energy efficiency improvements to our stock as part of the annual capital programme for some time now, fitting energy efficient boilers, low energy LED lighting, insulating lofts, upgrading the insulation when we renew external cladding etc. and specify energy efficiency measures into our specifications for all of our work areas if we can.

In the past we have successfully secured match funding and part funded several large retro fit schemes of external wall insulation and solar PV across the city as part of previous CESP and ECO schemes and these have proved hugely successful. Unfortunately match funded opportunities are no longer available but we are always on the lookout for schemes that would help us do more.

However, in light of the council declaring a climate emergency we are now looking more closely at what we do and how we can move more quickly to a zero-carbon strategy. We have recently set up a working group to specifically look at our existing stock and what retro fit might look like, and we are looking to extend this to include external organisation and experts.”

Question 2:

Would Leicester City Council consider using Section 106 to raise funds from housing developers as Milton Keynes does with a charge for each tonne of carbon emissions in new building first year of life to fund energy efficiency?

Response to Question 2, provided by Director of Planning, Development and Transportation:

“The City Council is committed to develop ambitious and innovative new policy in respect of energy efficiency in the new Local Plan. To inform this, officers in the Planning Department have already reviewed exemplar policies of innovative sustainable design and construction and low-zero carbon technology policies in other local plans, not just at Milton Keynes, but also other authorities including Reading, Brighton and Hove, Bristol, and Greater Manchester. This review has informed the commissioning of a comprehensive consultant study to advise on the optimal local plan policy choices available to the city. This study will include the potential for offsetting approaches and potential candidates for

sustainable infrastructure or mitigation investment including energy efficiency.

However, all policies seeking to require s106 funding will however need to pass a 'whole plan' as well as a 'site by site' viability assessment. Current assessment shows limited viability levels in the city (especially on brownfield land sites) so there will need to be a substantive prioritisation exercise between various policy objectives over the relatively limited amount of s106 funding income projected (balancing such requirements as affordable housing, education, transport, biodiversity, sports/open space and climate investment aspirations). In addition, any proposed policy need to also pass the test of being related to the generating development under the definition of the Community Infrastructure Regulations."

Supplementary question, asked at the Housing Scrutiny meeting:

You mentioned the commissioning of a consultancy, is this leading to a report and does it have a deadline or target date for findings?

Response to supplementary question, provided by *Director of Planning, Development and Transportation (following the meeting):*

The consultants will provide a report, and this will include recommendations for policies in the new local plan. A final report is expected to be published by June 2021.

Question 3:

Have you considered using municipal or social impact bonds such as the Brummie Bond in Birmingham?

Response to Question 3, provided by Director of Finance:

"The Brummie Bond was raised from institutional investors in 2017. Birmingham obtained £45m at a rate of 2.36%, 0.4% below the PWLB rate at that time. We would have no need to borrow in this manner, because we can use our investment balances in lieu of borrowing (a significant part of these balances have been set aside by law to repay borrowing, but we can use them in this way because repaying debt is prohibitively expensive). We would only lose around 0.5% in interest but would still need to repay the "debt." The real issue is the need for a business case that would enable us to build at no revenue cost to ourselves. In the case of council housing, because rents are below market levels, we can only afford to build if 50% of the cost is met from other sources."

Question 4:

Would you consider working with the Leicestershire County Council Pension Fund (which includes Leicester Pensions) to get them to invest a small proportion – maybe 3 to 5% of the fund – in deep retrofitting locally (at the same time as getting them to divest the £200million they have currently invested in fossil fuel companies), as with the Greater Manchester Pension fund?

Response to Question 4, provided by Director of Finance:

“We would be pleased to put a formal request to them from the scrutiny committee. Members of the Pension Committee have a fiduciary duty to safeguard, above all else, the financial interests of the Fund’s beneficiaries, though its Investment Strategy also explicitly states that responsible investment can enhance long term investment performance and investment managers will only be appointed if they integrate responsible investment into their decision-making processes. Note that the fund doesn’t directly hold £200m in fossil fuel companies, though it does have passive funds which will include them.”

Question 5:

Are you using, or do you have plans to use money from the Public Works Loan Board for climate activities?

Response to Question 5, provided by Director of Finance:

“This would not be necessary for the reasons given at question 3 above. If projects that pay for themselves can be developed, we can use our investment balances instead of borrowing.”

Question 6:

Would you consider raising council tax on higher band properties to raise money for a climate action fund as Warwick District council is considering?

Response to Question 6, provided by Director of Finance:

“Warwick District Council voted to increase council tax by 34% in 2020/21, in order to raise money to combat climate change. It was not targeted at higher tax bands – this is not legally possible, although conceivably an authority could use some of the extra income to bolster their council tax support scheme. A tax increase at this level requires a referendum to endorse it, and in the event Warwick could not hold one due to coronavirus. The tax increase was consequently withdrawn. In Officers view, a referendum would stand little chance of success. Since the Government required referendums to approve “excessive” tax rises in 2012, only one has been held. Central Bedfordshire Police’s referendum in 2015 to pay for more police was defeated by a vote of 2:1. If my memory is correct, they thought they would win based on earlier opinion polling. Referendums are costly (Warwick’s was reported to cost £300,000), and new bills have to be sent if the public votes for a lower increase.”

Question 7:

Finally, if you are seeking funding for external insulation and/or deep retrofit, please would you tell us from where and in what timescale?

Response to Question 7, provided by Director of Housing:

“We are always looking for match funding opportunities, in the past these have come from the energy companies as a way of them being able to meet their own carbon reduction targets. Unfortunately, these haven’t been available to us

recently but we continue to monitor the situation. In the absence of any available funding any external wall insulation scheme and retro fit would have to be funded by the HRA, I can assure you that energy efficiency will continue to feature heavily in the HRA capital programme now and into the future.”

70. CHAIR'S ANNOUNCEMENTS

The Chair introduced all Members, Officers and Members of the Executive present and requested anyone else present that would be participating in the meeting to kindly introduce themselves.

The Chair advised the Committee that the meeting was a virtual meeting as permitted by section 78 of the Coronavirus Act 2020 and outlined the procedures for the meeting.

71. ANTI-SOCIAL BEHAVIOUR (ASB) SERVICE PROPOSAL

The Director of Housing submitted a report to seek feedback from the Housing Scrutiny Commission and Neighbourhoods Scrutiny Members on the transfer of the ASB function from the Housing Division to the CrASBU Team.

The following points were made;

- Currently ASB services were delivered by two areas from within the Council, the Tenancy Management Service within the Housing Division and the Crime and ASB (CrASBU) Team based in the Neighbourhood and Environmental Division.
- The proposed transfer would lead to one central team within the Council having responsibility for dealing with all ASB cases across the City from the first report to conclusion regardless of tenure.
- It was noted that Neighbourhood Housing Officers spent 20% of their time working directly on ASB cases.
- If the function was to transfer to CRASBU, funding from the Housing Revenue Account (HRA) would need to be transferred too. Officers drew Members attention to 8.1 of the report, which set out the financial implications.
- The change would be delivered by using vacant Neighbourhood Officer posts.
- Enough staffing resource within the housing division would be retained to provide initial advice and signposting.
- The change would enable Housing Officers to focus on delivering their primary roles.
- Tenants & residents would need to be consulted on the proposal, in addition to all staff who would be affected.
- Officers further detailed the benefits of the future working model and expressed the aim of providing an improved service.

In response to Members queries:

- Housing Officers would remain the 'go to' person and would pass on essential knowledge and intelligence to CRASBU, maintain close links

and also ensure that cases had been followed up and followed through.

- A Member of the Commission requested that the continuity of Housing Officers knowledge which exists in housing stock should be maintained and protected. The presenting officer agreed to include and formalise this within the proposal and further expressed the importance of the Housing Officer facilitating the support that tenants needed in order for the service to support and sustain tenancies.
- Members attention was directed to 6.3.4 of the report which set out the proposed new structure. This included the creation of specialist posts within the team reflecting the level of complex cases and also the creation of ASB investigators.
- With the Directors' consent, following the establishment of the new service model, the proposed new structure would be reviewed this time next year to ensure it was fit for purpose.
- It was noted that at least 75% of complex cases involved mental health issues, as a result the mental health aspect would be bought into the service model.
- In relation to low-level ASB issues, the service would encourage 'self-help' in the first instance whereby people would be encouraged to try and resolve certain issues amongst themselves, signposting and leaflets would also be available to support this. CrASBU contact would be the latter option for low-level ASB issues.
- The service was looking at developing job descriptions, comments/ feedback taken from this meeting would be merged into the new job roles.
- In relation to the point of contact, Officers explained the system which they had including a daily checked CrASBU inbox, a shared 'SENTINEL' system with the Police and all cases were reviewed efficiently.
- Officers noted some Members' concerns that there would not be a designated telephone contact number for the service and only one single point of contact, especially for those people who had internet difficulties and language barriers.

Although some Members welcomed aspects of the proposal, there were also some of the following further concerns;

- It was felt that there was not a clear breakdown as to what ASB Housing Officers were spending 20% of their working time on.
- Concerns regarding the financial implications of the budget cut and the requests to ensure that the tenants had been consulted on the transfer of HRA funds. Officers responded that the needs and requirements from a finance perspective would be reviewed each year and an equitable process ensured.
- It would be important to have someone/ people from a Mental Health Team/ specialist.
- The Officer responded that the complexity of the current model was felt to be very confusing and inefficient at times. This new proposal would aim to offer an improved service and it was in no way financially driven.
- It was noted that the Officers would be looking into how the new arrangements could be measured in terms of performance indicators.

- A special Tenants and Leaseholders forum meeting was anticipated to be set up in August in order to carry out the consultation and a report/ feedback brought back to the next commission meeting.

AGREED; (all for the next meeting due to be held in September)

1. A report would be brought back to the Committee with the results following the Tenants and Leaseholders consultation.
2. To circulate the job descriptions to Members.
3. To bring a further report.

Councillors Govind and Solanki were present from the Neighbourhoods Scrutiny Commission in the participation of deliberation of this item.

72. HOUSING DIVISION COVID RESPONSE AND UPDATE MEMBERS BRIEFING

The Director of Housing submitted a report to update Members of the Housing Scrutiny Commission on the Housing Division's Covid-19 response.

During presentation of the report, the following was noted;

- All staff were thanked for the hard work, dedication and commitment for the services that were continually provided during the Covid-19 pandemic.

The report set out the challenges and key issues faced since the pandemic started some of which included;

- Rent arrears increased to £2.1m, an increase of £600k. A response to this challenge was set out in 4.1 to 4.1.7 of the report.
- The primary aim was to continue to work for those that required help, support those to maximize benefit entitlements and make arrangements for the payment of any arrears, agreeing affordable amounts where necessary. Officers detailed internal and external support services which were available.
- Only in a small number of cases would legal action be proceeded to, those who had refused to co-operate after several attempts at communication.
- In terms of the challenge of assisting those people to not live on the streets and now looking into housing solutions, to achieve the most positive solution work was taking place with colleagues in the homelessness sector. A draft rough sleepers Next Steps strategy had been developed in resolving this issue and involved bringing online 170 additional units of accommodation to meet the needs.
- The 3rd challenge was the amount of non-priority repairs built up during lockdown, and potentially more repairs which were unreported during lockdown.
- The fourth challenge was the delivery of existing capital budgets and programme works, which meant it could be likely that all the work in housing stock previously anticipated may not be fulfilled this year.

The Director of Housing responded to the points made by Members:

- A more detailed report was being brought to the Housing Scrutiny Commission this evening to provide an update on Rent Arrears.
- In order to clear the routine repairs, the service's staff would be used for potential overtime and discussions were taking place with local contractors.
- Phase 1 of the new house build was anticipated to be completed in Autumn 2020.
- All responses in government funding had been in conjunction with the general fund. Reportedly, some discussions were taking place between the Director of Finance and government ministers regarding the potential funding of the HRA but no confirmation currently.
- The Home Choice Service became live last week for existing applicants to make any necessary amendments to applications with anticipations for new applicants to have access this week and the full choice-based lettings system due to go live on 27 July 2020.
- Regarding the allocation of housing stock to homeless people, 170 units had been identified; it was intended that 60 units would come from existing void stock and to achieve the other 110 units it was intended that they would be facilitated through private arrangements.
- It was noted that a next steps strategy was being developed in draft, this would be taken to the executive team and a formal process would take place and then shared publicly.

AGREED:

1. That the Commission thank all the staff for their work and continued service provided.

73. MANIFESTO DELIVERY - HOUSING

The Director of Housing submitted a report to provide a progress update to the Housing Scrutiny Commission setting out progress on delivery of the Labour manifesto commitments made in 2019, and was an update on progress since November 2019 when the last update was provided on the matter to the Housing Scrutiny Commission.

All to note;

- A summary of the report was provided.
- Members attention was drawn to table Appendix 1 which set out each individual manifesto detailing the key actions required, delivery timeframe, key metrics and a progress update.
- Good progress continued to be made by Housing towards the commitments.
- In order to enhance and deliver the commitment to maintain the adaptations service for all home owners and Council tenants which would include disability access work, the City Mayor and Council had agreed to increase the budget for that work to £4.3m across the General Fund and Housing Revenue Budget.
- The delivery of new social and affordable housing was explained.
- Some Members hoped that one day only social housing would be built,

and that Housing Association's would eventually come under the Local Authority.

AGREED:

1. That the report be noted.

74. RENT ARREARS PROGRESS REPORT APRIL 2019 TO MARCH 2020

The Director of Housing submitted a report to inform Members of the Housing Scrutiny Commission of progress in the above area of work over the full financial year, from April 2019 to March 2020.

- The current status of rent arrears and the various factors which contributed to the increase in rent arrears and the impact of Universal Credit was explained.
- It was noted that Leicester City Council was in a good position compared to other similar Local Authorities.
- £389,327 was paid by Discretionary Housing Payments (DHP's for all qualifying Council tenants).
- The Housing online services were available and would be expanding to allow tenants to log new repairs and make housing related enquiries.
- Evictions were at a low level compared to earlier years and were only pursued as an ultimate last resort.
- As a result of the pandemic the Lord Chancellor had suspended courts on possession proceedings. Notices of seeking possession had also now been modified and were now 3 months instead of 1 month.
- Face to face contact to discuss rent arrears was currently suspended, however alternative options of communication were being considered.

Following questions and comments from the Committee, the following points were made:

- In terms of work and support, the service was ensuring that resources were fairly distributed across the whole City. Certain areas/ wards were noted to be more high risk in terms of Covid-19 cases, however due to lockdown restrictions, it had been difficult to physically go out and reach tenants. The service covered various areas and if one area required more support then more staff were generally deployed there. The team welcomed any ideas on how tenants could be reached out to in this time.
- A Member of the Commission had concerns that there was actually no evidence that the arrears were due to Covid-19, as stated in the report. The Director of Housing clarified that there had been consistent payments and performance at 99% rent collected for years previously and only in this Covid-19 period there were increased cases of the arrears.

AGREED:

1. That the content of the report be noted.

75. WHO GETS SOCIAL HOUSING?

The Director of Housing submitted a report for information to the Housing Scrutiny Commission in regard to the Housing register, band proportions, lettings and tenant overcrowding and under-occupation.

All to note;

- 6486 applicants on the housing register as at 1st April 2020.
- Largest demand was still for 2-bedroom accommodation (a third of all applications).
- There were 1271 lets in the last 12 months. This was a 2% increase on last year. 98% of lets were to applicants in Bands 1 and 2.
- Demand still significantly outstripped supply.
- There was a disparity across wards in terms of the number of applications received from constituents, with the highest being Evington and the lowest been Knighton.
- The most common reason for joining the housing register remains overcrowding. However there were multiple overcrowding priorities dependant on the level of need. The service was working on a local overcrowding reduction strategy to bring a range of solutions. A report on this would be brought back to the committee. This report would also show a range of initiatives which were being looked into.
- Key information regarding each of the three Bands were detailed.
- There were some issues of displacement due to people living together however no issues had been identified of households having issues due to Covid-19 and overcrowding.

AGREED:

1. That the report be noted and further reports discussed be provided at the next meeting.

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

AGREED:

1. That the Tenants' and Leaseholders' Forum Action and Decision Log be noted.

77. ANY OTHER URGENT BUSINESS

The Chair noted that a housing working party would be set up and requested that Members volunteer to support this. The Scrutiny Policy Officer would circulate any information relating to this and further discussions would take place at the next meeting.

78. CLOSE OF MEETING

The meeting closed at 7.15pm.