

Economic Regeneration, Housing and the Arts Policy and Accountability Committee Minutes

Tuesday 17 January 2017

PRESENT

Committee members: Councillors Daryl Brown, Adam Connell, Alan De'Ath (Chair) and Harry Phibbs

Other Councillors: Wesley Harcourt, Lisa Homan, Andrew Jones and Max Schmid

Officers: Kath Corbett, Kim Dero, Hitesh Jolapara, Mark Jones, Andrew Lord and Glendine Shepherd.

33. APOLOGIES FOR ABSENCE

Apologies for Absence had been received from Councillor Ivimy.

34. DECLARATIONS OF INTEREST

There were no declarations of interest.

35. MINUTES

The minutes of the meeting held on 13 December 2016 were agreed to be accurate.

Referring to his request for a regular report to the PAC on Key Performance Indicators (KPIs) for the Housing Department, Councillor Phibbs explained that he had been told that the council was considering publishing performance data on its website. He asked that officers let him know if this was happening, and asked that data about scaffolding use be included.

36. 2017 MEDIUM TERM FINANCIAL STRATEGY

Hitesh Jolapara, Strategic Finance Director, gave a presentation on the Council's budget. He explained that some forecasters had predicted that the economy would grow less strongly than previously expected. The outlook for public finances was also weaker, with borrowing already exceeding targets. Public sector spending had risen slightly, but funding for Local Government in London had fallen significantly.

Hammersmith and Fulham faced growth, including unfunded growth from government, of £2.9m and inflation of £5.6m, as well as reduced income, with government grant falling by 20%. These would be balanced by savings of £14.4m, and a balanced budget of £154.5m was proposed. Developer contributions of £2 million would again be used to fund services. A general reserve of £19m was expected to be retained whilst 20% of the £86m earmarked reserves would continue to be used to fund specific projects such as invest to save projects.

No increase in council tax was proposed, nor was the Social Care Precept to be applied. Fees and charges in Adult Social Care, Children's Services, Adult Learning & Skills, Parking, Libraries and Housing would be frozen. An inflationary increase of 1.8% would be applied to some environmental services fees, whilst charges for commercial services would be reviewed on a case by case basis.

Hitesh Jolapara concluded his presentation by noting that if the council took no action it was predicted that the gap between resources and expenditure would grow significantly; pressure on budgets was expected for the foreseeable future.

Kath Corbett, Director for Finance and Resources – Housing, explained that the Housing department had a very relatively small general fund budget as most of its activities were funded through the Housing Revenue Account. Most income was from rent charged for temporary accommodation, and much of the expenditure was related to procuring this accommodation.

Savings were proposed in the Temporary Accommodation service with a full review to take place and a greater emphasis on both preventing homelessness and acquiring properties on longer term leases to minimize rent increases charged to the council. A small saving was also proposed in the Adult Learning and Skills Service, although much of the saving was expected to be funded through increased income. Growth of £0.23m was proposed to fund the H&F Link team which worked to assist residents and reduce the number of people being made homeless. It was estimated that the service would reduce demand by £0.662m in 2017/18 and so the growth was well justified. The Housing department faced a number of risks, which totalled £10m in 2017/18. Many of these related to welfare reform, as well as increased rent for temporary accommodation.

The Chair thanked officers for their presentations and invited questions.

Councillor Phibbs asked where funding for the Arts Officer had been found. Mark Jones explained that the half of the post was being funded by Hammersmith BID with the remaining half funded by S.106 money. The main purpose of the post was to deliver the council's Arts Strategy.

Councillor Phibbs asked whether the council would overspend for 2016/17. Hitesh Jolapara explained that the forecast was currently for a £1m overspend, but that officers were working to mitigate this and that a contingency had been put in place to cover the overspend. Councillor Schmid, Cabinet Member for Finance, noted that the budget forecasts for the same time in 2015/16 had also projected an overspend, but that by the end of the financial year this had been dealt with. Councillor Phibbs asked how left over money from an underspend was used. Hitesh Jolapara explained that it was either spent on projects identified by the administration or added to the reserve.

Councillor Phibbs noted that fewer new homes had been started in the borough in recent years and asked whether this meant that new homes bonus would reduce. Hitesh Jolapara explained that the funding was based on the amount of additional council tax collected from new properties and was arranged over 6 years so there was not expected to be a significant reduction in the next few years.

Councillor Phibbs asked whether the Council's external debt was forecast to reduce. Hitesh Jolapara said that the Council's debt was continuing to reduce; at present it was £38.37m and this would reduce to £37.1m by April 2018.

Councillor Connell noted that the government had allocated additional funding for Adult Social Care to local authorities. He asked how much had been given to Hammersmith and Fulham. Hitesh Jolapara said that £900,000 had been given to the council. Councillor Connell said that this was not enough to meet the borough's needs. He felt that government had placed many unfunded burdens on local councils and that this was a threat to the council's ability to deliver the services its residents deserved.

Councillor Connell asked how business rates were to be reformed. Hitesh Jolapara explained that from 2017/18 the Greater London Authority would receive an additional 17% of business rates, with the government proportion reducing by the same amount. Local councils would continue to receive 30% of business rates. Discussions about further 'devolution' of business rates continued.

Councillor Connell noted that the cap on welfare payments was to be reduced and asked whether the risk of homelessness was expected to increase. Kath Corbett explained that there would be an increased risk of homelessness and also an increase in the number of people in temporary accommodation who could not afford their rent; there would therefore be a double impact on the council.

Councillor Connell asked how the Local Housing Allowance (LHA) affected the council's ability to procure accommodation. Kath Corbett explained that

there was a big gap between the LHA and prices outside of social housing stock. It was possible to procure properties in some areas outside of the borough but only in some cheaper areas. Officers spent much time trying to find affordable properties. Councillor Phibbs asked what proportion of people the council helped were placed outside of the borough. Glendine Shepherd, Head of Housing Solutions, said that around 60% were placed outside of the borough; most of these were in neighbouring boroughs. She said that the reduction in the welfare cap would increase the proportion placed outside of the borough as properties in Hammersmith and Fulham would become less affordable.

Councillor Phibbs asked for additional detail on how savings would be made by the temporary accommodation service. Glendine Shepherd explained that the service would be doing more work to sustain tenancies, as well as looking to move to an appointment based system. The council would also be trying to secure better value from properties. Councillor Phibbs asked what the council could do if there was a dispute between a resident and a landlord. Glendine Shepherd said that the general approach was to make contact with the landlord and negotiate with them to try to keep tenants in properties.

Councillor Phibbs asked when Bed and Breakfast accommodation was used. Glendine Shepherd said that this was generally used for younger claimants. The Homelessness Reduction Bill would mean that more short term accommodation would be needed and the council was trying to secure additional temporary accommodation, hopefully on long leases as this reduced cost. Councillor Homan said that she was very proud of officers work to keep families out of Bed and Breakfast accommodation; there had been no family placed into this type of temporary accommodation for over 18 months. She felt that officers were also doing well to secure good value accommodation and prevent residents falling into debt arrears.

A resident asked whether the Council was prioritising its own residents. Glendine Shepherd explained that applicants had to prove a local connection, having lived in the borough for 5 out of 7 years. The Chair asked how people who did not have a local connection were assisted. Glendine Shepherd explained that they were assessed and then referred to their home local authority.

Councillor Phibbs noted that the forced sale of high value voids was included as a budget risk. He asked whether the receipts being given to housing associations would lead to an increase in housing stock in the borough. Kath Corbett explained that Hammersmith and Fulham lacked many suitable sites for housing association development and was an expensive place to build new affordable homes. She noted that there was also a significant time lag between the sale of an existing property and the completion of a new home.

37. DATE OF THE NEXT MEETING AND WORK PROGRAMME

Councillor Phibbs asked that an item be brought to the PAC regarding garages on HRA land as he was concerned that there were too many vacant garages. Councillor Homan said that a review of the issue was currently being

undertaken and that a report could be brought to the PAC in due course. Kath Corbett noted that the 2017/18 budget included a significant increase in the income from garages as it was anticipated that more would soon be let.

Councillor Phibbs asked that an item be brought on communal heating charges as the current charging system allowed residents to be wasteful. Kath Corbett said that new communal heating meter regulations were anticipated and that a report could be brought after they had been released by the government.

Meeting started: 7.00 pm
Meeting ended: 8.15 pm

Chair

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