

## Growth & Prosperity Scrutiny Panel

Monday, 28<sup>th</sup> February 2022, 6:00 - 8:10pm, The Salford Suite, Civic Centre, Chorley Road, Swinton.

### Present:

Councillor Sharpe - in the Chair  
Councillors Brabiner, Davies, R. Garrido, Humphreys, Lewis, Nelson, Pevitt, Shama and Ward

Paul Dennett - City Mayor

### Officers:

John Searle - Strategic Director for Place  
Peter Openshaw - Assistant Director Environment & Community Safety  
Andrew Leigh - Head of Housing Strategy  
Iolanda Puzio - City Solicitor  
Claire Edwards - Democratic Services

### Members of the Public / Others in attendance:

19 members of the public  
Councillor Saunders  
2 MEN reporters

### In attendance via MS Teams:

Councillor Merry - Deputy City Mayor  
Chris Hesketh - Head of Financial Management  
Julie Craik - Service Manager – Strategy, Housing Strategy Team  
Councillor Clarke

## 1. Welcome and apologies for absence

The Chair welcomed those present to the meeting.

Apologies for absence were submitted on behalf of Councillors Brooks and Tetteh.

## 2. Declarations of interest

There were no declarations of interest.

## 3. Call-in: Rent and Service Charge Setting for 2022/23 – Council Owned Stock managed by Pendleton Together and the Duchy Caravan Park

The Chair set out the purpose of the meeting, to consider the process that had been followed in respect of the above decision that had been taken by the City Mayor at the meeting of Cabinet held on 8<sup>th</sup> February 2022. He outlined the procedure for the meeting and established that panel members had read the associated paperwork.

The Chair invited the Elected Members who had submitted the call-in to make their representations to the panel.

Councillor R. Garrido presented the call-in form that had been submitted in respect of the above decision, making particular reference to the text included under paragraph (a) Proportionality due to the increased service charges and rent not being proportionate to the service received, based on the reduced facilities and services received over the last five years. He stated that poor workmanship had become evident following the completion of the refurbishment works that had been undertaken to the tower blocks, which had left many properties in a state of disrepair. The aspiration to provide a neighbourhood within which residents are proud of where they live has not been achieved. Almost five years since the Grenfell Tower tragedy, the cladding had still not been replaced. It had been removed three years earlier, since which time the properties had been cold and residents had been unable to

afford to heat them adequately, and it had been indicated that the replacement of the cladding would not be completed until Spring 2024. Residents should not be expected to pay increased rent and service charges when their properties are not up to standard.

Councillor R. Garrido presented a series of photographs to the panel which showed some of the properties and communal areas in a state of disrepair. He referred to the type of heating in the tower blocks relying on the building being insulated and cladded. Residents are advised to keep the heating at a constant temperature rather than turning it up and down. In addition, a sprinkler system has not yet been fitted, increasing the safety concerns of the residents, and presenting another reason why a rent increase is not proportionate at this time.

Councillor R. Garrido requested that the panel refer the decision back to the City Mayor for reconsideration as increasing the rent and service charges at this time was unjustified due to the above-mentioned issues and conditions with which the residents were faced.

Councillor Ward expressed his agreement that the rent and service charges should not be increased until the properties had been brought up to an appropriate standard. He referred to a newsletter that had been circulated to residents during December 2021, and expressed concern regarding a number of 'tips for keeping warm' that had been set out in the document which included 'wearing layers and maybe a hat and gloves when it is cold,' and 'not drinking alcohol to keep warm as it can give a false feeling of warmth when you're actually cold.'

The Chair invited the City Mayor to respond to the reasons that had been set out for the call in.

The City Mayor expressed his extreme disappointment that the Council had found itself in its current position, particularly as Salford had reacted immediately to the Grenfell Tower tragedy, calling an emergency meeting of Full Council in August 2017, to identify the funds to enable a programme of works to be undertaken to remove the cladding from the nine tower blocks in Pendleton, following which the government had refused to allow the council to lend the required funds to the Private Finance Initiative (PFI) contractor responsible (Pendleton Together), after having also made it clear that the PFI contractor was not eligible to receive support from the national funding pot that was set up to help housing associations and councils address the national fire safety crisis.

In addition to the funding issues, intrusive inspections had been undertaken during which materials had been removed from the tower blocks which had uncovered a range of issues. Many of the images that had been shown to the panel related to the fire safety works that had been undertaken, in respect of which a legal process was being followed and it would not therefore be appropriate to respond to those issues at this meeting.

The City Mayor explained that, as indicated in the decision notice, the rental increase was based upon the CPI inflation measure at September 2021 plus 1%, in line with government rent setting methodology. Additional rental income would help to meet the costs included within the Housing Revenue Account (HRA) business plan which must be balanced on a 30-year basis. He referred to the PFI contract that the council had entered into with Pendleton Together (PTOL), in accordance with which payments to PTOL would be increasing by 7% year on year. Should the rent and service charges not be increased, this would create challenges as to how those payments would be met.

The proposed rent increase would be fully covered by Housing Benefit or Universal Credit for 77% of households as the rates remain within the Local Housing Allowance (LHA) rates. It was also proposed that up to £216,000 from the additional income for 2022/23 would be used to create a hardship fund for the PFI stock to support households in extreme financial difficulty. The fund would be available to the 23% of households not currently in receipt of Housing Benefit or the Universal Credit housing element as well as those in receipt of partial Housing Benefit.

The City Mayor referred to the proposed revised service charges and indicated that the actual costs of services would vary across the blocks depending upon the services received. He made reference to the government having reaffirmed that authorities are expected to set reasonable and transparent service charges which reflect the cost of services being provided to tenants.

The City Mayor referred to the additional energy support payments of £30 per month, with which the residents of the tower blocks affected by the fire safety works had been provided during the winter period. The payments had been increased by 20% this year to take into account the 8% increase on the energy cap in April 2021 and the 12% increase at the beginning of October. He stated that this methodology would continue to be applied each year whilst the blocks remained un-clad, in order to determine a fair fuel payment, and would be reviewed prior to next winter.

In addition to the hardship fund, support would continue to be available from PTOL's Central Income Team to help maximise residents' income. Residents would also continue to be supported to access other services including those available through Better Off Salford, Spirit of Salford and the city's successful Welfare Rights & Debt Advice service.

The City Mayor expressed his concern regarding the above-mentioned content of the newsletter that had been circulated to residents and indicated that this matter would be investigated.

The City Mayor emphasised that the decision to increase rents by CPI + 1% had not been taken lightly. He fully accepted that residents should not be in the situation in which they currently find themselves, a situation that the council had unsuccessfully tried to avoid. He stated that it had been extremely difficult to make the recommendations in the current economic climate, however, they were being proposed as he believed that this was the best solution to ensure future investment and the maintenance of good quality services, alongside the need to consider the long-term impact on the HRA business plan.

A discussion took place between panel members which included reference to the following:

- Concerns regarding the information and images that had been shared in relation to the condition of the properties. Reference was made to residents having first attended a meeting of the panel more than three years earlier, at which time they had expressed their concerns in relation to the condition of their properties. Since that time, the panel had continued to receive reassurance that the issues that had been raised by the residents were being addressed, however, this did not appear to be the case.
- Disappointment and frustration as to why the repair works had not been completed and why, in particular, issues such as gaps under fire doors, had still not been resolved. Consideration needed to be given to what had gone wrong in terms of why such issues had not been revisited by those who had undertaken the original refurbishment works.
- An appreciation of the City Mayor's reasons behind the proposed rent and service charge increases alongside concerns in relation to implementing those increases when residents were living in the conditions that had been described.
- Concerns regarding the language and tone of the newsletter that had been circulated to residents, with parts of the content being described as condescending and offensive.
- Concern that the increased rent and service charges would result in residents having less money to spend on other items such as food, heating, holiday, etc.

Councillor Merry expressed his frustration at the length of time it had taken for the works to be undertaken and made reference to the previously mentioned barriers to accessing funding that the council had been required to overcome. He stated that the council was doing its best to address the cladding situation by trying to ensure that the solution that is developed will be a lasting one. He referred to the disrepair images that had been shown to the panel and gave assurance that if the residents concerned submitted details of their particular issue, then a response would be provided to each of them.

At the invitation of the Chair, three residents made representations to the panel which included reference to the following:

- Many residents having been left to live in uninhabitable properties for a number of years – reference was made to various issues including broken windows, the heating system not working properly and fire doors not meeting requirements.
- One resident referred to their property being in a worse condition than the images that had been shown to the panel.
- The fire safety issues still not having been addressed, causing residents to feel unsafe. Concern was expressed as to why the recommendations from the fire risk assessment had not been addressed.
- Residents being cold in their homes due to issues with the heating system, the cladding having been removed and there being no insulation. Reference was made to the heating system being inefficient and expensive. Concern was expressed as to how the additional payment figure had been calculated as £30 per month was not sufficient.
- Pendleton Together having refused to open their office at the request of residents wishing to speak to them in person.

The City Mayor summed up, making reference to the following:

- The content of the newsletter that had previously been referred to being unacceptable. He indicated that he would be acting on the information that had been provided as soon as he had seen a copy of the document.
- How the £30 per month additional heating payment had been calculated, in association with Pendleton Together, who had provided assurance that they were undertaking work to ensure that the residents would not be out of pocket. He indicated that if this was not the case, then the matter would need to be reconsidered.
- The decisions in relation to the fire safety works and the installation of sprinklers being outside of the chargeable costs that were being considered at this meeting.
- All parties being bound by the PFI contract, as a result of which the council's payment would increase by 7% year on year.
- The decision in question not having been taken lightly. He reaffirmed his belief that it provided the best solution in terms of ensuring future investment and maintaining good quality services, alongside the need to consider the long-term impact on the HRA business plan. He made reference to the availability of the hardship fund to the 23% of households not in receipt of Housing Benefit or the Universal Credit housing element, as well as those in receipt of partial Housing Benefit. In addition, residents would be able to access further support if required through existing channels including Better Off in Salford, Spirit of Salford, Welfare Rights & Debt Advice and Salford Assist.

Councillors R. Garrido and Ward summed up, making reference to the following:

- The council having been unable to access the immediate financial help that had been provided by the government due to having chosen to go into a PFI arrangement with Pendleton Together. A number of years had passed since that time and the cladding replacement and repairs had still not been undertaken. It had been indicated that the cladding replacement would not be completed for another two years. It was unacceptable to increase the rent and service charges until the properties are brought up to an appropriate standard. The hardship fund would not come from a separate funding source but would be from the additional income for 2022/23, paid for by the residents, which was not acceptable.
- With regard to the disrepair issues which could not be considered in detail at this meeting due to them being the subject of ongoing legal proceedings, the PFI had been set up in 2013 following which there had been plenty of time for the repairs to be carried out to an appropriate standard,

however, there appeared to have been a lack of control in terms of the contractors who carried out the work in that they did not appear to have revisited works that had been undertaken to an unsatisfactory standard.

- Residents should not be expected to pay increased rents and service charges whilst the properties are in their current condition. The properties should be brought up to standard prior to any such increases being implemented.

RESOLVED: THAT, following consideration of the written and verbal representations that had been presented, the decision be referred back to the City Mayor for reconsideration on the basis of proportionality, as set out in paragraph (a) of the call-in form, due to the panel being concerned that the increased service charges and rent are not proportionate to the service received, based on the reduced services and facilities received over the last five years.

#### **4. Briefing on the production of Salford's Annual Housing Strategy Action Plan: April 2022 – March 2023**

Julie Craik gave a presentation summarising the report that had been circulated to the panel, which highlighted the proposed action plan for April 2022 – March 2023 and set out the key achievements from the 2021/22 plan.

Discussion took place which included reference to the following:

- Reducing under-occupancy – it was clarified that this would involve providing assistance to people living in under-occupied properties who cannot afford to do so but who don't know how to go about changing their living situation.
- Achievability – it was clarified that the plan related to one year of the five-year housing strategy – 'Shaping Housing in Salford' – which had been approved in January 2020, and that some of the deadlines included in the plan related to outputs being progressed rather than completed.
- Self-build opportunities – reference was made to land availability being scarce.
- The importance of building integrated communities.
- HMOs (Houses in Multiple Occupation) – reference was made to planning permission requirements, landlord licensing and the impacts of HMOs on communities. It was suggested that this item be added to the work programme for consideration at a future meeting.

RESOLVED: (1) THAT the proposed Housing Strategy Action Plan for 2022/23 be noted.

(2) THAT progress made against the 2021/22 Housing Strategy Plan be noted.

(3) THAT an item regarding Houses in Multiple Occupation be included on the work programme for consideration at a future meeting.

#### **5. Minutes of the meeting held on 22<sup>nd</sup> November 2021**

The minutes of the above meeting were agreed as a correct record.

#### **6. Work Programme**

Consideration was given to the work programme. It was suggested that an update on the cladding replacement on the Pendleton Tower Blocks be considered at a future meeting.

RESOLVED: (1) THAT an update on Cladding Replacement on the Pendleton Tower Blocks be included on the work programme for consideration at a future meeting.

(2) THAT an item regarding HMOs (Houses in Multiple Occupation) be included on the work programme for consideration at a future meeting, as recorded under Minute 4 above.

## **7. Date and Time of Next Meeting**

Monday 28<sup>th</sup> March 2022 at 6:00pm in the Salford Suite, Salford Civic Centre.