

PEOPLE SCRUTINY COMMITTEE

Monday 12 March 2018

Present:

Councillor Wardle (Chair)

Councillors Foale, Branston, Foggin, Hannan, Hannaford, Holland, Thompson and Vizard N

Apologies:

Councillor Morris

Also Present:

Director (BA), Principal Accountant Corporate, Programme Manager - Communities, Technical Accounting Manager, Housing Enabling Officer and Democratic Services Officer

In attendance:

Councillor Hannah Packham
Councillor Phil Bialyk

Portfolio Holder for the Housing Revenue Account
Portfolio Holder for Health and Wellbeing, Communities
And Sport

9

MINUTES

The minutes of the meeting held on 4 January 2018 were taken as read and signed by the Chair as a correct record.

10

DECLARATION OF INTERESTS

No declarations of disclosable pecuniary interest were made.

11

QUESTIONS FROM MEMBERS OF THE COUNCIL UNDER STANDING ORDER

20

In accordance with Standing Order No 20, Councillor Hannaford had submitted questions on LGBTQ issues and the Transgender Day of Remembrance.

A copy of the questions had been previously circulated to Members and these, together with the responses from Councillor Bialyk, Portfolio Holder for Health and Wellbeing, Communities and Sport is appended to the minutes.

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QUESTION FROM THE PUBLIC UNDER STANDING ORDER 19

In accordance with Standing Order No 19, Diana Jones submitted a question on the Advisory Service. Responding to a Member, she advised that she had been prompted to ask the question as there had been insufficient commentary in the Committee papers for a lay person to fully understand the report detail.

A copy of the question had been previously circulated to Members, and this, together with the response from Councillor Packham, Portfolio Holder for the HRA is appended to the minutes.

ITEMS FOR DISCUSSION

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HRA BUDGET MONITORING TO DECEMBER 2017

The Technical Accounting Manager advised Members of any major differences, by management unit between the approved budget and the outturn forecast for the first nine months of the financial year up to 31 December 2017 in respect of the Housing Revenue Account (HRA) and the Council's new build schemes. An outturn update in respect of the HRA Capital Programme was also incorporated in the report in order to help provide a comprehensive financial update in respect of the Housing Revenue Account.

During this period, the total budget variances indicated that there would be a net surplus of £1,180,101 in 2017/18. This represented a significant movement of £3,667,716 compared to the budgeted deficit of £2,487,615 for 2017/18 with, most notably, £2,700,000 attributable to delays with the St Loyes Extra Care scheme. This meant that the HRA was forecast to transfer over £1 million into its Working Balance, rather than taking £2.5 million out of its Working Balance, at the end of the financial year.

The current HRA Capital Programme showed a total forecast spend of £7,414,521 compared the £10,497,645 revised programme, a decrease of £3,083,124.

The Chair reported that the Financial Reporting Working Group had met and reviewed the financial reports ahead of their presentation to Scrutiny Committees and that he had subsequently put a number of questions to officers for reporting to this meeting. In respect of these, the following responses were provided:-

- certain vacant posts in Housing Assets and Council Own Build had been covered using temporary arrangements, as recruitment to the vacant posts was pending the outcomes of the Housing Quality Network review of the Assets team which completed in December 2017 and the completion of the stock condition survey. These posts had now been filled and there were no longer multiple vacancies. The posts were necessary as an extensive level of capital works were planned, to the value of £12 million in 2018/19 and £37 million over the next 5 years; and
- an employers' liability insurance claim had been settled by the Council and related to a former council employee. Both the Portfolio Holder for Health and Wellbeing, Communities and Sport and the Planned Repairs Lead enlarged on health and safety precautions that would be in place for the re-development of the Bus Station site in order to manage exposure to asbestos.

The Planned Repairs Lead updated Members on progress with an extensive procurement programme still taking place and the Director (BA), in response to a Member's query, advised that any identified risks within the housing service were included on the Housing Risk Register, which fed into the Corporate Risk Register. In respect of the filling of posts, she also confirmed that agency staff were only used in extremis and that the Council had been successful in recruiting to the permanent posts.

Responding to a Member, the Portfolio Holder for the HRA agreed that the lack of sufficient Central Government funding and the imposition of various controls was a significant contributory factor to the nation's housing crises and that this Council continued to make representations to Government on this issue, emphasising that it had serious ambitions to provide more homes, including social housing. She also highlighted the inequitable restriction on the use of Right to Buy receipts in

accordance with the One-for-One Replacement agreement, which sets out the strict criteria for retaining and spending the receipts. A detailed report would be submitted to a future meeting of this Committee and Executive in respect of the St Loyes Extra Care Scheme, which included the use of retained right-to-buy receipts towards the financing of the project.

People Scrutiny Committee noted the report.

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PEOPLE BUDGET MONITORING TO DECEMBER 2017

The Principal Accountant advised Members of any material differences, by management unit between the approved budget and the outturn forecast for the first nine months of the financial year up to 31 December 2017 in respect of People Services. An outturn update in respect of the People Capital Programme was also incorporated in the report in order to help provide a comprehensive financial update in respect of the People Services budget.

The current forecast suggested that net expenditure would increase from the approved budget by a total of £305,840 after transfers from reserves and revenue contributions to capital. This represented a variation of 10.17% from the revised budget and included a supplementary budget of £372,160.

The System Lead Finance responded to questions from the Chair on Housing Benefits which is attached to the minutes.

People Scrutiny Committee noted the report.

ITEMS FOR CONSIDERATION BY THE EXECUTIVE

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HOUSING STOCK CONDITION SURVEY

The Director (BA) introduced the report indicating that the Stock Condition Survey was critical to the Business Planning for the Council's Housing Stock. The survey allowed for work on the viability of the stock and the development of an Asset Management Plan to identify future investment needs. Traditionally, only 10% of stock had been surveyed but the Survey undertaken last year had surveyed 40% of the stock and the service was working towards 100% completion.

The Director (BA) welcomed Adrian Pengelly to the meeting who was new in post as the Planned Repairs Lead within the Housing Assets Service.

The Planned Repairs Lead presented the report informing Members of the condition of the Council's Housing Revenue Account (HRA) properties and setting out the plan for the continuation of stock surveys until 100% of properties have been surveyed. The Council in February 2017, had commissioned a stock condition validation exercise via external consultants Michael Dyson Associates (MDA). MDA had been commissioned to undertake 3,528 surveys - 2,991 dwellings (60%) and 537 blocks (100% of blocks - in line with industry best practice). The survey data had subsequently been combined with the existing data held to inform the overall stock investment programme.

The Planned Repairs Lead presentation covered the need for the survey, the historic and current position, the criteria for decent homes standard, the investment requirements for each ward and, in summary, he advised that the survey information of 64% provided a robust platform for investment planning purposes, offered medium (5-year) and long (30-year) term assurance and would help deliver

the Government's energy efficiency targets. He also reported that the stock viability assessment would complement stock condition data analysis, inform the Asset Management Strategy and ensure that active asset management principles are applied to investment.

Responding to Members' queries, he advised that there was strong competition between potential contractors and that Council contracts were attractive logistically because of the City's compact nature which, in turn, also helped the Council achieve economies of scale. The elements of each contract were tightly drawn up and included requirements for a living wage etc. He would be available to discuss in further detail the individual ward investment requirements with ward councillors as required.

Another Member referred to the previous tenant liaison arrangements and the Director confirmed that future minutes of the performance scrutiny partnership meetings could be made available to the Committee.

Scrutiny Committee - People noted the stock condition survey data and the plans for continual assessment of investment requirements.

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COMMUNITY GRANTS AND COMMUNITY UPDATES

The Programme Manager Communities presented the report providing the following updates on community issues:-

Community Grants

The City Council had an extensive Community Grants Programme with around £1.5 million awarded annually to community organisations through a range of grant processes. A breakdown of the grants was provided and Members were advised of the intention in 2018 to review the city council policy, system and process in order to consolidate the programmes and revise criteria to link to council priorities. One Member queried how information on the grant process was filtered through to the community and it was generally recognised that a simplification of the grants process would be beneficial because of the varying grant application processes.

A further report on process and recommendations would be submitted at a later date.

Community builders

Council on 25 July 2017 had agreed £610,000 over five years (£300k New Homes Bonus (£300k) and £310k from neighbourhood portion of Community Infra-Structure Levy: CIL) to fund Community Builders across the City. This would build on the existing community builder roles funded through the Integrated Care Exeter (ICE) Wellbeing Exeter programme until March 2018. Because of the expansion of Wellbeing Exeter and the Sport England Local Delivery Pilot status, it was proposed to expand community building so that all wards would have access to a community connector and community builder. It was proposed that funding be front-loaded in light of the Wellbeing Exeter and Sport England programmes for a three year period in the first instance: 2018/2020. Anecdotal feedback indicated that the community builders could have a real impact on improving people's lives and supporting the local community.

Responding to a Member, the Programme Manager advised that documentation such as evaluation reports on the community builders could be made available to Members on request and the Community builders could also be requested to provide feedback on their work at a ward level. Members were encouraged to have good contact with their local community builder.

Delegated powers had been given to the Portfolio Holder for Health and Wellbeing, Communities and Sport and the Programme Manager to agree adjustments to the original plans for the deployment of Community Builders and for them to do this in consultation with the Chair of the Exeter Community Forum.

Grass Roots Grants/Neighbourhood Community Infrastructure Levy

The Council received recommendations from the Exeter Community Forum (ECF) Grass Roots Grants Panel on expenditure for the neighbourhood portion of the Community Infra-Structure Levy (CIL) (£3.75 million over 10 years ring-fenced for community led initiatives) The Grass Roots Grants criteria included a number of programmes contributing towards the goals of the ECF Community Strategy endorsed by the Council.

To date, eight organisations had been awarded a grant through the Grass Roots Grants process totaling £167,913. It was noted that the Portfolio Holder for Health, Wellbeing, Communities and Sports represented the Council on the grants panel.

Exeter : A young people friendly city - Exeter Youth Voice.

The City Council was taking the lead co-ordination role for this next stage of developing a Youth Strategy for the city and had recently contracted Young Devon to facilitate the 'Exeter Youth Voice' initiative with young people across the city over the next 12 months. This work would build on the consultation that had taken place with young people during 2016/17 resulting in the launch of the Youth Strategy in March 2017. The project would be delivered through a steering group including Exeter City Council Communications and Marketing Team who would be supporting the process and helping to profile the views of young people. Members were reassured that the project had and would continue to engage with Black and Minority Ethnic young people through the process of the project.

Members queried the level of Member involvement in the work of the Exeter Community Forum notably the grant making process where a significant level of funding had been made available. Some concern was expressed at the level of democratic accountability and transparency in the operation of the Grass Roots Grants Panel and it was suggested that a cross party, Member led body would be more appropriate to provide greater accountability and community leadership. Because of the significant level of funding, a Member felt that greater scrutinisation of the decisions was required and he and another Member referred to play equipment in particular as one area where funds could be better directed.

The Portfolio Holder for Health and Wellbeing, Communities and Sport acknowledged the complexity of the grant making process and advised that the rationale behind this community work was greater synergy and extended community involvement and that reviewing the grant making process which Executive would now be asked to support was a logical step in this process. He also felt that a further briefing session for Members would be appropriate following the review of grants.

Scrutiny Committee - People supported the report and asked Executive to request Council to:-

- (1) approve the recommendation to review the grant allocation policy and process in 2018 to consider modernisation and consolidation of the grant programmes and revised criteria linked to council priorities;
- (2) approve the recommendation that the Neighbourhood CIL and New Homes Bonus funding agreed for community building in the city should be front-loaded in light of the Wellbeing Exeter and Sports England Local Delivery Pilot programmes for an initial 3 year period 2018 / 2020;
- (3) notes the progress of the Grass Roots Grants/Neighbourhood CIL spend over the first year of this funding being available and recognizes the contribution of the Exeter Community Forum Grass Roots Panel in supporting this process;
- (4) note the 2nd stage of the Exeter Youth Strategy work in terms of the launch of the Exeter Youth Voice project; and
- (5) review the role of the Exeter Community Forum Grants Panel and to consider whether there was a need for greater accountability and scrutinisation of its processes and to examine if a change of approach through increasing the involvement of Members was desirable.

17 **LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985 - EXCLUSION OF PRESS AND PUBLIC**

RESOLVED that, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the next item on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 3 of Part I of Schedule 12A of the Act.

18 **RENNES HOUSE OPTIONS**

The Director (BA) and Housing Development Officer presented the report outlining the history behind Rennes House, past decisions made and setting out costed options for the refurbishment works required to the building. Rennes House was a 10 storey tower block used as older persons accommodation (over 60's) located in the Whipton Barton Area of Exeter providing 61 homes to Council tenants on a social rent.

The four options presented were:-

- (1) full refurbishment;
- (2) minimal refurbishment;
- (3) demolition; and
- (4) wider regeneration.

Refurbishment would necessitate the relocation of tenants either internally or externally as work progresses. This would be a complex process to ensure that internal moves and decants are undertaken in the most efficient way to ensure both minimal disruption to the residents and not to disrupt the build programme.

The Portfolio Holder for the HRA enlarged on the advantages and disadvantages of each option and explained the reasons behind her preference for the first option of full refurbishment. It would provide a high quality refurbishment which would guarantee the lifespan of the building going forward for a minimum of 40 years, would be in keeping with Chester Long House another new development in the immediate area, it provided significant savings in heating costs and would improve thermal comfort and indoor air quality and it was the preferred option of tenants.

It was noted that the report recommended the following work which did not form part of the options:-

- (1) carry out fire engineering recommendations including Automatic Opening Vent installation and new dry riser; and
- (2) replace service risers including water and electrical distribution and remove asbestos from the risers.

Decant costs would also need to be included and final costs would depend on whether a partial or full decant was required.

Members discussed the options, one Member referring to three earlier schemes for re-development which he felt should also have been put forward as options at this stage. It was noted however that these were conceptual rather than detailed plans.

A Member supported the re-modelling of the ground floor which would make the laundry and scooter storage more accessible for all and create additional communal space, whilst other Members welcomed the proposal as the one supported by the residents themselves.

There was unanimous support for the option of full refurbishment and Members were presented with, and supported, a series of sub options within the main proposal, costs of which were circulated.

Scrutiny Committee - People noted:-

- (a) the report setting out the refurbishment works required to Rennes House, alongside the costs of refurbishment in relation to the value of the building; and
- (b) the responses to the consultation undertaken with Rennes House residents as detailed in the report; and

requested Executive to support the option for proceeding with a full refurbishment of Rennes House, with sub options as circulated.

(The meeting commenced at 5.30 pm and closed at 7.55 pm)

Chair

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MEMBER QUESTION TO PORTFOLIO HOLDER FOR HEALTH AND WELLBEING, COMMUNITIES AND SPORT at People Scrutiny Committee - 1 March 2018

Questions from Councillor Hannaford.

- Exeter City Council has a long term commitment to promoting and supporting LGBTQ issues , both as an organisation , and working with other key agencies in the city , can the Portfolio Holder please briefly outline some of these for the committee ? Such as LGBTQ staff network and sponsorship of Exeter Pride.
- Is the Portfolio Holder aware that at last year's Transgender Day of Remembrance (TDoR) , Plymouth City Council held a commemorative ceremony at their Civic Centre, with a special flag to commemorate the event?
- Would he support a similar initiative by Exeter City Council to mark this occasion starting this November to show solidarity and support?

Response

- *ECC has supported Pride for several years in kind by providing Rougemont Gardens and Northernhay Gardens as locations for the event. In 2017 Exeter Board also awarded a grant of £9,590 to Pride;*
- *Each year the Lord Mayor leads the parade and for the last two years a rainbow flag has been raised at the Guildhall*
- *As a relatively small organisation it has been difficult for ECC to set up an LGBTQ staff network (there are no staff networks for any other protected characteristic) however the DCC LGBTQ staff network invited our staff to join two years ago. So far however we are not aware that any of our staff have taken up the offer*
- *Many of the council's forms now include the titles Mx and as we work towards putting all forms on line this will be improved and updated and any request for a customer to provide a title will be made optional rather than mandatory.*
- *The council has a good relationship with the Intercom Trust and works with them on relevant issues for example they were invited to take part in the BME Forum workshop on hate crime.*
- *If an external organisation wished to organise such an event and approached the council for support, it would be considered in the context of all events that the council supports across the year. Any request should go to the Director of Communications and Marketing.*
- *In principle provided no other event is happening that day a flag could be raised at the Guildhall.*

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PUBLIC QUESTION TO PEOPLE SCRUTINY COMMITTEE

UNDER STANDING ORDER 19

PEOPLE SCRUTINY COMMITTEE - 12 March 2018

Questions from Diana Jones.

The budget for Advisory Services (budget line 81C2) has been reduced by £466,950, or 30%, for the financial year 2018/19. Will the Council please explain the specific impacts of this budget reduction on actual services to people and organisations?

Response

The total budget reduction shown in the 'Other Adjustments' column is due to two main reasons:

£351,860 Reduction in Support Services

£115,090 Increase in grant income retained by Advisory
Services

£466,950

These are described in more detail below:

Support Services

Changes in accounting guidance has ended the requirement to spread support service costs as overheads. The change allows local authorities to report its financial performance in the same way that the authority operates and manages its services.

Support services are managed as separate functions within the Council (legal, finance, HR etc.), their costs are now budgeted as discrete functions rather than spread across Council services as overheads. The impact of this change for Advisory Services on the 2018/19 budgets is a saving of £351,860 due to the removal of support service overhead costs. Support Service budgets (legal, finance, HR etc.) are showing increased expenditure due to the retention of their costs when compared to the 2017/18 budgets, therefore, across the Council the impact is cost neutral.

Grant Income

MHCLG introduced a 'Flexible Homelessness Support Grant' this year, this grant replaced the £60 per week temporary accommodation management fee that we were able to charge until 31 March 2017. In the current year we have transferred some of this grant into GF Housing – Property (81E1) to replace the management fee income lost from the PSL rental income. Rather than continuing to move money from one unit to another it was decided in 2018/19 to show a reduction of income within GF Housing - Property and to keep the grant within Advisory Services, therefore the impact of this is also cost neutral across the Council

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RESPONSE TO CHAIR OF PEOPLE SCRUTINY COMMITTEE ON HOUSING BENEFIT ISSUES FROM THE SYSTEM LEAD FINANCE

PEOPLE SCRUTINY COMMITTEE - 12 MARCH 2018

Responding to a Member in respect of the forecast variance of £400,000 of revenue collection and benefits, the System Lead Finance advised that three areas had contributed to the variance:

1. Less Housing Benefit overpayments raised than the original forecast of £1.8m. Overpayments occur when the Council is advised of a retrospective increase in income or change that means that too much Housing Benefit has been paid out for a past period on a claim. At the end of January, £1.2m had been raised in overpayments with an end of year forecast now being projected to be £1.5m. The majority of overpayments are raised by processing RTI's (Real Time Information). These are notifications sent through to the Council monthly by the Department for Work & Pensions (DWP) following data matching against records held by HM Revenue & Customs to highlight discrepancies. When RTI's were introduced two years ago they created large value overpayments as the retrospective increases in income regularly covered several years. Now, with more up to date information, it is harder to create a large overpayment. The start of year forecast for overpayments is created using a formula which is the sum of the previous 12 months overpayments raised multiplied by a percentage figure given to the Council by the DWP. That percentage figure can be a plus or minus depending on what the DWP predict to happen to the Council's caseload, and this year it was a minus percentage as the DWP were predicting that the Council would be raising less overpayments than last year. It is very hard to actually predict how many overpayments will be raised in a year. Exeter City Council has been consistently the highest achiever in Devon at finding and processing changes, so there is no room for improvement there and the Benefit Team has a dedicated resource for processing the RTI's, and process both the mandatory and optional RTI's on a regular monthly basis. Housing Benefit overpayments account for approx. £300k of the forecast variance.
2. Write-offs for the year were forecasted to be £152k, however they were £172k at the end of January. There was a backlog of write-offs in December that the Collection team have recently processed. There are various reasons why overpayments of Housing Benefit cannot be recovered and are put for write-off including where the claimant has died and there is no money in the estate to claim from, the claimant has moved away and cannot be traced, the debt is included in an insolvency order and cannot legally be recovered, or there are issues of vulnerability (personal and/or financial) and it would not be in the interest of the claimant's welfare to pursue the debt. Write-offs are subject to close scrutiny before being authorised.
3. More unfunded expenditure than forecast. This is where Housing Benefit has been paid out but the Council does not get fully reimbursed through subsidy for what has been paid out. The three areas of subsidy loss are temporary accommodation, supported exempt accommodation and local scheme (local disregards for war pensions).

Temporary accommodation includes spot purchases and Bed and Breakfast, and rents for temporary accommodation can be very high, which is why the Council strives to keep the use of temporary accommodation to a minimum. As Housing will have received full income from Benefits for their temporary accommodation, it is the Housing Benefit budget that bears the cost of the shortfall.

Supported exempt accommodation is provided by a charity, housing association or voluntary organisation and the landlord is responsible for providing care, support or supervision that is more than minimal. If the landlord is a housing association the Council gets full subsidy, but if they are private or voluntary then the subsidy reimbursement is limited to the rent officer (RO) valuation. Rent is far higher in these schemes so there is a large unsubsidised cost to the Council. Where the resident is vulnerable, the Council gets 60% of the expenditure over RO valuation back in subsidy, but zero if they are not. The Council has approximately £500k over threshold subsidised at 60% and £75k of zero subsidy. The most expensive schemes can cost up to £300pw per tenant, and increasing costs are being seen in this area.

Responding to a Member with regard to the risks posed by Universal Credit, the System Lead Finance advised that a report and background paper on Universal Credit Full Service rollout, was presented to People Scrutiny Committee on 4 January 2018. The financial risks are highlighted in the Section 151 Officer comments in the report and also detailed in paragraph 4.1. As there are significant financial risks, an entry has been included in the Corporate Risk Register.

With regard to the Member's enquiry if Housing Benefit Overpayment recovery is at risk, the System Lead Finance can advise that there are no current concerns with recovery levels. Recovery of old year debt is better this year with 74% being achieved compared to 71% last year. Recovery of old and new debt was 72.1% as at the end of January 2018. This indicates improved performance as levels of old and new debt recovery were 70.4% in 2016/17 and 67.3% in 2015/16.