

# The Economy, Housing and the Arts Policy and Accountability Committee Agenda

Monday 27 January 2020 at 7.00 pm  
Meeting Room 1 (2nd Floor) - 3 Shortlands, Hammersmith, W6 8DA

## MEMBERSHIP

Administration	Opposition
Councillor Rory Vaughan (Chair) Councillor Rowan Ree Councillor Ann Rosenberg Councillor Helen Rowbottom	Councillor Adronie Alford



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Date Issued: 17 January 2020  
Updated 21 January

# The Economy, Housing and the Arts Policy and Accountability Committee Agenda

27 January 2020

<u>Item</u>		<u>Pages</u>
<b>1. MINUTES</b>		<b>4 - 13</b>
	To approve the minutes of the meeting held on 01 October 2019.	
<b>2. APOLOGIES FOR ABSENCE</b>		
<b>3. DECLARATIONS OF INTEREST</b>		
	<p>If a Councillor has a disclosable pecuniary interest in a particular item, whether or not it is entered in the Authority's register of interests, or any other significant interest which they consider should be declared in the public interest, they should declare the existence and, unless it is a sensitive interest as defined in the Member Code of Conduct, the nature of the interest at the commencement of the consideration of that item or as soon as it becomes apparent.</p> <p>Where Members of the public are not allowed to be in attendance and speak, then the Councillor with a disclosable pecuniary interest should withdraw from the meeting whilst the matter is under consideration. Councillors who have declared other significant interests should also withdraw from the meeting if they consider their continued participation in the matter would not be reasonable in the circumstances and may give rise to a perception of a conflict of interest.</p> <p>Councillors are not obliged to withdraw from the meeting where a dispensation to that effect has been obtained from the Standards Committee.</p>	
<b>4. 2020 MEDIUM TERM FINANCIAL STRATEGY (MTFS)</b>		<b>14 - 40</b>
	This report sets out the budget proposals for the services covered by this Policy and Accountability Committee (PAC). An update is also provided on any proposed changes in fees and charges.	
<b>5. HRA FINANCIAL PLAN 2020/21 - PRESENTATION</b>		
	This presentation sets out the HRA Financial Plan 2020/21.	

**6. ROUGH SLEEPING, HOMELESSNESS AND SHELTERED HOUSING UPDATES**

41 - 61

This report provides an update for review and comment by the Policy and Accountability Committee on the following areas: Rough Sleeping, Implementing the Homelessness Reduction Act 2018, Temporary Accommodation and Private Rented Sector and Sheltered Housing, doing things with residents, not to them – Resident Led Decision Making

# Agenda Item 1

**London Borough of Hammersmith & Fulham  
The Economy, Housing and the Arts Policy  
and Accountability Committee  
Minutes**



**Tuesday 1 October 2019**

## **PRESENT**

**Committee members:** Councillors Rory Vaughan (Chair), Ann Rosenberg, Rowan Ree and Adronie Alford

**Other Councillors:** Councillor Lisa Homan

**Officers:** Mark Meehan (Chief Housing Officer), David McNulty (Assistant Director Operations), Colette Prior (Resident Involvement and Governance Officer) and Darren Smith (Managing Director DLO).

**Others:** Eight residents attended the meeting.

### **1. APOLOGIES FOR ABSENCE**

There were no apologies for absence.

### **2. DECLARATIONS OF INTEREST**

There were no declarations of interest.

### **3. MINUTES**

The minutes of the meeting held on 12 June 2019 were agreed as an accurate record. Councillor Adronie Alford expressed concern about the tardy response from officers, in relation to information requests which had been made by the Committee about the Arts Commission. Councillor Lisa Homan confirmed that she would raise the matter with Councillor Andrew Jones outside the meeting.

It was also noted that a response had not been received about the Affordable Housing Delivery Strategy. The Clerk confirmed that this information would be circulated within the next few days.

#### **4. A LONG-TERM REPAIRS AND MAINTENANCE MODEL FOR HAMMERSMITH AND FULHAM**

David McNulty, Assistant Director Operations, introduced the report which set out the framework and timetable for the procurement, implementation and mobilisation of the long-term model for repairs and maintenance service.

It was noted the Council was committed to providing a repairs and maintenance service that was high-quality, efficient and responsive to the needs of residents. David McNulty explained that residents were a key partner in developing the Council's vision for repairs services and were engaged in the future model. As a result of this engagement, officers had identified several key priorities for the long-term model, which would deliver against the administration's manifesto promises, as follows:

- Every repair should be completed to a 'quality-performance' standard, whether delivered by the Council directly or providers
- Repairs and maintenance services should represent good value for money to residents
- Every resident should be aware of the repairs service, how to access it, and how it should work for them. This is captured in the resident handbooks, which will be shared with every resident
- The Council should get the best social return on its investment in repairs services, including identifying opportunities for young people and local businesses to be a part of the long-term solution
- Repairs and maintenance services should be sensitive and personalised around the needs of every tenant, ensuring every repair takes account of each resident's individual circumstances and requirements
- The Council should ensure the long-term model is as flexible as possible, ensuring repairs and maintenance service can develop over time.

It was noted that the Council had made significant progress in transforming its housing repairs since the launch of the new repairs model in April 2019. The model was made up of H&F Maintenance which undertook communal repairs, supported by a dedicated in-house Customer Service Centre. It was noted that three general repairs providers based in the north, centre and south of the borough and specialist providers existed (for gas, electric and asbestos) across the borough.

Officers explained that the interim model was developed, procured and put into operation in six months. The priority was to minimise the risk of service failure and to establish some core principles for the long-term procurement. The second phase would to be delivered in a 12 to 15-month timeframe and include as much learning as possible from the interim solution.

Discussing the current performance, David McNulty explained that it was still too early to fully assess the major changes to the repairs service as these had only been operational since April 2019. However, there were some encouraging areas of performance from the first four months of operation which included:

- over 95% of all jobs ordered are now completed on the first visit,
- 99% of our highest priority jobs (24hr target) are completed within target,
- 100% of forward planned repairs are completed within our targets,
- 97% of our non-emergency jobs are completed within our targets.

**Hammersmith and Fulham Maintenance:** Officers explained that the Council's newly formed in-house service team had delivered a high-quality and responsive communal repairs programme. For this reason, the various services being procured would have sufficient contract flexibility to allow specific additional services and functions to be undertaken by H&F Maintenance over time.

**Customer Service Centre (CSC):** The Committee learnt the implementation of the in-house CSC represented a significant achievement. It enabled full visibility and control of customer experience across repairs services. The Committee heard that residents had responded positively to this at a recent 'Residents Voice' and 'Summer Roadshows', that the customer service centre was responsive and helpful in understanding what constituted a repair.

The report also provided details on a number of other areas including: specialist providers, technology and the budgets, costs and the commercial model.

In relation to the performance targets for repairs, Councillor Rowan Ree stated that it would have been useful if the Committee had been provided with past figures so that comparisons could be made. In response, David McNulty accepted that the report did not provide the level of detail the Committee required, however, the slide presentation (augmenting the report) illustrated that for July /August 2019, the repairs target was 92% and 93% had been achieved.

Councillor Rowan Ree noted that plumbing repairs was an area in higher demand than had been anticipated. He asked why this was the case and whether there had been a sudden spike of plumbing problems in the borough. In response, David McNulty confirmed that the performance data which had been received from the previous contact had not been as full as it could have been. There were also some historic long-term investment issues and opportunities to look at developing a complimentary work programme for the DLO to reduce the demand and pressure on the Council's responsive service. He confirmed that by taking the contact centre back in house, this would make key repairs issues more visible and enable the Authority to be in a better

position to respond by establishing a baseline and then modelling the response.

Adding further detail, Councillor Lisa Homan cited the example of continued flooding of the walkways at Emlyn Gardens, which had been treated, but was a recurrent problem. She explained that after maintenance had been conducted on the pipes, the problem had not recurred because the gullies had been kept clean. This was a good example of the DLO conducting communal works which had seen improved monitoring compared to the past.

Mark Meehan, Chief Housing officer, also highlighted that as this was a new model and a new service was being created, some of the information the Council had been reliant on, was from another organisation's data. So, relating this back to the plumbing issue raised by Councillor Ree previously, the service planning was based on the historical data it had received.

Councillor Rowan Ree commented that one of the positive aspects of the new model was that the Council was receiving considerably more data. He therefore asked why the Council was making the decision now about the new model, rather than letting the interim model run for a longer period of time so that more information could be collected. In response, David McNulty commented that overall, the new model, which had been introduced from April, would continue and the reason for the timing of the decision was to ensure that contracts were put in place before the existing ones lapsed.

Cllr Alford asked what was meant by 'the Council inherited a significant amount of legacy works?' In response, David McNulty confirmed that the Council had a number of outstanding works which need to be completed but that, in addition, there were now a number of areas where the Council had a better understanding of the needs and was in a better position to use capital to invest in these areas in a more informed way than it had in the past.

In relation to the Call Centre, Councillor Alford asked whether these were the same staff that had been with the repairs service or whether new staff had been recruited. In response, Mark Meehan confirmed that the Call Centre would be predominantly be new service with mostly new staff. However, some staff from the old service would be TUPEd in, but would be working to new standards set by the Council and not to those of the previous contractor. Cllr Homan confirmed that a considerable amount of training needed to be undertaken by staff before they were permitted to work in the Call Centre. David McNulty added that all new staff underwent a 3-month training programme as well as considerable amount of liaison work with existing staff to ensure they were conversant with the Council vision, aims and objectives.

Councillor Alford commented that in the past, some of the Call Centre staff had not been conversant with or had appreciated the nature of some of the problems which had been raised by residents. In response, Mark Meehan confirmed that the Call Centre was a work in progress, but on an encouraging note, when a recent Residents Voice meeting was held, residents had commented how polite and courteous Call Centre staff were. Staff would be

operating to a high standard and he confirmed that since the new Call Centre had been introduced some staff had left the Council.

Councillor Alford asked whether the same standards applied to the DLO. In response, Mark Meehan confirmed that the expectation of high standards applied to everyone involved in delivering the new model. David McNulty confirmed, in relation to the contractors, that officers were proactively raising individual complaints and members enquiries with them to improve standards and as a result the volume of members enquiries had declined quite significantly.

Councillor Ann Rosenberg expressed concern about some case work where actions had slipped through the cracks and cited several examples where requests for work had been referred internally to several departments, but no action had been taken. Mark Meehan asked Councillor Rosenberg to liaise with him after the meeting and he confirmed he would provide her with information by the end of the working week.

The Chair then invited several of the residents who attended the meeting to ask questions. Officers were asked if the new model would incorporate a code of conduct for how staff should relate to residents and the language that should be used. Colette Prior, Residents Engagement Team, confirmed that the Council had worked on a Customers' Charter. Although this had not been mentioned in the officer's presentation, she confirmed that the Charter would be inserted into every contract. David McNulty also confirmed that, moving forwards, the code of conduct would be incorporated as a core detail.

A further resident asked a series of questions. These included: whether there was a process for when caretakers phoned in repairs, as in her experience caretakers were completely ignored. Whether the Council was monitoring the average time residents had to wait before their calls were answered and, finally, were officers aware that some of the Council's contractors were cold calling residents which many people found disturbing.

In response, Mark Meehan confirmed that caretakers were not being treated differently from any other caller. It was noted that any Council officer could report a repair and officers would speak to Pinnacle Services about this issue. In terms of the waiting times for a response, Mark Meehan confirmed that there was a call back facility (email and telephone) which residents could use, but there was scope to advertise and communicate this more fully. As part of the future model, Mark Meehan explained that the Council was working towards a system whereby a repairs job could be submitted by officers on their phones. The Committee noted that there should be no instances of cold calling under any circumstance. Residents were advised that if cold calling occurred, it should be reported to a caretaker or Mark Meehan, Chief Housing Officer.

The Chair asked if future contracts could stipulate that cold calling was prohibited. Mark Meehan confirmed that this could be picked up and included in future contracts.



A resident asked about roofing repairs to her block and specifically, where high winds had caused tiles to become dislodged. She noted she had been informed by email that her repairs would be actioned in three days. However, the repair took five months to action. The resident also raised concerns about how the TUPE process was operating and explained that on numerous occasions she had tried to report an issue to the Call Centre but had been disconnected due to the waiting time she had experienced.

In relation to the timescales for the repair, Mark Meehan apologised for the delay, noting that this would have occurred under the old contract and an instance like this was a reason why the Council changed the repairs service. With regards to TUPE, officers confirmed that most of the Call Centre staff were new staff and an explanation was provided about how TUPE was a legal right which had to be offered and exercised. In answer to the final point about getting through to the Call Centre, Mark Meehan reiterated that email and telephone calls could be used, and all staff had the means and equipment to respond to either method of communication. The Committee noted that the all enquiries should be responded to within 48 hours and if they had not been then this could be investigated further outside of the meeting.

Developing this further, the Chair enquired whether there were performance indicators on the time it took for officers to respond to calls and emails and for there to be evidence that a repairs job had been raised. In response, Mark Meehan confirmed that there were performance indicators. He highlighted that at this stage, only five months had elapsed since the new model had been introduced. As a result, some calls were taking longer than others to resolve. However, it was important for residents to recognise that the Council as an organisation was listening to their concerns and was endeavouring to ensure the right person was despatched to action their specific repair.

The Chair asked for a further update to be provided in 6-months time on the repairs model and for this to include a number of key performance indicators including how long it had taken to answer and respond to calls. David McNulty stated there were two key statistics which were the length of waiting time and abandonment breaks (i.e. those callers which had decided to terminate their call due to the length of the queue) which could be provided, as well as the number of calls which generated a job. However, it was highlighted that 'good' was a matter of perspective, as sometimes longer conversations were needed depending on the complexity of the issue, to ensure the contractor understood the task, so more effective action could be taken and the number of jobs which were resolved first time increased.

David McNulty also explained that customer feedback data was also very important, and it was hoped that automated text feedback could be put in place to capture this important metric, as well as residents' feedback on their experience with the contact centre and the actual repairs themselves. Officers confirmed that the next report on the repairs model would therefore include extensive performance information and feedback on residents' experience.

A resident raised concerns about the nature of the repairs contract, the Council's ability to vary the contract should the need arise and the actual number of repairs which were conducted, as the figures in the presentation did not tally with residents' experiences.

The Chair asked officers to provide further information on the types of contracts the Council would be signing as well as details on the break clauses. In response, David McNulty confirmed that the 5-year contracts were shorter than the previous contracts. The Council was looking to retain a number of features which gave it control of the contracts it will propose a no fault termination clause, a review point in the contract (after 3 years) and a clear sense of key performance indicators which reflect residents experience. It was also very important that the Council has a very clear set of key performance indicators which the Council client and monitor effectively so that contractors can be held to account.

Discussing the length of the contracts, David McNulty explained that the duration of these was also a balancing act between the cost of these and economies of scale. Shorter contracts are more expensive and also meant that a continual retendering process needed to be undertaken to ensure probity and best value within the confines of the HRA budget. To clarify the position, Mark Meehan confirmed that the Council's aim was to take back control of the council's maintenance service, under H&F Maintenance, with 3 contractors and there would be a process of continual learning. In response, a resident explained that he and others, felt very nervous about signing a 5-year contract after such a short trial period and the ramifications of residents having to pay for a service which was not fully proven.

A resident explained his concerns centred around the fear that the DLO would not be put under the same scrutiny as the contractors as there were no KPIs for their work. Further concerns included, that he had not seen any budgets for the interim model and, as the DLO was not allowed to make a profit, how would the DLOs costings compare to that of a contractor needing to make a profit. Would the DLO be awarded a price per property for example. In summary he thought there were significant flaws in the way the DLO was operating.

As a result, the Chair asked officers to unpick the clienting aspects that had been raised and also a series of underlying issues the resident had raised about poor-quality work which may have gone under the radar and the provisions made to ensure the work was completed.

Addressing these points, David McNulty explained that the KPIs which had been set for the DLO were identical to those which had been set for all the other contractors. Officers were monitoring the responsiveness of the DLO and the focus of the DLOs work would be communal areas. The Committee heard the monthly monitoring meetings were being held with the DLO (identical to other contractors) to ensure the priority and non-priority areas of work were completed within target. David McNulty confirmed that any issues that were raised about quality would be followed up.

In terms of the future model, David McNulty confirmed that the Council wanted to put in place a robust post-inspection process of both contractors and the DLO. The Committee noted that in the last six months, the Council had made great strides, moving from the previous contract to the interim arrangements in such a short period of time. This meant that shorter contracts had been used to give the Council added flexibility to grow the DLO over time.

The Chair noted that it was impossible to physically check all repairs had been completed and asked for further details to be provided about the sampling process which was undertaken. In response, David McNulty confirmed that from August 2019, a text messaging service had been put in place, and for those residents without a mobile phone, the Council would be writing to them to ascertain feedback. In relation to the clienting of the contract, the Council intended to do a 10% sampling inspection of the work conducted all three contractors and the DLO. The Chair asked for further details to be provided about the return rate and what residents have been saying and how this would translate into future monitoring. In response, David McNulty confirmed that at this stage, about 30 responses per contractor had been received over the first few weeks this had been applied and a variety of performance information would be supplied to Councillor Homan on a monthly basis.

Councillor Lisa Homan stated that, despite it being early days, she was confident that the interim model was heading in the right direction. Taking on board the comments which had been previously raised, she explained that if less than 5-year contracts were used extensively, there would be a danger of officers having to continually go through a tender exercise for contracts, notwithstanding the economies of scale issues. The Committee were informed that the interim model had enough flexibility to ensure one contractor could cover for the other if an issue arose. Councillor Homan explained that the main driver for the change was to acquire a quality service and deliver customer satisfaction. Councillor Homan confirmed that since the interim model had been introduced, her volume of case work concerning repairs complaints had declined.

A final resident made comments. She confirmed that in her view, the interim model was the right way forward and the flexibility which had been built in would allow the service to adapt on a needs basis.

Asking a final question and on the assumption that Cabinet endorsed the interim model; the Chair asked what work would be taking place with residents about procurement. In response, Mark Meehan explained that there was scope for one tenant and one leaseholder to be involved in all the lots and provide their comments between November and the New Year.

Concluding the item, the Chair confirmed the meeting had provided a good opportunity to learn about the new interim model, proposals and had given

residents an opportunity to air their views. Summarising the discussions, the Chair and Committee agreed to submit the following comments to Cabinet:

- The Committee welcomed the Interim Service Model which had been introduced, which they felt was an improvement on the previous MITIE arrangements. However, the Committee acknowledged it was still early days and they noted that some tenants and residents who had attended the meeting had been nervous about how the longer-term model would work given that the interim arrangements had only been in place for a short time. However, there was evidence service improvements had been made.
- The Committee agreed the Interim Service Model had enabled good resident involvement to date through working parties, which the Committee expected would continue.
- The Committee were encouraged that data on first time repairs showed this was on target. The Committee confirmed that, going forward, it would want to monitor the quality of works, as well as overall resident satisfaction levels.
- The Committee hoped the Authority would continue to work with residents to provide a strong oversight of the repairs and maintenance service through resident working groups and future PAC meetings.

#### **RESOLVED**

That the Committee note the report and provide comments to Cabinet as appropriate (as bulleted above).

That Officers provide a further report on the repairs model in 6-months time including the performance and monitoring information discussed at the meeting.

#### **5. WORK PROGRAMMING 2019/20**

The Chair introduced the item and confirmed that the Committee would examine Sheltered Housing and Rough Sleeping / homelessness at its November 2019 meeting.

Meeting ended:

Meeting started: 7.00 pm  
9.03 pm

Chair

Minutes are subject to confirmation at the next meeting as a correct record of the proceedings and any amendments arising will be recorded in the minutes of that subsequent meeting.

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# Agenda Item 4

## London Borough of Hammersmith & Fulham

**Report to:** Economy, Housing and the Arts Policy & Accountability Committee

**Date:** 27/01/2020

**Subject:** 2020 Medium Term Financial Strategy (MTFS)

**Report of:** Cabinet Member for Housing – Councillor Lisa Homan  
Cabinet Member for the Economy – Councillor Andrew Jones  
Cabinet Member for Finance and Commercial Services – Councillor Max Schmid

**Responsible Director:** Strategic Director for the Economy Department  
Strategic Director for Finance and Governance

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### Summary

Cabinet will present their revenue budget and council tax proposals to Budget Council on 26<sup>th</sup> February 2020. A balanced budget will be set in accordance with the Local Government Finance Act 1992.

This report sets out the budget proposals for the services covered by this Policy and Accountability Committee (PAC). An update is also provided on any proposed changes in fees and charges.

### Recommendations

1. That the Policy and Accountability Committee (PAC) considers the budget proposals and makes recommendations to Cabinet as appropriate.
2. That the PAC considers the proposed changes to fees and charges and makes recommendations as appropriate.

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**Wards Affected:** All

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### H&F Priorities

<b>Our Priorities</b>	<b>Summary of how this report aligns to the H&amp;F Priorities</b>
<ul style="list-style-type: none"><li>• Being ruthlessly financially efficient</li></ul>	We need to always confirm that spend fits our Council's priorities; challenge how much needs to be spent; and achieve results within agreed budgets. Finance is everyone's business and every penny counts.

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## Background Papers Used in Preparing This Report

Not Applicable

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## Proposals and Detailed Analysis

### The Budget Gap

- 1.1. The 2020/21 gross General Fund budget<sup>1</sup> is £525m of which the **net budget requirement of £154.3m** is funded from council resources (such as council tax and business rates) and general government grant.

**Table 1 – 2020/21 budget requirement**

<b>Budgeted expenditure</b>	<b>£m</b>
Housing benefit payments	110
Departmental budgets	415
<b>Gross budgeted expenditure</b>	<b>525</b>
Less:	
Specific government grants (including housing benefits and dedicated schools grant)	(234.5)
Fees and charges	(65)
Contributions (e.g. health, other boroughs)	(49)
Other income (e.g. investment interest, rentals and recharges )	(22.2)
<b>Budget requirement rolled forward to 2020/21</b>	<b>154.3</b>

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<sup>1</sup> Figures exclude capital charges and internal service level agreements. These have a net nil impact on the budget.

- 1.2. The budget proposals for 2020/21, and forecast to 2023/24, are summarised in Table 2. A balanced budget is proposed for 2020/21 with a contribution to reserves arising from one-off/ non-recurrent benefits, to enhance financial resilience, of £7.2m.

**Table 2 - Budget Summary**

	2020/21	2021/22	2022/23	2023/24
	£m	£m	£m	£m
<b>Base budget</b>	<b>154.3</b>	<b>154.3</b>	<b>154.3</b>	<b>154.3</b>
Add:				
Cumulative inflation (including pay awards)	4.2	8.4	12.6	16.8
Provision for future demand & demographic pressures	0	4.0	8.0	12.0
Investment	8.3	8.3	8.3	8.3
Increase in the unallocated contingency	0.9	0.9	0.9	0.9
Savings and additional income	-12.8	-13.5	-14.2	-14.2
Adjustment for one off items	0.1	0.1	0.1	0.1
Contribution to reserves	7.2	0	0	0
<b>Budgeted expenditure</b>	<b>162.2</b>	<b>162.5</b>	<b>170.0</b>	<b>178.2</b>
Less:				
Government resources	(34.2)	(34.2)	(34.2)	(34.2)
Business rates	(57.2)	(57.2)	(57.2)	(57.2)
Fair funding impact (estimate)	0	4.0	8.0	12.0
Council tax	(63.8)	(64.4)	(65.0)	(65.6)
One-off use of resources	(5.3)	0	0	0
Use of developer contributions for enhanced community safety	(1.7)	(1.7)	(1.7)	(1.7)
<b>Budgeted resources</b>	<b>(162.2)</b>	<b>(153.5)</b>	<b>(150.1)</b>	<b>(146.7)</b>
<b>Cumulative budget gap</b>	<b>0</b>	<b>9.0</b>	<b>19.9</b>	<b>31.5</b>

Budget Assumptions

- 1.3. **Government grant funding** will increase by £3.6m from 2019/20 to 2020/21 as a result of the Government's pre-election spending round in September 2019. This increase follows a decade of grant cuts with overall funding reducing by £68m from 2010/11 to 2020/21. This was a real terms funding cut of 54%.



- 1.4. However, the government have indicated they will undertake what they are terming a 'fair funding review' in 2020/21. This has the remit of reconsidering how grant is distributed between authorities. It is likely to be bad news for Hammersmith and Fulham and other London authorities as it is anticipated that resources will be redistributed away from inner city areas, which have traditionally received funding to address higher levels of deprivation, to other parts of the country with lower levels of deprivation. The Council will campaign vigorously against any such distribution away from areas of higher need.
- 1.5. **The government has modelled an adult social care precept** since 2016/17. In the first years of the levy, the Council determined not to apply the levy in Hammersmith and Fulham, despite the fact the Council's funding from government was modelled on the assumption that we would. Due to the continued high levels of inflation in the social care market and the government's continued failure to propose a long-term funding solution to social care funding, the Council proposes to allow 2% of the government's adult social care levy for 2020/21. The total levy increase for Hammersmith and Fulham over the 5 years to 2020/21 will be 4% compared to the 10% increase assumed by the government. The Council is committed to using such funding to support adult social care.
- 1.6. **An increase in the Hammersmith & Fulham element of council tax** of 1.99% is modelled for 2020/21. This will generate extra income of £1.2m in 2020/21 and £4.9m over a four-year period. This will support investment in key services for residents and future financial resilience. The Hammersmith and Fulham Band D Council Tax charge is the third lowest in the country and 35% below the London average. This is significantly below the July 2019 Retail Price Index inflation used for the Council's financial planning.
- 1.7. **The business rates system**, as set out in Table 3, is changing for a fourth successive year. For 2020/21 the government have ended the pilot London Business Rates pool with the share of business rates retained by LBHF reverting to 30%.

**Table 3 – Business Rates Retention Scheme**

	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
Hammersmith & Fulham	30%	64%	48%	30%
Greater London Authority	37%	36%	27%	37%
Government	33%	0	25%	33%
Pool arrangements	None	100% pilot pool	75% pilot pool	Potential London pool
Business rates revaluation	Yes	No	No	No
<b>H &amp; F income (net of tariffs and adjusted on a like for like basis)</b>				
H & F share of business rates	£59.5m	£56.5m	£57.0m	£57.2m
Pool benefit (1-year lag i.e. 2018/19 benefit recognised in 2019/20)	0	0	£4.3m (£2.3m to reserves)	£1.9m (to reserves)
<b>Assumed in budget/contribution to reserves</b>	<b>£59.5m</b>	<b>£56.5m</b>	<b>£61.3m</b>	<b>£59.1m</b>

- 1.8. London Local Government took forward a 100% business rates retention pilot in April 2018. This pooled business rates income across the 33 London Boroughs and GLA with all growth shared. The government reduced this to a 75% pilot in 2019/20 and have announced it will cease for 2020/21.
- 1.9. Current modelling forecasts that Hammersmith and Fulham will benefit by £1.9m from the 2019/20 pilot and this is assumed within the 2020/21 budget. As the pilot has ceased, the expected benefit is a one-off sum and therefore will be taken to reserves. The actual benefit will not be confirmed until September 2020.
- 1.10. London Local Government is developing a new pooling arrangement, without government support, for 2020/21. The financial benefit will be significantly less (as the government will take a higher proportion of the income raised and growth). No benefit is assumed from a possible new 2020/21 pool within the current budget forecast. Any benefit will be considered within the 2021/22 budget process.
- 1.11. Table 4 sets out the business rates budget for 2019/20 and 2020/21. The business rates system sets a safety net threshold which guarantees a minimum income to the Council. The 2017 business rates revaluation resulted

in a high-level of rates appeals by businesses in LBHF. This has required the Council's share of business rates income to be budgeted at the safety net threshold of £57.2m. The safety net threshold is set at 92.5% of the funding baseline (compared to 95% in the pool) resulting in a lower guaranteed income from business rates.

- 1.12. The instability in the government's approach to business rates makes medium-term financial planning difficult.

**Table 4: Comparison between 2019/20 and 2020/21 business rates income**

	2019/20	2020/21
	£m	£m
Business rates baseline	123.0	78.0
Tariff payable to the government	(45.0)	(16.1)
<b>Funding baseline</b>	<b>78.0</b>	<b>61.9</b>
<b>Safety net threshold</b> (included in LBHF budget)	<b>74.1</b>	<b>57.2</b>
Less Revenue Support Grant collected within business rates in 2019/20	(17.1)	0
<b>Budgeted business rates</b>	<b>57.0</b>	<b>57.2</b>

- 1.11 An updated forecast for business rates will be undertaken by all Boroughs in January 2020. This will confirm the Hammersmith and Fulham 2020/21 estimate and provide more clarity on the potential benefits from the 2019/20 pilot pool arrangements.
- 1.12 **Developer Contributions.** Planning obligations under s.106 of the Town and Country Planning Act 1990 (as amended), known as s.106 agreements, are a mechanism which make a development proposal acceptable in planning terms, that would not otherwise be acceptable. They are focused on site specific mitigation of the impact of development. Property developments have placed increased pressure on council services in recent years.
- 1.13 Local planning authorities are required to use the funding in accordance with the terms of the individual planning obligation legal agreement. This will ensure new developments are acceptable; benefit local communities and support the provision of local infrastructure. In LBHF there are three broad categories of s.106 contributions received:
- for a specific purpose defined and described in the s.106 agreement (such as specific highway works)
  - for a general functional purpose defined and described in the s.106 agreement but with geographical constraints (such as provision of community infrastructure in the White City area)
  - for a general purpose defined and described in the s.106 agreement but with no borough geographical constraints (such as economic development, education purposes, community safety initiatives etc).

- 1.15 Provided the Council respects the obligation to maintain a reasonable relationship with the developments and complies with the specific terms of each of the s.106 agreements giving rise to the funds, the Council has a degree of discretion as to how it allocates and spends some of the general purpose funds. The Council has determined that a key priority area for the investment of available s.106 funds with general purposes is the provision of enhanced community safety arrangements. The 2020/21 budget assumes that contributions of £1.7m are invested to fund enhanced arrangements in this area and this can be met from receipts currently in hand.
- 1.16 A number of s.106 agreements have been negotiated which will result in the receipt of additional funds in the future. There is a level of uncertainty around the receipt of future s.106 funds as this relies on developments commencing and achieving specified trigger points. The Council will continue to monitor the receipt of s.106 funds expected in the short and medium term, where the level of uncertainty around trigger points increases, and is developing a strategic approach for investment of future s.106 funds.
- 1.17 **Inflation.** A national pay award has yet to be agreed for 2020/21. Provision is made within the budget for an increase of up to 2% (£1.7m) and this will be held corporately until a national agreement is reached on the annual pay award. Inflation of £2.6m has also been provided, on a case by case basis, to meet contractual requirements.

## **INVESTMENT, SAVINGS AND RISKS**

- 1.18 Investment in services and savings proposals for the services covered by this PAC are set out in Appendix 1 with budget risks set out in Appendix 2.

### **Investment**

- 1.19 Investment in services is summarised by department in Table 5 and by category in Table 6.

**Table 5: 2020/21 Investment Proposals**

<b>Department</b>	<b>£m</b>
Children's Services	5.5
The Environment Department	0.5
Public Services Reform	0.1
Social Care	0.7
Council Wide	1.5
<b>Total</b>	<b>8.3</b>

**Table 6: Categorisation of investment proposals**

	<b>£m</b>
Increase in demand/demographic growth	6.4
Resident priority	1.9
<b>Total</b>	<b>8.3</b>

### **Savings**

- 1.20 The Council faces a continuing financial challenge due to overall Central Government funding cuts, unfunded burdens, inflation, and demand and growth pressures. The budget gap will increase in each of the next three years if no action is taken to reduce expenditure, generate more income through commercial revenue and continue to grow the number of dwellings and businesses in the borough.
- 1.21 To proposed savings (including additional income) for 2020/21 are set out by department in Table 7.

**Table 7: 2020/21 savings and additional income**

<b>Department</b>	<b>£m</b>
Children's Services	(0.8)
Finance & Governance	(4.5)
The Economy Department	(0.8)
Public Services Reform	(0.3)
The Environment Department	(1.0)
Social Care	(2.5)
Council Wide	(2.9)
<b>Savings</b>	<b>(12.8)</b>

- 1.22 The saving proposals are categorised by savings area in Table 8.

**Table 8: Categorisation of 2020/21 savings**

	<b>£'m</b>
Service rationalisation/budget reduced in line with spend	(3.0)
Commercialisation/Income	(2.0)
Debt reduction and restructuring	(0.3)
Pension - triennial Valuation	(2.1)
Prevention	(1.5)
Procurement / Commissioning	(0.8)
Service reconfiguration	(0.9)
Staffing / Productivity	(2.2)
<b>Total All Savings</b>	<b>(12.8)</b>

## **Risk, revenue balances and earmarked reserves**

- 1.23 The Council's General Fund gross budget is £525m. Within a budget of this magnitude there are inevitably areas of risk and uncertainty particularly within the current challenging financial environment. The key financial risks that face the Council have been identified and quantified. They total £18.5m. Financial risks of £24m were identified when the 2019/20 budget was set.
- 1.24 Reserves play a crucial role in good public financial management. They exist so that a council can make one off investment in service transformation for the future or to respond to one off unexpected events or emerging needs. They are the foundation for good financial management and resilience. As one-off resources they can only be spent once.
- 1.25 As part of the Audit Findings Report for the year ended 31 March 2019 the Council's external auditors (Grant Thornton) commented on the level of the Council's reserves:
- 'The Council's reserves level is of concern as there doesn't appear to be sufficient cushion to weather the ongoing financial challenges that the Council will face over the medium term due to reductions in central government funding and forecast pressures of the DSG funding. The Council only has finite reserves available and it is important that you continue to maintain appropriate budgetary control. It cannot be stressed enough how important it is to have a fall back position to address the challenges of the future. We have seen a number of Councils reach the financial precipice and members have a fiduciary duty to ensure the Council retains financial sustainability. We would strongly recommend that use of reserves remains limited in future years other than for specifically earmarked schemes.'*
- 1.26 The Council has put in place a reserves strategy to ensure effective oversight regarding the level and use of reserves and established an action plan to maintain reserves at an appropriate level. In accordance with the action plan, the 2020/21 budget proposals include new **one-off contributions to reserves of £7.2m.**

## **General fund balances**

- 1.27 The Council's general balance stood at £19m as at 1 April 2019 and it is currently projected that this will not reduce in the current financial year. This will leave general balances at 3.6% (equivalent to 13 days spend) of the Council's gross budget of £525m.
- 1.28 Given the on-going scale of change in local government funding, and risks facing the Council, the Strategic Director, Finance and Governance considers that general balances need to be maintained within the range of £14m to £20m. The optimal level is projected to be broadly met over the next 4 years and is, in the Strategic Director's, Finance and Governance, view sufficient to allow for the risks identified and to support effective medium-term financial planning.

## Earmarked reserves

- 1.29 The Council holds a number of one-off earmarked reserves. The latest forecast to 2023/24 is set out in Table 9. In the Strategic Director's, Finance and Governance, view such reserves are adequate to deal with anticipated risks and liabilities.

**Table 9: Reserves forecast to 2022/23**

	Opening balance 2019/20	Budgeted contributions to 2023/24	Commitments to 2023/24	Total 2023/24
	£m	£m	£m	£m
Earmarked reserves	44.8	36.1	(37.4)	<b>43.5</b>
New contributions in the 2020/21 budget				7.2
<b>Forecast earmarked reserves</b>				<b>50.7</b>
General balances	19.0			19.0
Earmarked restricted reserves	17.5		(7.7)	9.8
Current year forecast overspend				(9.5)
Other potential uses of reserves				(28.6)
<b>Total reserves</b>				<b>41.4</b>

- 1.30 The existing commitments include the planned investment of earmarked reserves on council priorities (for example implementing the Information Technology strategy and incentive payments to landlords).
- 1.31 Net General Fund reserves of £6m are set aside for the civic campus scheme. This is based, in line with the current programme, on funding of lease costs for a 3.5 year relocation. The call on general fund reserves would increase by £5.9m if relocation was deferred to 5 years. The scheme benefits include efficiencies in delivering modern, inclusively designed and fit-for-purpose office and civic accommodation for its staff and visitors, as well as for small and start-up businesses. It also avoids the need for significant capital investment in the existing Town Hall and Town Hall Extension, which in 2017 was estimated at between £29.2m and £53.5m for both buildings, depending on the extent of refurbishment works undertaken and excluded professional fees (estimated to be at least £2m) and the cost of decanting staff to allow works to take place.
- 1.32 The other potential uses for reserves includes allowance for a future shortfall in funding for **pupils with high needs**. For Hammersmith and Fulham, there was a cumulative shortfall in the Dedicated Schools Grant (from government) provided to fund expenditure on pupils with high needs of £13.8m at the close of 2018/19. The Council is developing options for a deficit recovery plan and

estimates that it will receive extra grant of £2.9m from 2020/21 onwards. Despite this funding increase, demographic and other pressures, require that a further **£15m** be set aside regarding the shortfall for the current year and next 4 years. The Council is also discussing with auditors how this should be treated on the Council's Balance sheet following a consultation by the Education Funding and Skills Agency. Pending further clarification, the Council has prudently set aside a reserve to cover the potential deficit.

- 1.33 The Strategic Director, Finance and Governance considers that current reserves are adequate to deal with anticipated risks and liabilities. Reserves can only be spent once and the forecast to 2023/24 identifies a tightening in the Council's finances that will need careful management and review. Continued focus will be required on keeping spend within budget, avoiding the use of reserves to balance future budgets and on rebuilding reserves to support future investments and priorities.

### **FEES AND CHARGES**

- 1.34 The budget assumes these are:

- Frozen for Adult Social Care, Children's Services and Housing.
- A standard uplift of 2.8% based on the July 2019 Retail Price Index applied for other non-Commercial and non-parking fees.
- Commercial services that are charged on a for-profit basis, will be reviewed on an ongoing basis in response to market conditions and varied up and down as appropriate, with appropriate authorisations according to the Council constitution.
- Parking charges and fines are set in line with transport policy objectives and are not considered as part of the budget process.

The proposed exceptions to the standard increase for this Department are set out in Appendix 4.

### **2020/21 COUNCIL TAX LEVELS**

- 1.35 The administration proposes to increase the Hammersmith & Fulham element of council tax by 1.99% for 2020/21. The Band D charge will be £792.42. This is significantly below the July 2019 Retail Price Index inflation used for the Council's financial planning.
- 1.36 This will result in a net cash terms increase of 3.7% since 2014/15 and compares to real terms inflation<sup>2</sup> of 15% over the same period. Unlike before 2014, no grant has been offered by government to councils who freeze or cut council tax. Instead, since 2014/15 the government, within the grant process,

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<sup>2</sup> As measured by movement in the Retail Price Index



have assumed a Council tax increase of 12.6%. The 1.99% increase will generate extra income of £1.2m in 2020/21 and £4.8m over a four-year period. This will support investment in, and protect, key services for residents and strengthen future financial resilience.

- 1.37 As set out below, 53% of dwellings are liable for 100% council tax with exemptions/discounts for council tax support claimants, students, care leavers and single person households.

**Table 9: Liability for council tax**

Total dwellings in the borough	90,500
Reductions:	
Exemptions (mainly students, includes care leavers)	(4,000)
Council tax support claimants (elderly & working age on low income)	(11,400)
Single person discount (25% discount)	(27,500)
<b>Dwellings liable for 100% of council tax</b>	<b>47,600</b> <b>53%</b>

- 1.37 **The government's modelled adult social care precept** levy of 2% will generate additional income of £4.9m over 4 years and £1.22m in 2020/21. This will increase the Band D Council Tax charge by £15.24 per annum (4.2p per day).
- 1.38 The overall increase in the LBHF element of the Band D charge, including the government's modelled 2% adult social care precept, is £30.40 (8.3p per day).

**Table 10: LBHF Band D Council Tax Charge**

2019/20 LBHF Band D charge	<b>£762.02</b>
Proposed H&F Element Increase of 1.99%	£15.16
Proposed Adult Social Care precept of 2%	£15.24
2020/21 Total LBHF Band D charge	<b>£792.42</b>

**Comments of the Strategic Director for The Economy Department on the budget proposals.**

- 1.39 The Economy department provides services funded by both the Housing Revenue Account and by the General Fund. This report only considers those services provided from General Fund budgets.

**Housing Revenue Account budgets**

- 1.40 A separate report on the Financial Plan for Council Homes that set out the 2020/21 Housing Revenue Account budget is also included in this agenda. The

HRA budget enables the Council to deliver services to residents, maintain safe and secure homes, invest in its stock, and develop new affordable homes.

1.42 The Financial Plan for Council Homes report is scheduled to go before Cabinet on 3<sup>rd</sup> February 2020.

### General Fund budgets

1.43 Resources have been focused on:

- the significant and continued challenge of delivering and enhancing front-line services in the face of increasing demand and cost pressures,
- responding to major changes and constraints on income collection brought about by the Government's programme of Welfare Reform and the Homelessness Reduction Act,
- embedding a long-term model for delivering temporary accommodation which prevents and relieves homelessness whilst protecting the Council's financial position.

### Savings Proposals

1.44 The Economy Department plan to deliver a savings target of £0.758m mainly from the Housing Solutions division:

- **Placing homeless residents in to better, longer-term private rented sector to reduce the use of Temporary Accommodation (£196,000)** – by changing Council policy to enable the discharge of the statutory homelessness duty into longer-term private sector accommodation rather than poorer quality, more expensive short-term temporary accommodation. This will not impact the place of these residents on the social housing register but rather ensure they are housed in better accommodation while they wait. This will increase access to the private rented sector and reduce the use of Temporary Accommodation.
- **Reduction in Temporary Accommodation voids (£115,000)** – through improvements in void management it will be possible to reduce the number of Temporary Accommodation properties that the Council needs to procure.
- **Improved debt management (£286,000)** – this will result in higher income collection rates on Temporary Accommodation income.
- **Consolidation of management & workforce and reduction in the use of agency staff (£100,000)** – a phased delivery programme to enable overall staffing whilst producing annual savings of £100,000 from 2020/21 rising to £400,000 from 2022/23 is being developed and implemented.
- **Review and restructure of Economic Development (£61,000)** – realigning resources within the team.

### Risks: Housing Solutions

1.45 The main risks affecting The Economy Department relate to managing the impact of the Government's programme of Welfare Reform:

- the loss of suitable tenancies in the private sector, leading to a risk of increased homelessness and the greater use of expensive temporary accommodation such as Bed & Breakfast (B&B);
- changes in the temporary accommodation subsidy system, leading to the loss of existing Council-managed temporary accommodation and increased B&B usage;
- reduced viability for temporary accommodation managed by Housing Associations (HAs), and potential knock-on effects for the authority in providing alternative temporary accommodation;
- loss of tenancies in the private sector or loss of income in Council managed temporary accommodation arising from the direct payment of benefits to claimants under Universal Credit and the potential risk of increased homelessness and the use of B&B;
- inflationary pressures on costs due to increased demand for temporary accommodation across London;
- loss of income for the Council due to the removal of the temporary accommodation management fee from housing benefit subsidy entitlement from April 2017;
- increase in staffing and procurement costs due to the implementation of the Homeless Reduction Bill which places additional duties on the Council to prevent homelessness.

1.46 The potential financial impact can be summarised in the following main areas for Housing Solutions:

#### **Direct Lettings Incentive Payments**

1.47 To procure accommodation below market rents, the Council must incentivise landlords to let properties to homeless households. Historically the funding of these incentives (c£600,000 annually) has been enabled by underspend carry forward requests or from the Temporary Accommodation (TA) earmarked reserve. There is no provision for these costs currently within existing service budgets. The Homeless Reduction Act places a duty on Councils to provide TA to a previously ineligible client group, placing pressure on the incentive provision. The current incentive amounts are lower than some of the other London boroughs. As a result, landlords are requesting higher incentives and if not agreed, properties are being made available to higher paying authorities.

#### **Overall benefit cap**

1.48 It is anticipated that the risk relating to the Overall Benefit Cap will be up to £0.1m from 2020/21 onwards because of the Government's reduction of the Overall Benefit Cap from a maximum of £23,000 per annum for single parents with children and couples to £15,410 per annum for single adults.

#### **Universal Credit (UC) and bad debts**

- 1.49 The Government's programme of Welfare Reform is expected to have a significant impact on the Council's ability to collect rental income and may result in increased bad debt charges. However, from April 2018, new TA benefit claims are no longer subject to Universal Credit and instead, claimants are subject to Housing Benefit subsidy which is paid directly to the Council.
- 1.50 This means that since 2019/20 the risk that the budgeted bad debt provision will be insufficient has reduced from previous years. Based on current client numbers in receipt of Universal Credit, the predicted risk is £42,000 from 2020/21 onwards.
- 1.51 The financial impact of the remaining tenants on Universal Credit will be in part dependent on the efficacy of DWP in providing accurate and timely electronic information to Housing Solutions.
- 1.52 The Council awaits the Government's determination on the consultation over any new TA subsidy regime.

### **Increase in client volumes and homelessness acceptances**

- 1.53 Recent years have seen increases in client numbers in TA and this trend is expected to continue. After taking account of the mitigating impact of homelessness prevention activities, numbers in Private Sector Leased (PSL) and Bed & Breakfast (B&B) accommodation are expected to increase in future years. The forecast number of clients in TA set out below means there is a risk of further net costs of £0.3m in 2021/22 and £0.6m in 2022/23.

Risk	March 2020	March 2021	March 2022	March 2023
Forecast number of clients with TA	1,326	1,379	1,431	1,483

- 1.54 There is also a risk that homelessness acceptances will increase in future years due to Government policy. On the assumption that the number of new homelessness acceptances increases by 100 per annum on an ongoing basis, the financial risk is set out below.

Risk	2020/21 £m	2021/22 £m	2022/23 £m
New homelessness acceptances	0.6	1.1	1.7

- 1.55 This risk does not consider the impact on client volumes arising from the Homelessness Reduction Act. LBHF implementation in April 2018 saw a 137% increase in households approaching the service for housing assistance. Increased staffing resources on prevention meant that the increased volume did not result in increased TA placements. While the TA reduction programme has contributed towards reducing TA households, this is becoming more challenging with numbers stabilising instead of reducing. The full impact of the Homelessness Reduction Act and the subsequent `Duty to Refer` that was implemented in October 2018 has significantly impacted service delivery,

however, current data shows that approaches have plateaued since the highest volume in December 2018. Since August 2019, the restructure has enabled the service to manage the consistent high volume of approaches using robust supportive, preventative measures to prevent and facilitate homelessness.

### **Loss of Temporary Accommodation (TA) management fee on housing benefit subsidy**

- 1.56 The Flexible Homelessness Support Grant provided by central Government is currently cushioning the impact of the removal of the management fee for Temporary Accommodation. This, and other related government grants, will diminish and potentially disappear from 2021/22 as Government has not confirmed allocations beyond next year. There is therefore a risk of a loss of income from April 2021 as follows.

Risk	2021/22 £m	2022/23 £m	2023/24 £m
Loss of grant	2.1	2.2	2.3

### **Increases in temporary accommodation procurement costs**

- 1.57 There is a risk of inflationary pressures on costs because of increased demand for temporary accommodation across London. The risk is based on an additional 1.5% increase in costs over and above the inflation already budgeted for in 2020/21 and the impact of this additional cost each year is set out below.

Risk	2020/21 £m	2021/22 £m	2022/23 £m
Increase in TA costs	0.4	0.6	0.9

### **Keeping families out of Bed & Breakfast accommodation**

- 1.58 The Council has successfully managed to protect families from being temporarily housed in B&B accommodation for longer than six weeks since October 2015. The increasing demand pressures arising from the Government's programme of Welfare Reform mean that there is a risk that the Council may face increasing costs to house families at set out below.

Risk	2020/21 £m	2021/22 £m	2022/23 £m
Increase in housing families' costs	0.1	0.1	0.1

### Homelessness Reduction Act – potential increase in costs

1.59 This is anticipated to result in the need to place additional households in temporary accommodation. The risk table below shows the extra costs if we have an extra 70 homelessness acceptances each year.

Risk	2020/21 £m	2021/22 £m	2022/23 £m
Number of additional homelessness acceptances	0.4	0.8	1.2

### Homelessness prevention and risk mitigation

1.60 The following activities that will help mitigate these risks are planned:

- The service structure now in place was implemented to prepare for the Homelessness Reduction 2017 to ensure a robust response to the new legislation, ensure legal compliance and greater emphasis on preventing and relieving homelessness. Government New Burdens funding will mitigate against a negative impact on current budgets.
- In light of the current budget pressures in 2019/20, a review of temporary accommodation provision has been carried out looking at opportunities to invest in a private rented sector portfolio and looking at changing the mix of the current temporary accommodation portfolio away from short term monthly to look for longer term ways to mitigate the cost pressures.
- The Social Lettings Agency has delivered increased numbers of private rented accommodation as well as more cost-effective TA. The service offers a tenancy relations service to private landlords as well as other landlord services e.g. Energy Performance Certificates (EPC) to generate income.
- Increasing the supply of social and affordable housing is crucial to the success of any strategic approach to managing the TA process. Low turnover in social housing (in common with all of London) has slowed the TA move on process and resulted in more households in TA for longer period – compounding the need for additional TA units. The Council plans to increase affordable housing, reducing pressure on TA budgets by providing permanent lower cost homes through direct delivery, partnership with HAs and working with developers through the planning process.

### Risks: Planning

1.61 The inherent volatility of planning income means it is difficult to predict future income due to several factors including:

- Changes to the statutory charging schedule, pre-application fees and Planning Performance Agreement templates
- Economic factors such as Brexit and local and wider market conditions
- Changes in legislation e.g. permitted development rights, Planning Performance Agreement regulation
- Availability of development sites in the borough
- Developers behaviour such as by-passing the pre-application process and responding to housing supply
- Government schemes to encourage house building
- Adverse weather conditions.

1.62 The current practice of invoicing in arrears for Planning Performance Agreements can result in a higher bad debt charge as companies can cease trading after developments complete, making it harder to recover monies owed. The current provision for bad debts is £0.29m compared to a total annual budgeted income of circa £3.7m.

1.63 There has been a fall in the total number of applications over the course of 2018/19 and 2019/20 and this is impacting adversely on projected fee income. This is understood to be due to trends in the wider economy including Brexit and a deterioration in the buoyancy of the housing market. This trend is likely to continue, resulting in shortfalls in income from planning fees. The risk based on the latest forecast is £1.4m.

1.64 Other risks include costs producing Supplementary Planning Documents will exceed the budgets and funding available. In addition, there is a risk of unbudgeted costs arising from future public enquiries and judicial reviews. In recent years, the cost of judicial reviews and major planning appeals has been met from earmarked reserves but these funds are now exhausted and therefore, there is an risk of an overspend against the budget of £0.3m based on the latest forecast.

#### **Risk mitigation: Planning**

The following activities that will help mitigate the risks to Planning are planned:

- changing our approach to invoicing for large schemes to bill in advance on a milestone instalment basis, together with the introduction of an improved debt recovery system. Whilst this change is not expected to generate additional income, it will reduce the debt position and bad debt risk;
- Mayoral CIL - under Regulation 61 of the Community Infrastructure Levy (CIL) Regulations 2010 (as amended), the Council as a collecting authority can use CIL proceeds to cover administrative expenses incurred in collecting CIL up to specified limits, currently this is 4% of CIL collected in each year by collecting authorities.

### **Risks: Economic Development and Adult Learning**

- 1.65 The Economic Development service is responsible for the delivery of key elements of the Council's Economic Growth priorities. Formal consultation with staff on the reorganisation which is expected to deliver the Economic Development staffing efficiencies saving has commenced and is scheduled to be completed by the end of January 2020. The delivery of these savings depends on the successful outcome of this consultation and implementation of the restructure. The new arrangement will be reliant on an increase in the drawdown from Section 106 funds. The service is dependent upon securing Section 106 funding. A paper has been submitted for approval by Cabinet. Should funding not be approved, the risk is £1.6m for each year from 2020/21 onwards.
- 1.66 The Adult Learning & Skills Service (ALSS) income projection from learner fees has been £690,000 for several years. Therefore, the learner fees income target in 2020/21 has been reduced from £775,000 to £690,000, a reduction of £85,000. The £85,000 shortfall carried forward from previous years could not be met by reducing other ALSS budgets for 2020/21. Of the £85,000 shortfall, £51,100 will be covered from the GLA grant carried forward balance in 2020/21. From 2021/22 onwards, £51,100 will be a budget risk for ALSS.

### **Risks: Growth**

- 1.67 In July, the Cabinet approved the Building Homes and Communities Strategy which will enable the redevelopment of existing non-residential assets to provide new community assets and affordable housing. Each specific scheme will be subject to appropriate approvals through the standard Council's governance processes. For schemes that progress to delivery, the costs associated with it are capitalised. However, there will be instances of affordable housing-related early assessments and feasibility studies on General Fund land, where there will be abortive costs should schemes not progress further.

### **Equality Implications**

A draft Equality Impact Analysis (EIA), which assesses the impacts on equality of the main items in the budget proposals relevant to this PAC, is attached as Appendix 3. A final EIA will be reported to Budget Council.

### **LOCAL GOVERNMENT ACT 2000**

#### **LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT**

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext. of holder of file/copy</b>	<b>Department/ Location</b>
1.	None		

### **List of Appendices:**

- Appendix 1 – Savings and investment proposals  
Appendix 2 – Risks



Appendix 3 – Draft Equality Impact Assessment

Appendix 4 – Exceptions to the standard fees and charges increase.

## The Economy Department

Change and Savings Proposals					Budget Change			
Ref Nos	Service and Lead Officer	Title & Theme	Summary	Delivery Risk (H-M-L)	2020-21 Budget Change Cumulative (£000's)	2021-22 Budget Change Cumulative (£000's)	2022-23 Budget Change Cumulative (£000's)	2023-24 Budget Change Cumulative (£000's)
ECO1	Housing Solutions	Reduction in Temporary Accommodation (TA)	Work to secure longer-term private sector accommodation for residents instead of temporary accommodation, without impacting their place on the housing register	M	(196)	(392)	(392)	(392)
ECO2	Housing Solutions	Reduction in Temporary Accommodation (TA)	PSL B&B Rent - improved void management	L	(115)	(115)	(115)	(115)
ECO3	Housing Solutions	Improved debt management	Improved debt management resulting in higher collection rates on income	L	(286)	(286)	(286)	(286)
ECO4	Housing Solutions	Consolidation of management & workforce and reduction in the use of agency staff	Current implementation of approved restructure will reduce agency staff and enable overall staffing. This is the beginning of a phased savings delivery programme.	M	(100)	(200)	(400)	(400)
ECO5	Housing Solutions	Improved and digitalised front door and assessment pathway	The service has implemented digitalisation including on-line application forms and information, self service processes at the customer service centre. This has reduced footfall and contributed to more streamlined services. On-going digitalisation will achieve the forecasted savings as part of on-going service transformation.	M	0	0	(180)	(180)
ECO6	Economic Development	Review and restructure of economic development	Review of the economic development service and restructure.	M	(61)	(61)	(61)	(61)
<b>The Economy - Total Change and Savings Proposals</b>					<b>(758)</b>	<b>(1,054)</b>	<b>(1,434)</b>	<b>(1,434)</b>

**Economy Department Risk/Challenges**

Department & Division	Short Description of Risk	Risk				Mitigation
		2020/21 Value (£000's)	2021/22 Value (£000's)	2022/23 Value (£000's)	2023/24 Value (£000's)	
<b>Growth &amp; Place</b>						
Temporary Accommodation	Overall Benefit Cap	120	120	120	120	Support to enable residents to gain exemption from the Benefits Cap through: training and qualifying employment; disability/carers benefit where possible; resettlement into affordable housing.
Temporary Accommodation	Direct Payments (Universal Credit)	42	42	42	42	The service works closely with the DWP, residents, colleagues and the voluntary sector to ensure Universal Credit claims are assessed correctly and paid to the Council, or in facilitating a switch-back to Housing Benefit (HB) to allow more control over claims.
Temporary Accommodation	Increase in the number of households in Temporary Accommodation - based on current forecast	-	317	630	943	
Temporary Accommodation	Large families in B&B	122	136	149	163	
Temporary Accommodation	Loss of Temporary Accommodation Management Fee on Housing Benefit Subsidy - the Flexible Homelessness Support Grant will be received in 2020/21 but Government has not confirmed whether funding will be available from 2021/22 onwards.	-	2,072	2,205	2,338	
Temporary Accommodation	Inflationary pressures on Temporary Accommodation landlord costs, based on an extra 1.5% rental inflation	386	648	913	1,182	
Temporary Accommodation	Increase in the number of households in Temporary Accommodation - extra 100 each year above current forecast	563	1,125	1,688	2,250	
Temporary Accommodation	Homelessness Reduction Act - increase in households in temporary accommodation - extra 70 each year	394	788	1,182	1,575	
Temporary Accommodation	Direct Lettings Cost Avoidance payments - risk in future years (Cost Avoidance payments were previously funded from the Temporary Accommodation earmarked reserve prior to 2019/20)	600	600	600	600	

Department & Division	Short Description of Risk	Risk				Mitigation
		2020/21 Value (£000's)	2021/22 Value (£000's)	2022/23 Value (£000's)	2023/24 Value (£000's)	
<b>Growth &amp; Place</b>						
Economic Development	Funding for key management posts is dependent on an organisational restructure. This is currently in the consultation process.	64	-	-	-	The restructure is currently in the consultation stage and is expected to mitigate the salaries risk once this is implemented.
Economic Development	Availability of S106 funding for the economic development service.	1,600	1,600	1,600	-	The Head of Economic Development is in process of preparing a Cabinet report for approval requesting Section 106 funding for the service.
Planning	There is a risk that the costs of current and future work in producing Supplementary Planning Documents will exceed the budgets and funding available.	50	50	50	50	
Planning	In recent years, the cost of judicial reviews and major planning appeals has been met from earmarked reserves but these funds are now exhausted and therefore, there is an ongoing risk of an overspend against the budget.	300	300	300	300	
Planning	<p>The inherent volatility of planning income means it is difficult to predict future income expectations due to several factors including:</p> <ul style="list-style-type: none"> <li>• Changes to the statutory charging schedule</li> <li>• Economic factors such as the impact on planning activity of Brexit</li> <li>• Changes in legislation e.g. permitted development rights, Planning Performance Agreement regulation</li> <li>• Changes to pre-application charging fees and Planning Performance Agreement templates</li> <li>• Local and wider market conditions</li> <li>• Availability of development sites in the borough</li> <li>• Developers by-passing the pre-application process as it is not compulsory</li> <li>• Developer funding of Planning Performance Agreements</li> <li>• Government schemes to encourage house building, including grant schemes</li> <li>• Developers' responding to current and pipeline housing supply in borough (they don't want to flood the local market)</li> <li>• Adverse weather conditions</li> </ul>	1,400	1,400	1,400	1,400	
<b>Grand Total</b>	<b>Grand Total</b>	<b>5,641</b>	<b>9,198</b>	<b>10,879</b>	<b>10,963</b>	

## **DRAFT Equality Impact Analysis (EIA) of the main budget proposals.**

### **Economy Savings**

#### **ECO 1 - Duty Securing longer-term private sector accommodation in the place of temporary accommodation (TA) while residents wait on the social housing register - £196,000**

1. This proposal is believed to have a neutral impact on those with protected characteristics. It will enable households to be moved into more suitable accommodation sooner, reducing reliance on private landlords for TA use and reducing expenditure. This change will not impact the place of residents on the social housing register.

#### **ECO 2 - Reduction in Temporary Accommodation (TA) - £115,000**

2. This proposal is believed to have a neutral impact on those with protected characteristics. It will enable households to be moved into more suitable accommodation, reducing reliance on private landlords for TA use and reducing expenditure.

#### **ECO 3 - Improved debt management - £286,000**

3. This proposal is believed to have a neutral impact on those with protected characteristics. It will reduce arrears, managing debt and reducing financial stress on households in TA. Officers will work with households to manage all debt and support households when financial difficulties arise.

#### **ECO 4 - Consolidation of management & workforce and reduction in the use of agency staff - £196,000**

4. This is the beginning of a phased savings delivery programme. It will enable service transformation, delivering a more streamlined, focussed service to residents
5. This proposal has a neutral impact on those with protected characteristics as the service is in the process of implementing an approved restructure that will reduce agency staff and enable overall staffing.

#### **ECO 5 - Improved and digitalised front door and assessment pathway**

£180,000 in 2022/23

6. It is believed that this proposal has a positive impact on those with protected characteristics as the service has implemented digitalisation including on-line application forms and information, self-service processes at the customer service centre.
7. This has reduced footfall and contributed to more streamlined services. On-going digitalisation will achieve the forecasted savings as part of on-going service transformation, making information more accessible to households at all times – including outside of office hours.

ECO 6 - Review and restructure of Economic Development - £61,000

8. This relates to a review of the structure of the Economic Development service.
9. Wherever possible, any reduction in establishment will be absorbed through natural wastage and existing vacancies. A full Equality Impact Assessment will be carried out as part of the reorganisation process. The proposals are expected to have a neutral impact on those with protected characteristics.

DRAFT

**The Economy  
Department  
Fees & Charges**

**2020/21**

Fee Description	2019/20 Charge (£)	2020/21 Charge (£)	Proposed Variation (%)	Reason For Variation Not At Standard Rate
<b>Private Sector Leasing</b>				
Private Sector Leasing Water Charges	<b>Varies</b>	<b>Varies</b>	Subject to water company increase, expected in January 2020	The charge is determined by the annual increase set by the water companies.
<b>Bed and Breakfast Temporary Accommodation</b>				
B & B Rent Single/Family (Average per week)	<b>£215.20 as at 1st October 2018</b>	<b>£215.20 as at 1st October 2019</b>		Since April 2012, the B&B rent threshold has been based on the January 2011 Local Housing Allowance (LHA). From April 2017, the B&B rent threshold will be based on the April 2015 LHA for benefit claims made through Universal Credit. The LHA varies according to changes in market rents, the location of the property and its bedroom size. This fee is the LHA threshold for one bedroom properties.



<p align="center"><b>London Borough of Hammersmith &amp; Fulham</b></p> <p align="center"><b>THE ECONOMY, HOUSING AND THE ARTS POLICY &amp; ACCOUNTABILITY COMMITTEE</b></p> <p align="center">27<sup>th</sup> January 2020</p>	
<p align="center"><b>ROUGH SLEEPING, HOMELESSNESS &amp; SHELTERED HOUSING UPDATES</b></p>	
<p><b>Report of the Cabinet Member for Housing</b></p>	
<p><b>Open Report</b></p>	
<p><b>Classification - For Policy and Accountability Review and Comment</b></p> <p><b>Key Decision: No</b></p>	
<p><b>Consultation</b> Please state which other services have been consulted when drafting this report.</p>	
<p><b>Wards Affected: ALL</b></p>	
<p><b>Accountable Director: Jo Rowlands Strategic Director, Economy</b> 1592026</p>	
<p><b>Report Author:</b>  <b>Simone Melia</b> – Head of Homelessness Prevention and Assessment  <b>Julia Copeland</b> – Head of Strategic Commissioning and Rough Sleeping Lead  <b>Gerry Crowley</b> – Head of Allocations and Lettings  <b>Peter Hannon</b> – Head of Neighbourhood Services  <b>Yvonne Stoney</b> – Sheltered Housing Manager</p>	<p><b>Contact Details:</b>            Tel: 020 8753 6994            E-mail:  <a href="mailto:Simone.melia@lbhf.gov.uk">Simone.melia@lbhf.gov.uk</a>  <a href="mailto:Julia.copeland@lbhf.gov.uk">Julia.copeland@lbhf.gov.uk</a>  <a href="mailto:Gerry.crowley@lbhf.gov.uk">Gerry.crowley@lbhf.gov.uk</a>  <a href="mailto:Peter.hannon@lbhf.gov.uk">Peter.hannon@lbhf.gov.uk</a>  <a href="mailto:Yvonne.stoney@lbhf.gov.uk">Yvonne.stoney@lbhf.gov.uk</a></p>

## 1.0 EXECUTIVE SUMMARY

1.1 This report provides an update for review and comment by the Policy and Accountability Committee on the following areas:

- Rough Sleeping
- Implementing the Homelessness Reduction Act 2018
- Temporary Accommodation and Private Rented Sector
- Sheltered Housing, doing things with residents, not to them – Resident Led Decision Making

## 2.0 ROUGH SLEEPING

2.1 Sleeping rough is very rarely an active choice; the causes are multiple and people's circumstances unique but often a result of a combination of structural

and personal issues. As a compassionate council, H&F is determined to reduce and eventually end rough sleeping in the borough. To help us achieve this policy priority, an expert-led Rough Sleeping Commission was established in 2017, chaired by Jon Sparkes (Chief Executive CRISIS). Jon was supported by a number of commissioners with a range of experience of delivering services to rough sleepers. The views of 108 people with experience of rough sleeping and homelessness were obtained by independent peer researchers, also with lived experience of homelessness.

- 2.2 The Commission reviewed local services; took evidence from homeless people and professionals working in the local voluntary and statutory sectors; and reviewed international and national best practice. The Commission concluded H&F was well-placed to significantly reduce and ultimately end rough sleeping in the borough, while calling upon central government to change and mitigate the impact of Welfare Reform; increase the supply of affordable housing and ensure adequate funding for the implementation of the Homelessness Reduction Act.
- 2.3 The Commission's report included twenty-nine recommendations for implementation by the Council, regional bodies and central government. The Cabinet fully endorsed all recommendations in January 2018. A Delivery Board is established to oversee the implementation of the Commission's recommendations. A Partnership Board involving a wide range of statutory and voluntary agencies as well as people with lived experience of homelessness is established and well-attended. The Partnership Board acts as a critical friend to the council in delivering our objective to end rough sleeping.

#### **Voice of Rough Sleepers**

- 2.4 As part of the Rough Sleeping Commission, the views of 108 people who were either currently homeless or had previous experience of rough sleeping were sought. Homeless people told us:
- There was a strong message that no one wanted to sleep rough. Participants were asked what it would take to help them move away from rough sleeping and the most common response was to have a home, two thirds mentioned (affordable) accommodation.
  - Living in a hostel can be challenging. Time spent in a hostel should be short and with a real prospect of a home at the end.
  - We need more support to end our rough sleeping.
  - The benefits system is making it worse and causing homelessness.
- 2.5 The table below provides an update on the progress made towards delivering the Commission's recommendations for the Council.

<b>Recommendations for the Council</b>	<b>Action to date</b>	<b>Status</b>
Adopting a No First Night Out (NFNO) approach to prevent rough sleeping	We are developing an interview checklist for housing advisers to better identify when a person is at risk of rough sleeping.	Amber
Involve the public in tackling rough sleeping	Hackathon December 2018; Alternative Giving Scheme campaign.	Green
Work with local prisons/probation teams to ensure no one sleeps rough when they leave prison.	A workshop in the autumn will bring all the relevant professionals together to identify solutions to improve pathways for people leaving prison.	Amber
Provide urgent support to private tenants who are at risk of rough sleeping.	Floating support and tenancy sustainment services are in place.	Green
Enable voluntary sector to organise and design day services around the experience of rough sleepers.	Partnership Board is considering options to strengthen local day services for rough sleepers.	Green
Ensure there are sufficient number of outreach workers to support people off the streets.	A new GLA service to follow up referrals to Streetlink will free up capacity in the outreach team.	Green
Provide legal advice for people at risk of rough sleeping.	We are mapping advice services and with the partnership board and advice forum will develop proposals to increase access.	Amber
Develop an emergency “crash pad” service for people who cannot access hostel or other accommodation options.	An emergency night support service for up to 8 rough sleepers started in July 2019.	Green
Increase the availability of Housing First and ensure people can access private rented and social housing.	Housing First is expanded for twelve people.	Green
Ensure NHS is involved in commissioning Housing First.	NHS commissioners attend Partnership Board. Developing the business case for NHS investment in Housing First.	Amber
Engage people with experience of homelessness in commissioning & delivering services.	A recent exercise engaged the views of 49 residents with experience of homelessness. Their views will help share future services.	Green
Provide shared accommodation solutions for younger adults.	Housing and Children’s Services colleagues are working together to deliver more in-borough housing options for young people.	Green
Ensure regeneration and development provides more housing solutions for homeless people.	A Supported Housing board task & Finish group is established to develop a supported housing delivery plan.	Green

### **Rough Sleeping – Scale of the Problem**

2.6 There are several ways we officially count the number of rough sleepers in England.

A) **Annual street count or estimate** - In autumn 2018, figures show 4,677 people were found sleeping rough in England on a single night. This is down by 74 (2%) from the autumn 2017 total of 4,751, and up by 2,909 (165%) from the autumn 2010 total of 1,768.

Of this total, 1,283 people were sleeping rough in London in autumn 2018. This is an increase of 13% from 1,137 in autumn 2017. London accounted for 27% of the total figure for England, compared to 24% in 2017, and 23% in 2016.

B) **CHAIN<sup>1</sup> data** – The CHAIN database captures the total numbers of verified rough sleepers that have had contact with the outreach teams who work with rough sleepers, throughout the year.

### **Rough Sleeping in H&F**

2.7 In H&F, the numbers of people of rough sleepers counted on a single night each autumn is outlined below. The numbers have been relatively small but of concern is the size of the increase (130%) in 2018-19. Appendix 1 shows the numbers counted in November 2018 for all London boroughs. While there was a significant percentage increase in 2018, H&F is still ranked 25/33 boroughs (1/33 being the borough with the highest number).

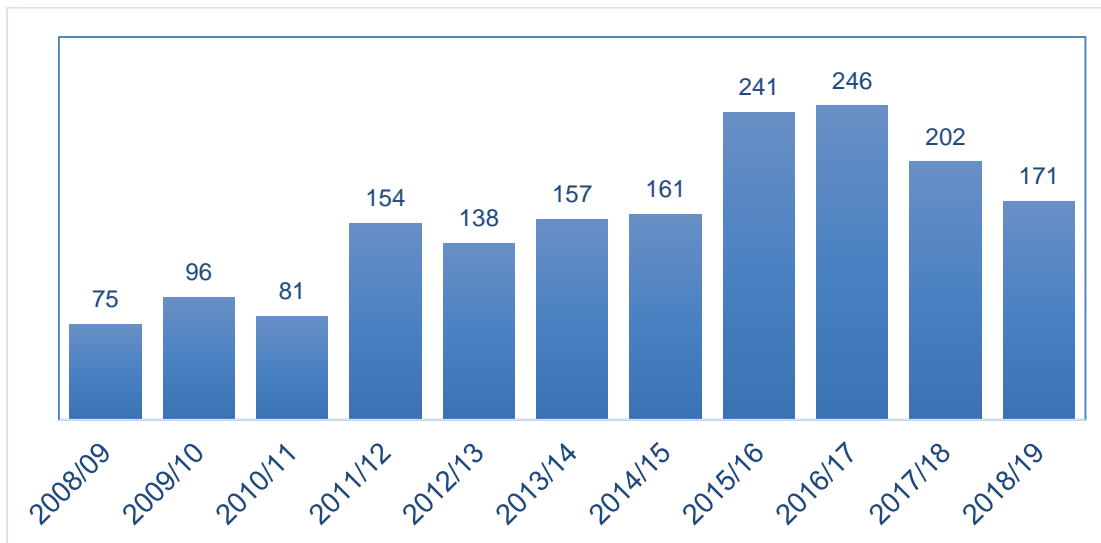
#### **Annual Rough Sleeper Count Data**

2010	2011	2012	2013	2014	2015	2016	2017	2018
15	8	8	10	8	5	6	5	12

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<sup>1</sup> [Http://data.london.gov.uk/dataset/chain-reports](http://data.london.gov.uk/dataset/chain-reports)

## Annual CHAIN data – No. of individual rough sleepers in H&F



2.8 The annual CHAIN data shows an 18% increase in London as a whole, however, in H&F there has been a 30% reduction in the number of rough sleepers counted throughout 2018/19 compared to 2016/17; while we are very pleased with this significant reduction but know we face a number of challenges in continuing to reduce the numbers and to eventually meet our target of ending rough sleeping. Table 2 in Appendix 1 shows the picture for London as a whole.

2.9 The CHAIN data distinguishes between different categories of rough sleepers as follows:

Category	Description
Flow	People who have never been seen rough sleeping before 2018/19, i.e. new rough sleepers
Stock	People who were seen rough sleeping in 2017/18 i.e. those seen across a minimum of two consecutive years
Returner	People who were first seen rough sleeping before 2017/18 but not seen during 2017/18 (i.e. those who have had a gap in their rough sleeping histories)

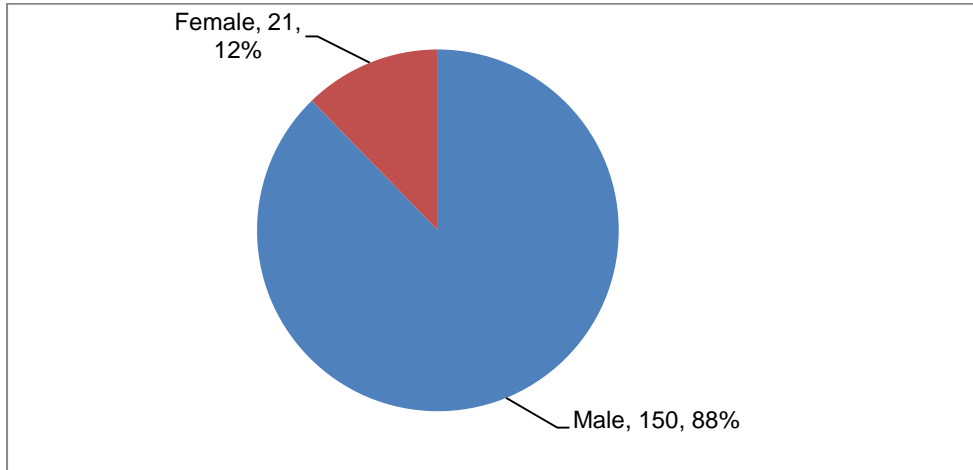
### Breakdown of H&F Rough Sleepers in 2018-19

Category	2018/19	2017/18
Flow	88 (52%)	117 (58%)
Stock	45 (26%)	48 (24%)
Returner	38 (22%)	37 (18%)
Total	171 (100%)	202 (100%)

2.10 There has been a reduction in the proportion of new rough sleepers in the borough; 44% of people who were new rough sleepers had been in settled accommodation prior to sleeping rough for the first time, with 34% (29 people)

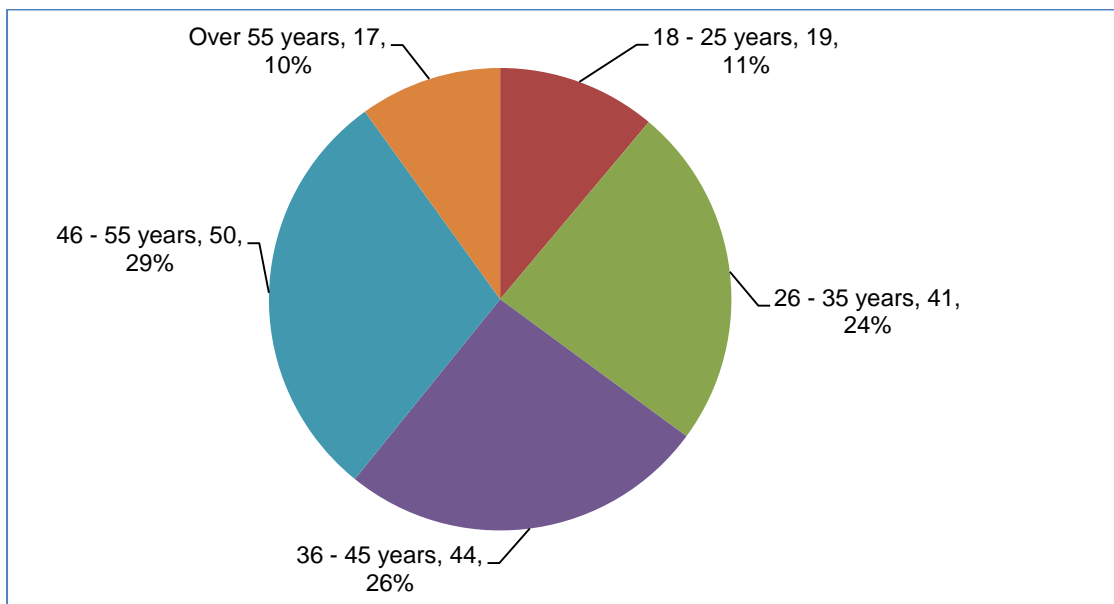
having to leave private rented accommodation. There has been a small increase in the proportion of former rough sleepers who are rough sleeping again. Our strategy will focus on improving prevention and early intervention through better information, signposting and partnership working.

### People seen rough sleeping in H&F in 2018-19, by gender



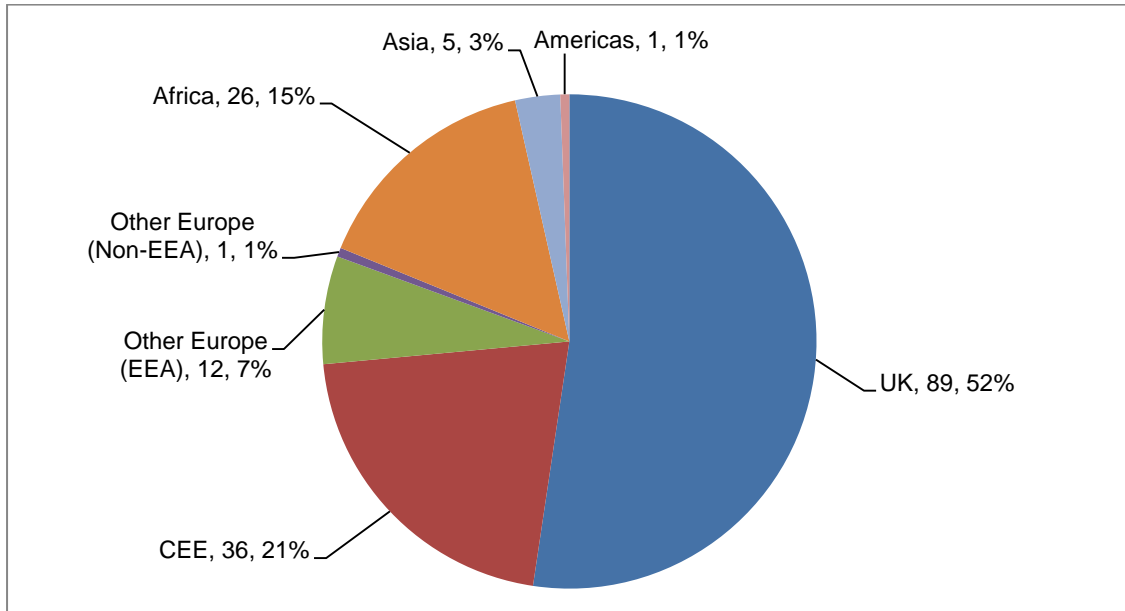
2.11 The proportion of male:female rough sleepers has broadly stayed the same over the last few years. However, our needs assessments tell us that female rough sleepers face additional challenges and vulnerabilities and local services must be able to better respond to the needs of female rough sleepers. We will seek to address this in 2019-20 when we recommission a range of rough sleeper services.

### People seen rough sleeping in H&F in 2018-19, by age



2.12 There have been no significant changes to the ages of rough sleepers in the borough over the last few years. We are pleased that in the last two years there hasn't been any rough sleepers under 18 years. The Commission highlighted the effective work of Children's Service to prevent care leavers becoming homeless.

**People seen rough sleeping in H&F in 201819, by nationality**



2.13 Compared to 2017-18 there was a reduction in the proportion of UK national rough sleepers in the borough; from 61% to 52%. There was an increase in the proportion of rough sleepers from Central and Eastern European countries from 14% in 2017-18 to 21% in 2018-19. There is an increasing issue of rough sleepers with no recourse to public funds.

**New Rough Sleeper Initiatives**

2.14 We have been successful in securing various short-term funding from the Ministry for Housing and Local Government (MHCLG). New initiatives include:

- i. An **emergency night support service** for up to eight rough sleepers who cannot access other forms of accommodation. This is a key Commission recommendation and will enable the outreach team to be able to offer rough sleepers an immediate route off the streets.
- ii. Expansion of the innovative **Housing First** service for an additional six rough sleepers. Notting Hill Housing has agreed to provide some self-contained units for Housing First, including out of borough, where a resident requests this.
- iii. Two **rough sleeping navigator** posts employed by St Mungo's to work intensively with rough sleepers or people at risk of rough sleeping. Navigators will provide intensive support and co-ordinate referrals into a range of services. This will assist up to 35-40 people in twelve months.

- iv. A **Rough Sleeping Co-ordinator** employed by the council to co-ordinate all the various initiatives and to ensure a co-ordinated and holistic approach across council departments and our partners.
- v. Severe Weather Emergency Protocol (**SWEP**) – We are more used to thinking about an action plan for the cold weather for rough sleepers, but the hot weather can pose as many, if not more risks to rough sleepers who may be using drugs and/or alcohol, have underlying health conditions and exposed to heat. We have implemented emergency action plans in recent extreme weather periods including, extra outreach shifts; distributing water, hats, sun cream and encouraging people to attend day centres and other indoor services in the hottest parts of the day.
- vi. **Cold Weather Fund** – We have funding to pay the accommodation costs for twelve people with no recourse to public funds until 31.3.20. While people are in the accommodation we are supporting them to find work and address their support needs so they can work and move away from rough sleeping.
- vii. **Homeless Hospital Discharge co-ordinator** – a three-month post based in Charing Cross Hospital to provide advocacy for homeless patients; establish protocols for the early identification and co-ordination of care and support for homeless patients; to reduce delayed discharges.

2.15 While we are delighted to be able to deliver new services to support rough sleepers and to help reduce the numbers, short-term funding can pose the following issues; recruitment challenges; mobilising new services in short time scales and once services are established and delivering good outcomes for residents, the funding can end. We, along with many other London boroughs, are lobbying the MHCLG to have more long-term funding arrangements to ensure greater service continuity.

### **Commissioning & Procurement Strategy**

2.16 In 2019-20, eight contracts delivering rough sleeper services are expiring. The procurement strategy for future services will be taken to the Cabinet in February 2020. These contracts include:

- 110 units of supported housing for rough sleepers
- The street outreach team
- Housing First
- Homeless health inclusion services.

2.17 We are proposing consolidating future contracts to redirect staffing resources from management to frontline staff and reduce transactional costs; remodelling supported housing to increase accommodation options for women with complex needs and improving our assessment service.



- 2.18 We have carried out extensive resident engagement; 49 residents attended either a focus group and/or completed a questionnaire and their views will help shape the future service specifications and will be reported in full to the Cabinet in February 2020.

**Alternative Giving Scheme – Small Tap Big Change**

- 2.19 On 23/10/19 an innovative initiative was launched by the Hammersmith BID to raise public awareness about homelessness and money for four local charities working with homeless people (Barons Court Project, Upper Room, Glass Door, St Andrews).
- 2.20 Businesses on King St will host the tap machines for people to donate. The BID is also confident that as well as members of the public donating, businesses will donate as part of their CSR plans. We will be publicising this initiative on the intranet and aim to host machines in council offices.
- 2.21 To date £4500 has been raised.

## Appendix 1

### Table 1 Rough Sleeping Street Count November 2018 – London Boroughs Ranked

	Local authority	2016	2017	2018	% change 2017 to 2018	2018 rough sleeping rate (per 10,000 households)
	<b>Greater London Total:</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>0%</b>	
1	Westminster	260	217	<b>306</b>	41%	26.4
2	Camden	17	127	<b>141</b>	11%	13.0
3	Newham	41	76	<b>79</b>	4%	7.0
4	Enfield	6	9	<b>78</b>	767%	6.0
5	Hillingdon	28	36	<b>70</b>	94%	6.4
6	City of London	50	36	<b>67</b>	86%	189.6
7	Lambeth	17	34	<b>50</b>	47%	3.6
8	Southwark	32	44	<b>47</b>	7%	3.6
9	Islington	11	27	<b>43</b>	59%	4.1
10	Ealing	27	62	<b>33</b>	-47%	2.6
11	Haringey	29	43	<b>32</b>	-26%	2.9
12	Brent	24	29	<b>30</b>	3%	2.6
13	Redbridge	60	65	<b>26</b>	-60%	2.4
14	Wandsworth	5	13	<b>25</b>	92%	1.9
15	Barnet	22	21	<b>24</b>	14%	1.6
16	Hackney	17	18	<b>23</b>	28%	2.0
17	Kingston upon Thames	23	27	<b>23</b>	-15%	3.3
18	Merton	11	5	<b>23</b>	360%	2.9
19	Waltham Forest	47	44	<b>22</b>	-50%	2.1
20	Kensington and Chelsea	14	20	<b>20</b>	0%	2.6
21	Hounslow	34	22	<b>18</b>	-18%	1.8
22	Croydon	68	31	<b>15</b>	-52%	1.0
23	Richmond upon Thames	19	19	<b>14</b>	-26%	1.7
24	Harrow	10	10	<b>13</b>	30%	1.5
<b>25</b>	<b>Hammersmith and Fulham</b>	<b>6</b>	<b>5</b>	<b>12</b>	<b>140%</b>	<b>1.5</b>
26	Tower Hamlets*	11	21	<b>10</b>	-52%	0.8
27	Barking and Dagenham	5	0	<b>9</b>	900%	1.2
28	Greenwich	8	8	<b>7</b>	-13%	0.6
29	Bromley	3	5	<b>6</b>	20%	0.4
30	Bexley	11	16	<b>5</b>	-69%	0.5
31	Lewisham*	16	22	<b>5</b>	-77%	0.4
32	Sutton	8	3	<b>5</b>	67%	0.6
33	Havering*	24	22	<b>2</b>	-91%	0.2

**Table 2 Annual CHAIN Data for all London Boroughs**

<b>Borough</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>Change since 2017/18</b>	<b>No. Change since 2015/16</b>
Westminster	2857	2767	2165	2512	347	-345
Camden	641	702	784	815	31	174
Newham	260	396	418	612	194	352
City of London	440	379	348	441	93	1
Southwark	372	318	309	435	126	63
Ealing	287	243	358	382	24	95
Lambeth	445	355	279	363	84	-82
Tower Hamlets	395	445	375	316	-59	-79
Heathrow	241	200	52	283	231	42
Islington	158	178	176	276	100	118
Croydon	166	192	234	274	40	108
Kensington & Chelsea	230	211	229	265	36	35
Haringey	135	146	212	253	41	118
Brent	212	294	200	248	48	36
Redbridge	222	219	239	214	-25	-8
<b>Hammersmith &amp; Fulham</b>	<b>241</b>	<b>246</b>	<b>202</b>	<b>171</b>	<b>-31</b>	<b>-70</b>
Lewisham	133	200	199	165	-34	32
Hackney	148	134	171	163	-8	15
Waltham Forest	139	82	94	137	43	-2
Richmond	133	105	107	128	21	-5
Hillingdon	56	91	58	123	65	67
Wandsworth	96	73	68	111	43	15
Enfield	136	106	109	100	-9	-36
Barnet	88	106	53	94	41	6
Greenwich	110	91	94	91	-3	-19
Hounslow	191	163	170	87	-83	-104
Kingston upon Thames	31	35	50	86	36	55
Merton	49	40	24	57	33	8
Barking & Dagenham	32	49	40	49	9	17
Sutton	35	49	34	49	15	14
Bromley	47	57	47	47	0	0
Bexley	26	22	19	32	13	6
Havering	20	31	27	32	5	12
Harrow	65	43	33	30	-3	-35
Bus route	19	21	142	224	82	205
Tube line	0	0	5	18	13	18

### 3.0 Implementing the Homelessness Reduction Act 2017

- 3.1 The Homelessness Reduction Act 2017 ('The Act') came into force in April 2018, changing the way that local authorities deliver homelessness services. The Act places a greater focus on providing meaningful assistance to a wider group of households; particularly single person households who were unlikely to be in priority need. Although the Council provided assistance to these households prior to the Act being implemented, formalising this arrangement through the statutory duties associated with it has only strengthened our work with single person households.
- 3.2 We have developed our work with partners; particularly agencies who are likely to come into contact with households facing homelessness. This work has been supported by the Act which places a statutory obligation on a number of agencies to refer to the local authority housing departments if they come across households who are facing homelessness in the next 56 days. Dialogue with partners, initiated by their new statutory obligation to refer, has enabled us to develop these partners' understanding of housing options, helping us to get out the message out about the realistic options many households have and to create a unified message to the resident.
- 3.3 In the first year of the Act being implemented, we experienced an increase of 127% in the number of people approaching the council for housing assistance (from 1,235 households in 2017/18 to 2,801 in 2018/19). Perhaps, more significantly, there was a dramatic increase in the number of homeless applications, up by 162%, (see table 1). The annual average over the past four years was 511, compared to 1,011 in 2018/19. However, this hasn't resulted in a significant increase in the number of cases where a homeless duty was accepted.

	2014/15	2015/16	2016/17	2017/18	2018/19
<b>Total no. of Homeless Applicants</b>	564	585	507	386	1,011
<b>Homelessness Main Duty Accepted</b>	444	406	365	249	473
<b>Total no. on the Housing Register</b> (Snapshot of April each year)					
...of who were homeless applicants	217	1,057	1,063	1,030	1,152
...of who were non-homeless homeseekers	301	345	514	614	741
...of who were transfer applicants	344	380	456	634	758

Table 1: Breakdown of homeless applications and broader housing register applications

- 3.4 During 2019, we have focused on ensuring our service is fit-for-purpose and that structures and processes meet the needs of our changing demographic including:
- confirming the structure of the assessment and prevention service to better support our new statutory duties
  - carrying out an 'Impact Sprint' to make some tangible process improvements to enhance the customer journey and
  - developing our offer to support the new customer service centre at 145 King Street.

### **Assessment and Prevention Service Structure**

- 3.5 In quarters 1-2 of 2019, we reviewed our service structure to ensure that we are set up to respond to the changing nature of our work.
- 3.6 Because of the increase in the number of single person households approaching for housing assistance, we needed a more flexible approach to casework. Previously, advisers worked in either the singles or the families team, only picking up cases that were either singles or families. This arrangement was not flexible enough to respond to the increase in single household approaches. The new structure means that all advisers are now equipped to pick up single or family households which provides the flexibility needed to deliver a responsive service at 145 King Street.
- 3.7 The new structure also replaced three generic housing adviser posts with dedicated supported housing adviser posts to improve our use of supported housing; an integral part of the housing offer for single person households on which much of our homelessness prevention work for the cohort relies.

### **The 'Impact Sprint'**

- 3.8 To complement the structural changes, in Summer 2019, we also carried out an intensive piece of service design work which we called an 'Impact Sprint'. Impact Sprints are highly structured and facilitated, fast-paced change initiatives that bring together a team of people from across the system of work to come together as one team for a relatively short period of time (in this case, 2 weeks) focusing only on making improvements happen.
- 3.9 Outputs from the sprint included:
- an online self-assessment tool to enable residents to identify the housing support they can expect if they are at risk of homelessness without visiting 145 King Street
  - a one-page guide for residents explaining a typical journey through the service and their potential housing options and
  - a quicker process on the front line to ensure people who presented as homeless on the day were dealt with more quickly, reducing hand-offs and improving flow through the service.
- 3.10 In addition to the tangible improvements made by the group during the 2-week period, the approach created a sense of comradery and shared purpose across the service. Staff involved in the sprint reported that the approach helped them to better understand their colleagues' roles and that they were inspired by the amount of progress that was made in such a short amount of time.
- 3.11 The quicker process for residents who present as homeless on the day helped us to prepare for the new model customer service centre which opened at 145 King Street on 2 September 2019.
- 3.12 The Council's new centre brought together over 30 customer-facing services into one place. Because 145 King Street was previously the centre for housing, homelessness and social care, the addition of many other services

including parking, planning, council tax and benefits meant the need to rethink how the initial triage process works for residents who approach the centre with housing queries.

- 3.13 Prior to the opening of the new centre, some work was done by all services to upskill hosts who greet residents on arrival so that they could triage residents across a range of services. This was new for all of the hosts who had worked in particular services previously. The work we did in the impact sprint to reduce waiting times and improve triage for housing services formed a basis for continuous testing and improvement. Local housing authorities in England have a duty to secure accommodation for unintentionally homeless households in priority need under Part 7 of the Housing Act 1996 (as amended). Households might be placed in temporary accommodation pending the completion of inquiries into an application, or they might spend time waiting in temporary accommodation after an application is accepted until suitable secure accommodation becomes available.

#### **4 Temporary Accommodation and the Private Rented Sector**

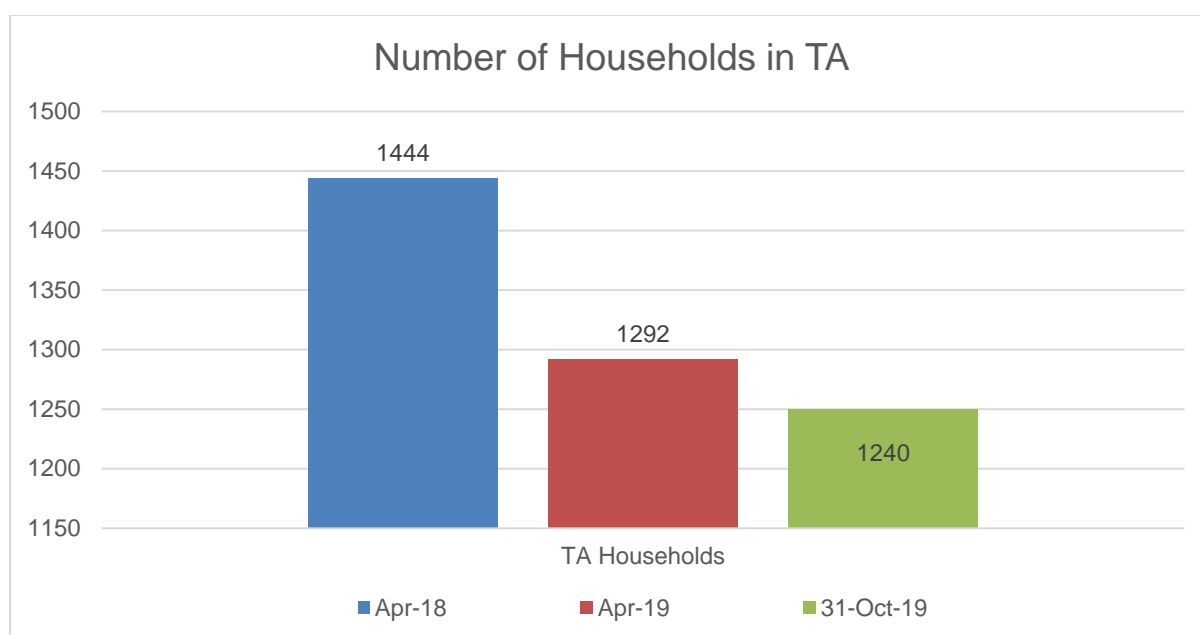
- 4.1 Local housing authorities in England have a duty to secure accommodation for unintentionally homeless households in priority need under Part 7 of the Housing Act 1996 (as amended). Households might be placed in temporary accommodation (TA) pending the completion of inquiries into an application, or they might spend time waiting in temporary accommodation after an application is accepted until suitable secure accommodation becomes available.
- 4.2 Nationally, there has been a sharp increase in households residing in TA. There were 84,740 households in TA at the end of March 2019. This represents a 77% increase since December 2010. Of these households, 56,280 (66% of the total) were placed in TA by London local authorities. The number of families with dependent children placed in B&B-style accommodation increased from 630 at the end of March 2010 to 2,190 at the end of March 2019.
- 4.3 Hammersmith and Fulham has worked hard to buck this trend and has seen TA households reduce to current levels whilst continuing to avoid the use of B&B hotels for families since 2015 and the general use of expensive nightly let accommodation.
- 4.4 There are currently 1240 households in temporary accommodation. This figure has reduced from over 1400 households in 2018, delivering savings to the General Fund year on year. The average cost of accommodating a household in TA is approx. £24,000 – this is based on an average of £4,800 annual cost and an average rehousing time of 5 years.
- 4.5 As previously reported, the above reduction has been delivered whilst experiencing a 127% increase in the number of households approaching the Council for housing assistance.

#### 4.6 Breakdown of Current Temporary Accommodation Provision

Type	No. of units	%
PLA	556	45
PSL	316	25
TOL	165	13
B&B	83	7
Hostel	64	6
HALs	56	4

50% of provision located within the LBHF.

#### 4.7 Number of Households in Temporary Accommodation 2018/20



4.8 The Housing Solutions Service within the Economy has developed a TA Reduction Strategy. It is acknowledged that although TA is very costly, the accommodation procured is at the lower end of the market and is usually outside of Hammersmith & Fulham. By reducing the use of TA and increasing access to the private rented sector (PRS), the Council not only reduces the financial impact on the General Fund but also provides better quality, suitable, settled homes at an earlier stage.

4.9 In 2018/19, we established a TA Reduction Working Group made up of colleagues from across the housing department. The aim of the group was to scrutinise policies and practices associated with the entire customer journey leading to TA, whilst in TA and exiting TA.

4.10 The table below provides an update on the progress made by the TA Reduction Group.

<b>Aim</b>	<b>Action</b>	<b>Status</b>
Create a focus on TA reduction with collective ownership	Created a working group with membership across the various housing services. Bi-weekly meeting maintains a collective focus on TA reduction across the various services	Delivered & ongoing
Increase awareness of TA placement trends & drivers	New TA placements monitored & discussed at working group forum; good practices highlighted and implemented.	Delivered & ongoing
Promote Homefinder as an alternative option to social housing.	Established a lead officer to champion Homefinder and develop promotional publicity.	Completed
Promote rehousing opportunities in the private rented sector	Created new TA move-on role currently funded through MHCLG funding	Completed
Develop New Housing Offer for customers seeking housing assistance	New Housing Offer created & implemented which includes more housing options and a personal support budget, funded by MHCLG grant	Implemented & under review
Create TA savings within the TA provision	Analysis of current supply carried out, returned/replaced expensive TA units. Annualised savings of £310K delivered through this work.	Delivered & ongoing
TA occupancy audit	An occupancy audit was undertaken with an intensive property visit programme across all TA units. This led to the recovery of a number of TA units and ensured the units were occupied as intended.	Completed
Create better reporting tools	Suite of reports introduced and in circulation incl. demand pipeline, TA placements, creation of powerBI reporting	Implemented/remains under review
Increase supply of suitable/affordable housing in the Private Rented Sector	The Council has joined Capital Letters, a joint endeavour between London boroughs to reduce the cost of housing procurement & deliver improved outcome for homeless families. Since April 2019, we have assisted 236 households into the private rented sector on a voluntary basis.	Delivered & ongoing
Reduce TA households in TA in the face of growing demand.	Despite 130% increase in housing demand, we have reduced the number of households in TA by almost 15%.	Ongoing

4.11 During 2019/20, we have demonstrated the ability to resolve housing crisis with the use of good quality and affordable housing within the private rented



sector. This has also helped to avoid further costs associated with TA provision and delivered savings to the general fund.

4.12 Going forward we will, only where appropriate, use suitable and affordable housing in the private rented sector as our housing offer to those seeking assistance, this will help to reduce both the overall number of households in temporary accommodation and the financial burden on the General Fund.

4.13 The key to the delivery of savings is through tenancy sustainment once a household has accepted an offer of housing in the private rented sector. Therefore, the service will provide a tenancy sustainment service that includes:

- Strict affordability checks: not placing household anywhere where they cannot afford the rent. This helps guarantee that rent can and will be paid and the tenancy won't break down.
- Tenancy training: sessions offered to help and support households to understand and manage the expectations of living in the private sector.
- Resettlement support: offering support from a caseworker to ensure they are successfully settled and set up in their new accommodation. This includes help with bills, rent payments, schools and, most importantly, completion of welfare applications.
- Enabling the use of Discretionary Housing Payments to facilitate housing costs such as rent in advance, deposits and removal costs.
- Helpline for landlords or tenants to assist with issues that may arise at an early stage.

5. **Sheltered Housing**  
**Doing things with residents, not to them – Resident Led Decision Making**
- 5.1 **Background**
- Sheltered housing service comprised of 970 units across 22 schemes. Schemes vary in size and design but are all one-bedroom self-contained units for independent living, clustered around a shared communal lounge.
- 5.2 Up to 2018 the budget enabled us to provide 18 Specialist Housing Officers (SHO) and two managers to deliver the day to day service. Due to end of the additional funding stream, resulting in a significant reduction in budget for 2020/21. This equated to a 33% reduction in front line staffing resources / 6 SHO posts.
- 5.3 In preparation for a significant change in the service delivery resource, we made the decision to give residents the lead in shaping and deciding the future of the service. This is in line with H&F commitment of *'Doing things with residents, not to them'*.
- 5.4 We started by carrying out a series of workshops for residents to tell us their priorities for the future structure of the service based on current delivery. These were consolidated into a report, with key themes identified including;
- An SHO at each scheme, Monday to Friday, for as many hours as possible
  - Consistency with the service, and officers based at schemes for the same days and times every week
  - Sheltered housing to be prioritised for older people who could live independently
  - Support with repairs reporting
  - Sheltered Housing Officers organising activities at schemes was less important to you
  - Larger schemes needed to have more officer presence than the smaller schemes
  - Like living in sheltered housing
  - Residents didn't think having highly skilled officers was a priority, attitude and helpfulness was more important
  - Residents were concerned about change
- 5.5 From the report, we developed 3 potential structure options, each with strengths and weaknesses, drawn from the resident's feedback requirements.

## 5.6 Options

### Option 1

#### Structure

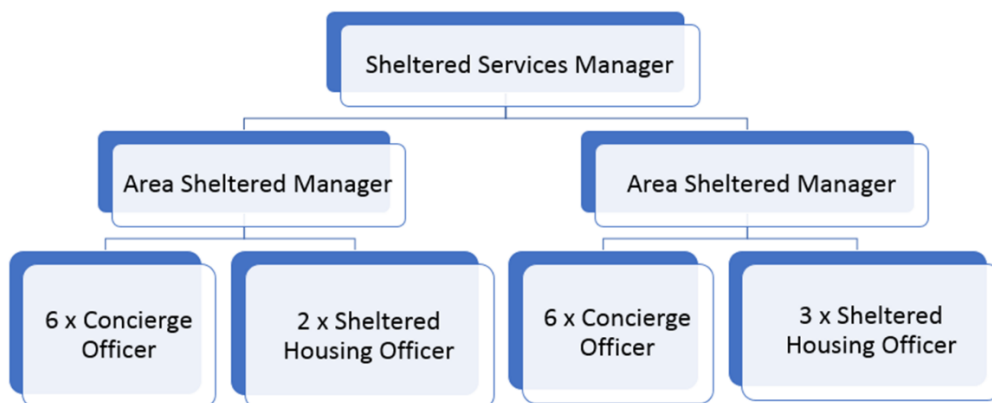


#### Pro's & Con's

Minimise change and disruption to day to day delivery to residents, retain existing officers, but reduce hours that officers were based at each scheme

### Option 2

#### Structure

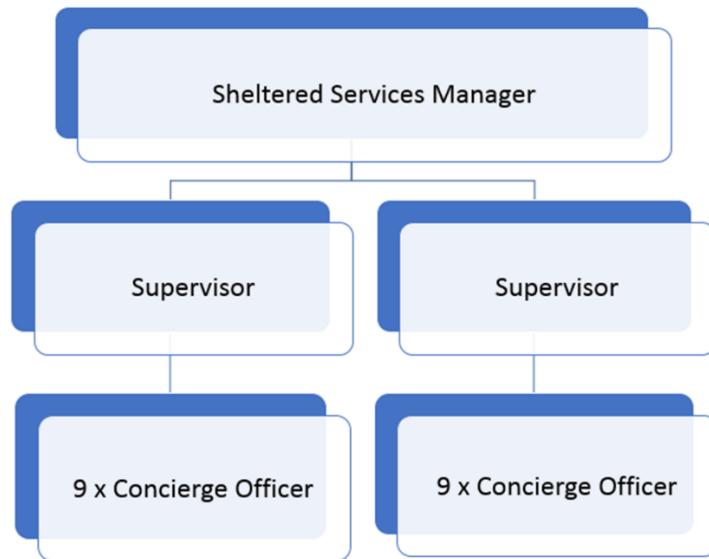


#### Pro's & Con's

Would change day to day service delivery for residents/ resident dealing with 2 officers instead of one but would increase the amount of hours an officer is on scheme.

### Option 3

#### Structure



#### Pro's & Con's

Would deliver the resident priority of having an officer on site the majority of the day but would significant change in service delivery for residents. Many functions being dealt with centrally.

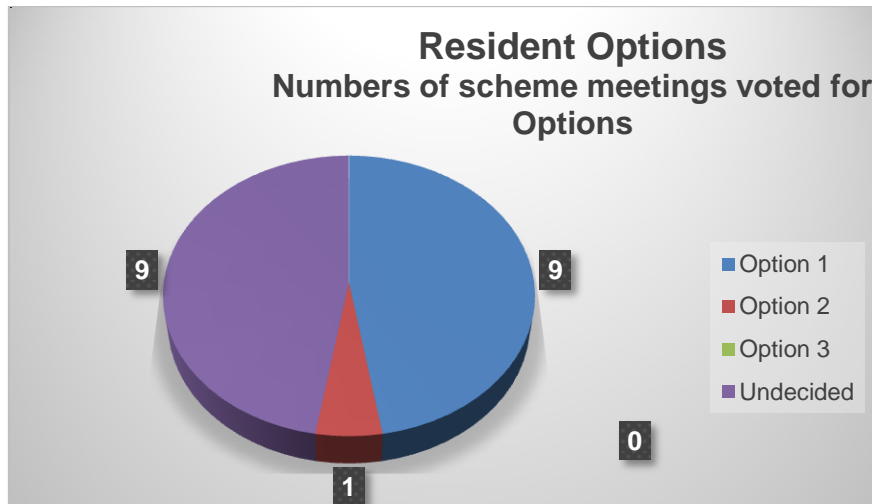
#### 5.7 Resident led decision making

The management team went out to each of our 22 schemes across the borough and presented the potential structures. At each scheme the residents debated and discussed the pro' and cons of the 3 structures and decided on a preferred option.

Over 200 residents, 22% engaged in this process, together with their family members and care providers.

## 5.8 Outcome

- Of the 18 meetings held 9 of these leaned heavily towards option 1.
- A further 9 were split and undecided on whether options 1 or option 2 would suit their needs.
- There was 1 scheme who wanted option 2.
- There was no backing for option 3.



## 5.9 Resident Decision

The elected sheltered housing representatives held a special sheltered housing forum to review and debate the decisions from each of the individual scheme meetings. They made their decision for the service structure and agreed to implement option 1.

## 5.10 Giving residents the lead in the decision-making process and being totally transparent in managing this change, has;

- empowered residents
- developed the relationship we hold with our service users
- delivered the councils vision for '*doing things with residents, not to them*'
- met the Older Persons Commission commitment to give residents 'greater involvement in the production of services and policies'
- delivers on 3 of the OPC's 5 recommendations;
  - Better information
  - working together
  - deeper resident engagement