



Leicester
City Council

Minutes of the Meeting of the
HOUSING SCRUTINY COMMISSION

Held: MONDAY, 30 JANUARY 2023 at 5:30 pm

P R E S E N T :

Councillor Westley (Chair)
Councillor Chamund (Vice Chair)

Councillor Aqbany
Councillor Fonseca

Councillor Gee
Councillor Modhwadia

Pantling

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1. APOLOGIES FOR ABSENCE

No apologies for absence had been received.

2. DECLARATIONS OF INTEREST

The Chair declared that his family were council tenants
Councillor Aqbany noted that he lived in a council property

3. DRAFT HOUSING REVENUE ACCOUNT BUDGET (INCLUDING CAPITAL PROGRAMME) 2023/24

The Chair introduced the item on the draft Housing Revenue Account (HRA) budget including the Capital Programme 2023/24 and noted that the report being considered this evening related to the proposals for next year's HRA.

The Chair noted that information on district heating, was included within the report along with other information and took the opportunity to thank the Commission for the work which had gone in to preparing the report.

The Chair further noted that, as an authority the council had invested heavily in maintaining and improving the existing homes, managing them as well and in building new homes for the people in greatest need in Leicester. Much of that spending comes from money the council get from rents, which were the lowest in the city, and lower than neighbouring authorities. At a time when inflation is over 10% the government has ordered us to keep our rent increases to seven per cent.

The Assistant City Mayor for Education and Housing noted that due to the years of austerity local authorities had been impacted and that although increasing rent rates was uncomfortable, the council took pride in being the best landlord in the city with no evictions in the last year including the delivery of vital works for tenants.

The director for Housing delivered a presentation to the Commission outlining the HRA and the Capital Programme. It was noted:

- There were £19.4million worth of pressures as a result of the rise in energy cost and inflation
- The proposal for raising the rates in district heating to address the energy crisis impacting the budget by £10.2million
- Information on the varying charges were, dependant on the number of bedrooms, from £59 a week for a bedsit to £150 for a four bedroom property. The average charge across all property types would be £99.
- If the increased cost of gas being used under the district heating network was not passed on to those who receive the service, then the cost would fall to all other HRA tenants to bear and there would be less money available for investment into the properties and estates.
- An increase in rent prices by 7% was also proposed which had been supported by the Tenants Association
- The rise in rents would affect 30% of Council tenants as the rest of the Council tenants were recipients of Housing Benefits which would cover the increases
- Rent collections were at a 99% success rates and the evictions were at its lowest with only 5 during this year
- The impact of a lower rate of increase in rent would have a dramatic effect on the HRA
- Service charges were proposed to increase at 10.1%, the rate of inflation.

Capital Programme

- £18million for affordable housing coming from 50% in loans and 50% from Right to Buy receipts
- Overall slowing down the delivery of the capital programme such as renovating bathrooms and kitchens

The Director of Housing noted that the next steps would be to take the report to OSC for consideration and then to Budget Council in February for approval.

As part of the discussions with Members, it was noted that:

- There were real concerns from residents living in council properties as there were going to be increases in all aspects of their tenancy and Members were concerned with how this would affect the level of debt following the increases
- Members suggested that the Right to Buy Scheme should be suspended as this had decreased the housing stock which was impacting the HRA and playing a part in the housing crisis

- Representatives from the Tenants Association were concerned that the properties in the New Parks Estate would be affected the most as the properties could not be fitted with meter readers
- Following the consultation meeting with the Tenants Association the representatives were in support of a lower increase of 200% to the district heating
- Members of the commission suggested that an increase of 200% would be more reasonable but were also aware of what impact this would have to the HRA
- A reduction in staffing would be from existing vacancies and that there were no intentions for service change
- The Neighbourhood Improvement Team would be 1 cohort of 10 over the 12-month period rather than 2 cohorts over the year
- That the wording in the report in regard to the issues with damp and mould be reconsidered.

The Assistant City Mayor for Housing and Education suggested that the Damp and Mould Strategy would be developed in the future to address increasing concerns in regard to the matter and work would need to address how we enable council tenants. The Chair of the Commission suggested that the commission sets up a working party to look at the issues relating to dampness and mould in houses within the city.

Members of the Commission further went on to note that, the mismanagement of central government has impacted all areas of society and that the rise in inflation was directly attributed to this and has resulted in the crisis. It was further suggested that increasing the district heating which would impact 30% of people on district heating would be a more sustainable solution rather than impacting the entire HRA which would affect 100% of tenants.

In response to Members queries in regards to alternative sources of funding by not going ahead with other projects across the city, The Director for Housing noted that it was a legal requirement that only HRA accounts are utilised.

In further discussions, Representatives from the Tenants Association noted that the increase in service charges should increase the quality of service and raised concerns with the current delivery of services where communal areas were left unclean and appointments with tenants were being missed. The Director of Housing noted that Cleaning Services was under the Director for Neighbourhoods and Environmental Services portfolio and that discussions on the best service for money were underway.

Members of the Commission took the opportunity to note that the current stock of council properties were getting older and needed regular maintenance work and this should be considered.

The Director for Housing summarised to the Commission and drew Members attention that district housing has been 35% cheaper in comparison to gas on the open market and that the new proposals would still be cheaper than that of the open market.

The Chair at his discretion allowed for Councillor Kitterick and Councillor Dawood to address the Commission. Councillor Kitterick made a statement to the Commission and raised concerns that the district heating tenants were unable to control how much heating they get and that the proposed increased rates were only for the price of hot water and gas and did not consider the cost of electric.

Councillor Kitterick further went on to propose that in line with the new price caps to come in place in April the cost should be £3000x53.7% (Gas Element of Price Cap) = £1611 up until the meters are installed over the six-month period in individual properties, following which individuals would pay according to the meter. Councillor Kitterick requested the Director for Housing to produce a financial model on how much this could cost the council if all properties that could be metered were metered by the end of September 2023. It was also suggested that this would have an impact on the HRA until the meters were fitted and would encourage the installation of the meters and that the difference in cost could be supported by delaying other projects for a year.

Councillor Dawood echoed the proposals made by Councillor Kitterick and raised concerns for residents who would have to make a choice between heating or eating.

The Chair adjourned the meeting for a minute break at 6:50pm

Following the reconvening of the meeting the Vice Chair raised concerns with the level of dept that the proposals would have and what mechanisms were in place to protect the tenants that may struggle financially. The Director of Housing noted that the Income Management Team was in place to track and intervene on any payment issues and supported tenants through any financial hardships in signposting them to the STAR Team. It was further noted that 99.6% of rent was collected and that the Officers were very effective in collecting the rent and supporting the tenants.

The Director for Housing noted that the current system had 18000 tenants that were subsidising 2400 tenants and that the proposals were fair, so that the correct rate is incurred.

In further discussions it was noted that:

- The Right to Buy Scheme was introduced by central government and that legislation was in place that did not let local authorities to control
- Tenants were entitled to do as they wish following having acquired the property through the scheme
- 2% of the current stock was void and work was being delivered to bring the properties back in use.

AGREED:

- 1) That the Director for Housing be requested to consider the average charge for tenants on the district heating system be £1,611, taking Ofgem charging limits into account

- 2) That the Director for Housing be requested to provide projections for impact of the costs to the HRA based on the £1611 charge set out above. and
- 3) That the Commission sets up a working party to look at the issues relating to dampness and mould in houses within the city.

4. ANY OTHER URGENT BUSINESS

There being no other items of urgent business the meeting closed at 7:34pm

