

HOUSING SCRUTINY COMMITTEE

26 September 2019
5.30 - 8.00 pm

Present:

Scrutiny Committee Members: Councillors Todd-Jones (Chair), Cantrill, Matthews, Porrer, Sheil, Thittala, Barnett, Smart, Best, Harris, Minns, Amiteye and Ayivor

Executive Councillor for Housing: Councillor Johnson

Tenant/Leaseholder Representatives: Diane Best, Lulu Agate, Kay Harris, Christabella Amiteye, Diana Minns, and Jean-Louis Ayivor

Officers:

Strategic Director: Suzanne Hemingway

Strategic Director: Fiona Byrant

Assistant Head of Finance and Business Manager: Julia Hovells

Head of Housing Maintenance and Assets: Lynn Thomas

Project Officer (Private Rented Sector): Philip Winter

Head of Housing Development: Claire Flowers

Head of Housing: David Greening

Asset Manager, Business Transformation: Will Barfield

Committee Manager: Toni Birkin

FOR THE INFORMATION OF THE COUNCIL

19/35/HSC Apologies

Apologies were received from Tenant Representative Lulu Agate, Councillors Bird and Councillor Hadley. Councillor Smart and Councillor Barnett were present as alternates.

Councillor Thittala left after the consideration of item 19/40/HSC.

19/36/HSC Declarations of Interest

| Name | Item | Reason |
|---------------------|------|--------------------------|
| Councillor Thittala | All | Personal: Council tenant |
| Kay Harris | All | Personal: Secretary of |

| | | |
|--|--|--|
| | | Campkin/Hawkins Residents Association member |
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19/37/HSC Minutes

The minutes of the meeting of the 18th June 2019 were agreed and signed as a correct record.

The Chair asked that his thanks to Councillor Bird for Chairing the last meeting be minuted.

19/38/HSC Public Questions

There were no public questions.

19/39/HSC HRA Asset Management Strategy

This item was Chaired by Diana Minns (Vice-Chair)

Matter for Decision

A comprehensive review of the previous Housing Revenue Account (HRA) Asset Management Strategy (AMS) had been completed and the strategy would replace the previous version dated 2012.

Decision of Executive Councillor for Housing

- i. Approved the Housing Revenue Account Asset Management Strategy 2019/20 to 2024/25

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Head of Housing Maintenance and Assets and the Asset Manager, Business Transformation.

Councillor Cantrill sought clarification regarding a report that had gone to the Civic Affairs Committee and had shown some breaches of Gas Certification. Whilst accepting that the situation had been rectified very quickly, it raised

doubts regarding confidence in the process. How had an unlawful situation been allowed to occur?

The Head of Housing Maintenance and Assets confirmed that at the point of sign up, the properties had had a valid certificate. Problems had arisen at the annual review point as the properties had not been added to the correct systems. The Head of Housing Maintenance and Assets undertook to circulate the Civic Affairs Committee report to Members of this Committee.

The Strategic Director (SH), the Head of Housing Maintenance and Assets, the Asset Manager, Business Transformation and the Assistant Head of Finance and Business Manager said the following in response to Members' questions:

- i. The Council was not always in a position to repurchase a shared ownership property.
- ii. Retrofitting Solar-power units to existing, tenanted blocks would be a large investment and was not current policy. However, it could be considered in the future as part of a programme of works to bring poor energy rated properties up to standard.
- iii. Confirmed that costs against Keepmoat for delays in delivering new properties and snagging issues were being pursued.
- iv. Confirmed that a range of methods were used to gather customer feedback of repairs.
- v. The Asset Manager, Business Transformation undertook to investigate and confirm that similar feedback was gathered from leaseholders when rechargeable repairs were undertaken.
- vi. Confirmed that approximately of 82 of the initial 500 new council properties would be fitted with individual gas boilers. The remainder would use alternative heat sources.
- vii. Confirmed that the Audit Report received by the Civic Affairs Committee had not highlighted any critical faults. A service review would build in additional safeguards regarding fire safety for the future.

Councillor Porrer proposed and Councillor Cantrill seconded the following amendment (Text in *italic* to be inserted at the end of Section One of the report):

The committee notes the internal audit report on gas and electricity safety compliance that was presented to the July Civic Affairs committee. The committee expresses its concern at the findings of the report, in these key areas of building safety.

To prioritise safely works across the housing estate, completing these works as a matter of urgency, in particular:

Confirmation of electrical testing certificates across all properties

Confirmation of gas safety certificates across all properties

Fire door inspections and replacements

Installation of heat detectors

Installation of emergency lighting in those blocks currently without this

The committee asks officers to provide a written update on a monthly basis to the Chair and Spokes.

Council Cantrill stated that the amendment would change priorities rather than requiring additional funding.

Councillor Todd-Jones proposed and Councillor Smart seconded an amendment to Councillor Porrer's amendment as follows (struck through wording removed and text in bold added):

The committee notes the internal audit report on gas and electricity safety compliance that was presented to the July Civic Affairs committee. The committee expresses its concern at the findings of the report, in these key areas of building safety **further notes that Officers are already proactively dealing with these issues and previously reported to it when the Council discovered that some electrical safety information was missing, requested additional funds to ensure it could rectify the situation.**

~~*To prioritise safely works across the housing estate, completing these works as a matter of urgency, in particular:*~~

~~*Confirmation of electrical testing certificates across all properties*~~

~~*Confirmation of gas safety certificates across all properties*~~

~~*Fire door inspections and replacements*~~

~~*Installation of heat detectors*~~

~~*Installation of emergency lighting in those blocks currently without this*~~

~~The committee asks officers to provide a written update on a monthly basis to the Chair and Spokes.~~

Work on fire safety has been given increased priority, hence the programme to install more heat detectors, and this work is reflected in the Corporate Fire Safety Strategy report to Strategy and Resource Committee in October.

As part of the Estate and Facilities Service Review, Officers are also looking at strengthening other areas of Tenant and Leaseholders' safety. To that end recommendations will be brought forward from the Review to ensure the service overall is more effective in achieving compliance with safety regulations and best practice.

In addition, the new housing IT system is expected to go live in the 2020/2021 financial year, which will assist with improving service delivery and facilitate easier reporting on key areas.

Updates on progress can be provided to Opposition Spokes and the Chair(s) of the committee.

Officers stated that they were happy to work with Members and to regularly supply any information required.

Councillor Porrer was not opposed to the suggested changes to her amendment but suggested that dates should be added and updates circulated to all Members of the Committee for added clarity as follows (struck through wording removed and text in bold added):

The committee notes the internal audit report on gas and electricity safety compliance that was presented to the July Civic Affairs committee. The committee further notes that Officers are already proactively dealing with these issues and previously reported to it when the Council discovered that some electrical safety information was missing, requested additional funds to ensure it could rectify the situation.

Work on fire safety has been given increased priority, hence the programme to install more heat detectors, and this work is reflected in the Corporate Fire Safety Strategy report to Strategy and Resource Committee in October.

As part of the Estate and Facilities Service Review, Officers are also looking at strengthening other areas of Tenant and Leaseholders' safety. To that end recommendations will be brought forward from the Review to ensure the service overall is more effective in achieving compliance with safety regulations and best practice. **Officers will update the Committee in January.**

In addition, the new housing IT system is expected to go live in the 2020/2021 financial year, which will assist with improving service delivery and facilitate easier reporting on key areas.

Updates on progress ~~can~~ will be provided to ~~Opposition Spokes and the Chair(s)~~ **all Members** of the committee.

The Committee unanimously resolved to endorse the amended amendment to the report. Final wording as follows:

The committee notes the internal audit report on gas and electricity safety compliance that was presented to the July Civic Affairs committee. The committee further notes that Officers are already proactively dealing with these issues and previously reported to it when the Council discovered that some electrical safety information was missing, requested additional funds to ensure it could rectify the situation.

Work on fire safety has been given increased priority, hence the programme to install more heat detectors, and this work is reflected in the Corporate Fire Safety Strategy report to Strategy and Resource Committee in October.

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In addition, the new housing IT system is expected to go live in the 2020/2021 financial year, which will assist with improving service delivery and facilitate easier reporting on key areas.

Updates on progress will be provided to all Members of the committee.

The Committee **resolved unanimously** to endorse the recommendation.

The Executive Councillor approved the recommendation.

Conflicts of Interest Declared by the Executive Councillor (and any Dispensations Granted)

No conflicts of interest were declared by the Executive Councillor.

19/40/HSC Housing Revenue Account (HRA) Medium Term Financial Strategy

Recommendations (part 1) were chaired by Diana Minns (Vice Chair /Tenant Representative) and recommendations (part 2) were chaired by Councillor Todd-Jones

Matter for Decision

The Housing Revenue Account (HRA) Medium Term Financial Strategy (MTFS) provided an opportunity to review the assumptions incorporated as part of the longer-term financial planning process, recommending any changes in response to new legislative requirements, variations in external economic factors and amendments to service delivery methods, allowing incorporation into budgets and financial forecasts at the earliest opportunity.

Decision of Executive Councillor for Housing (part 1)

- i. Approved the Housing Revenue Account Medium Term Financial Strategy attached, to include all proposals for change in:
 - Financial assumptions as detailed in Appendix B of the document.
 - 2019/20 revenue budgets and future year forecasts as introduced in Section 5, resulting from changes in financial assumptions and the financial consequences of change and the need to respond to unavoidable pressures, as introduced in Section 5, detailed in Appendix D of the document and summarised in Appendices G (1) and G (2).
 - The level of fees charged to new build schemes by the Housing Development Agency, as detailed in Section 7 of the Housing Revenue Account Medium Term Financial Strategy.
- ii. Approved that delegated authority be given to the Strategic Director to be in a position to confirm that the authority can annually renew its investment partner status with Homes England.

Decision of Executive Councillor for Housing (part 2)

- iii. Approved proposals for changes in existing housing capital budgets, as introduced in Sections 6 and 7 and detailed in Appendix E of the document, with the resulting position summarised in Appendix H, for decision at Council on 17th October 2019.

- iv. Approved the revised funding mix for the delivery of the Housing Capital Programme, recognising the latest assumptions for the use of Devolution Grant, Right to Buy Receipts, HRA Resources, Major Repairs Allowance and the specific use of Section 106 Funding for investment in affordable housing against the Campkin Road scheme.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Assistant Head of Finance / Business Manager.

The Committee made the following comments in response to the report:

- i. The Committee praised the work of the Revenue and Benefits team in assisting tenants to negotiate welfare reforms.
- ii. Expressed concerns that welfare loans needed to be repaid in a short time frame.

The Assistant Head of Finance / Business Manager said the following in response to Members' questions:

- i. Confirmed that there were a number of unknowns and some assumptions might change.
- ii. Clarified the situation regarding recharging leaseholders for fire safety work. Decisions would be made on a case by case basis and consultations would be undertaken.
- iii. Confirmed that no significant rental arrears related to welfare reforms had been noted so far. However, it was difficult to predict the impact of the full roll out of reforms.
- iv. Confirmed that support was in place for tenants experiencing benefit difficulties. It was noted tenants of working age, with fluctuating working patterns, were experiencing difficulties.
- v. Confirmed that detailed mapping work was on-going regarding demolition and re-provision of no longer 'fit for purpose' stock. Decisions would always be a balancing act between providing more homes and maintaining the existing portfolio in good order for the future. The Executive Councillor for Housing stated that a report was expected early next year regarding the next 1,000 new homes.

Councillor Porrer proposed and Councillor Cantrill seconded the following amendment:

In the light of the recent Climate Change Emergency declared by Cambridge City Council, to redraft this document to prioritise environmental concerns, in particular focusing on a revised financial strategy taking into account specific environmentally sustainable solutions to ongoing maintenance and replacements, including procurement. This would include costing replacing gas heating with alternative methods in new and refurbished properties, prioritising and costing the retrofitting of properties with current Energy Efficiency Ratings of D, E or F and considering the costs of new homes to meet higher environmental standards. As part of this work, the estimated reduced costs to tenants of any such improvements in lower utility bills should be included.

The Strategic Director (SH) confirmed that the Council was already committed to measures to replace gas boilers and improve the energy efficiency of poorly performing homes. Redrafting the strategy at this stage would be a major piece of work.

Councillor Cantrill stated that a holistic approach was needed. Energy efficiency ratings were unknown for many properties. Officers could model a higher debt profile to achieve upgrades for existing homes and higher standards for new properties.

Assistant Head of Finance / Business Manager confirmed that there was no longer a cap on borrowing but the HRA would need to be able to sustain the debt from its own revenue stream.

The Strategic Director (SH) suggested that rather than amend the report, a commitment to improve the eco performance of council homes be noted and a further report on this matter be brought to this committee no later than the autumn of 2020.

Councillor Porrer expressed satisfaction that this would influence the future strategy and was a priority. She withdrew the proposed amendment.

The Committee resolved **by 10 votes to 0 to endorse the recommendations (1.1 and 1.2)** of the officer's report.

The Committee resolved **by 5 votes to 0 to endorse the recommendation (2.1 and 2.2)** of the officer's report.

The Executive Councillor approved the recommendations.

Conflicts of Interest Declared by the Executive Councillor (and any Dispensations Granted)

No conflicts of interest were declared by the Executive Councillor.

19/41/HSC Delegation of Powers From Cambridgeshire County Council to Cambridge City Council for Investigation and Enforcement Relating to Provision of Domestic Energy Performance Certificates

This item was chaired by Councillor Mike Todd-Jones

Matter for Decision

- i. The Energy Performance of Buildings (England and Wales) Regulations 2012 sets out the legal obligation for landlords to provide energy performance certificates to new and prospective tenants in the majority of rented homes. Currently this legislation is only enforceable by the local weights and measures service, this service sits within the Cambridgeshire County Council remit.
- ii. The Energy Performance Certificate hereinafter referred to as EPC provides a rating for the energy performance of a home. The rating ranges from A to G with A being the most efficient. The rating is based on factors such as age, layout, heating, lighting and insulation. The ratings were all carried out to a set standard meaning all property EPCs were directly comparable. The EPC was presented in such a way to allows occupiers / prospective occupiers of the property to make an informed decision relating to energy costs and the thermal efficiency of the building. Appendix A sets out where the regulations require that an EPC should be provided.
- iii. A breach of the aforementioned regulations would take place if the person who is responsible for letting the property had not provided an EPC to new tenants where the regulations require them to do so. A penalty notice may be served by the enforcing authority for a breach of the regulations. The penalty notice is fixed at £200 where the building was a dwelling. There was a right of appeal to the county court if the responsible person feels the notice should not have been served, however in most cases the offence will be clear.

- iv. The delegation of these powers from the County Council to Cambridge City Council would lead to an improved customer journey by creating the ability for complaints relating to private sector housing to be addressed accordingly by a single authority. A copy of the proposed delegation is attached Appendix B of the Officers report.

Decision of Executive Councillor for Housing

- i. Approved for Cambridge City Council to seek delegation from Cambridgeshire County Council for Part 7 Enforcement of The Energy Performance of Buildings (England and Wales) Regulations 2012.
- ii. Approved investigation and enforcement by the Council for non-compliance of providing an energy performance certificate in cases where it is deemed appropriate.
- iii. Approved the Environmental Health Manager to make a decision on the continuation of the delegation on a biannual basis or to give notice to terminate the delegation as appropriate.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Project Officer (Private Rented Sector).

The Project Officer (Private Rented Sector) said the following in response to Members' questions:

- i. Confirmed that there would be some initial external funding. On-going costs (officer time) would be recovered from any fines imposed. It was not anticipated that the service would run at a lost but the situation would be monitored.
- ii. Enforcement of Energy Performance Certificate requirements would be difficult where a leaseholder was sub-letting and raising awareness was a better option.
- iii. The policy would only be applicable to domestic properties.

The Committee **resolved unanimously** to endorse the recommendations.

The Executive Councillor approved the recommendations.

Conflicts of Interest Declared by the Executive Councillor (and any Dispensations Granted)

No conflicts of interest were declared by the Executive Councillor.

19/42/HSC Update on the Programme to Build new Council Homes Funded Through the Combined Authority

This item was chaired by Councillor Mike Todd-Jones

Matter for Decision

- i. The report provided an update on the programme to deliver 500 Council homes with funding from the Combined Authority.
- ii. All 500 homes had now been identified and the HDA was focusing its efforts on delivering the schemes in the programme.
- iii. The Council now had 162 Council rented homes being built on site and was forecasting a further 176 due to start by the end of financial year 2019/20.
- iv. 14 homes of the City Council programme had now been completed across three sites.
- v. There had been a change in the approach to contract arrangements for schemes developed by the Cambridge Investment Partnership which is detailed in Appendix 3.

Decision of Executive Councillor for Housing

- i. Noted the continued progress on the delivery of the Combined Authority programme.
- ii. Noted the funding structure for the Combined Authority programme.
- iii. Approved the revised approach to land transactions for schemes developed by the Cambridge Investment Partnership as described in Appendix 3.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Head of Housing Development Agency.

Officers confirmed that a Housing Tour for all Members of the Committee would be arranged shortly.

The Head of Housing Development Agency said the following in response to Members' questions:

- i. Confirmed the tenure mix across the Mill Road site as single tenure block with the blocks mixed across the site.
- ii. Confirmed that a planning application was expected shortly for the Meadows site.
- iii. Stated that the utility cost across the Mill Road site would be at a flat rate and that the Council was seeking the best rate for the standing charges.

The Strategic Director (FB) stated the following in response to Members' questions:

- i. Confirmed that the team had worked very hard to progress sites as quickly as possible.
- ii. Stated that the clustering policy was currently under review.
- iii. The tenure mix across new sites was seeking to establish mixed and diverse communities but needed to be flexible to suit different locations.

Councillor Executive Councillor for Housing stated that any transfer funding required to progress the Meadows Scheme would be small.

The Committee **resolved by 4 votes to 0** to endorse the recommendations.

The Executive Councillor approved the recommendations.

Conflicts of Interest Declared by the Executive Councillor (and any Dispensations Granted)

No conflicts of interest were declared by the Executive Councillor.

The meeting ended at 8.00 pm

CHAIR