

Housing and Homelessness Policy and Accountability Committee Minutes



Tuesday 30 January 2024

PRESENT

Committee members: Councillors Jacolyn Daly (Chair), Paul Alexander, Asif Siddique and Adronie Alford

Other Councillors: Councillor Frances Umeh (Cabinet Member for Housing and Homelessness) and Councillor Rowan Ree (Cabinet Member for Finance and Reform)

Officers:

Sukvinder Kalsi (Strategic Director of Finance) (may be attending)
Danny Rochford (Head of Finance – Economy and Housing Revenue Account)
Jon Pickstone (Strategic Director for the Economy)
Richard Shwe (Director of Housing)
Debbie Yau (Committee Coordinator)

Guest: Martin Thirlaway (Resident)

1. APOLOGIES FOR ABSENCE

An apology for absence was received from Councillor Sally Taylor.

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. MINUTES

Matters arising from minutes of last meeting

Councillor Paul Alexander requested an update on the following actions that he had raised at the last meeting:

- Complaints Management in Housing Services, and updates on record keeping;

- Greening the Housing Stock, and updates on procurement systems and co-production, and how the leaseholders and street properties' landlords might be involved in the process.

ACTION: Governance & Richard Shwe

RESOLVED

The minutes of the meeting held on 14 November 2023 were agreed to be accurate.

4. 2024 MEDIUM TERM FINANCIAL STRATEGY

Councillor Rowan Ree (Cabinet Member for Finance and Reform) gave an overview of the 2024 Medium Term Financial Strategy. He highlighted that despite the difficult circumstances faced by local authorities, the Council had put together a budget that protected not just the core services but also those that made Hammersmith and Fulham (H&F) unique, such as the council tax support scheme. He reassured residents that this Council would continue to provide services they needed as it had managed to run a budget surplus and contribute them to last years' reserves. The budget setting this year had started with a budget gap of £23m from which savings had to be found. This was made possible because of the Council's ruthlessly financially efficient approach in setting and managing the budgets as well as its continuous process of public service reform. Councillor Ree also took the opportunity to thank officers in Finance and other departments in producing balanced budgets, and Councillor Frances Umeh, Cabinet Member for Housing and Homelessness, for managing its budgets throughout the year.

In terms of technology reform, Councillor Ree noted the use of artificial intelligence in adult social care services and the continual exploration of the latest technology that could be deployed to support the provision of the best quality services to residents. Under organisational reform, more savings across the Council were identified through the four large corporate savings programmes. The Council was also funding new reforms to improve the ways of service delivery, such as the Family Hubs.

Sukvinder Kalsi (Strategic Director of Finance) presented the Corporate Budget Strategy 2024/25. He outlined the strategic operating environment, the objectives of the financial plans and delivery strategy, proposed budget 2024/25 including council tax consideration and the medium-term forward look. The Corporate Budget would be considered by the Cabinet on 12 February and approved by the Council on 28 February this year.

Danny Rochford (Head of Finance – Economy and Housing Revenue Account) presented the MTFs for Housing Solutions. He outlined the current strategic service context, budget strategy, proposed budget 2024/25, savings, growth and inflation 2024/25 and financial risks.

Officers' presentations are attached in Appendices A and B

In response to the Chair's question, Richard Shwe (Director of Housing) noted that residents could access housing and homelessness services

through the Family Hubs. The Housing Services team was now working more closely with colleagues in Adult Social Care and Children's Services as well as those in the refugee programme. Each party was complementing each other on matters of common concern and the services were delivered through existing routes. Councillor Ree added that the Family Hubs would eventually become a one-stop shop for residents to access Council services they needed.

The Chair noted that some of the items on growth allocations were compulsory spending while some others might be listed therein due to pressure from external factors. Councillor Ree differentiated the commitments in developing high quality of services from delivering basic level of service. For example, the Family Hubs were new investment proposals intended to fill the gaps that had been created by additional demand due to the difficult economic circumstances. With growth allocations, the procurement process was enhanced with extra spending to ensure the quality of service, with staff providing best quality service undergoing proper training.

The Chair was concerned about budget contingency should the Household Support Fund not be renewed or replaced by central government, at the end of March. Councillor Ree noted that at the end of November last year, there was hearsay that the £2.8-million Household Support Fund that had helped some of the most vulnerable residents was going to stop. Danny Rochford said he remained hopeful there would be a positive announcement about this by the Chancellor in the March budget. Nevertheless, if the Fund was not going to continue, he noted there would still be strong service offer to support people in need, including accessing other funds such as the discretionary housing pot and various mitigating/prevention activities in support of housing initiatives. Councillor Ree referred to the Council's allocation of £1 million last year to support residents struggling with the cost-of-living crisis, and the Council had set aside policy contingencies to fund services should it require to do so pending the outcome in March.

Addressing Councillor Adronie Alford's concern about keeping the balances, Councillor Ree highlighted that the final figures of financial settlement under the central government funding allocation was not known until 18 December, which had made planning very difficult. Notwithstanding this, the Council had a good record in operating in accordance with the budgets and managed to contribute savings to the general reserve at a time when most councils were taking monies out of it. Councillor Ree said he was confident that the Council would be able to meet the balances as planned. As regards reserve set aside for damages, Councillor Ree noted that a Cabinet paper about the Council's insurance procurement would soon be available. There was also a suggestion to put aside an extra fund outside the general balances (recommended range £19 to £23 million) to cover emergencies and rainy days. He was confident this might be realised by the end of the year.

Councillor Alford remarked that the efficient commissioning of temporary accommodation and stoppage of using agency staff had been listed as housing solutions at a number of past budget meetings. She asked what the efficiencies were this time and how they were made. Sukvinder Kalsi referred to some £1.5m savings achieved by the Housing Solutions team over the past

few years. The team had been working with the private sector landlords to contain costs and prevent eviction as best as it could. It had also worked with authorities across London to ensure adequate supply of temporary accommodation within and outside the borough. The Housing Solutions team was also reviewed to see if the level of agency spend could be reduced with a view to recruiting more permanent and temporary staff. In response to the ongoing pressures of the homelessness approach, the team would continue the strategies to work with the private sector landlords, registered providers and London authorities.

Councillor Alford was concerned with ways to manage the expectation of residents who needed to be placed out of the borough to prevent homelessness. There might be concerns over their medical needs and/or their children's schools. Richard Shwe considered honesty was the best policy and the Council should let people know what could be done or otherwise. In terms of temporary accommodation, the Council would focus on H&F and then neighbouring boroughs, and certainly not outside London as other boroughs had been. Housing Services had been doing a good job with commissioning and contract management in the private sector rented market. The agility of its structure enabled the management to understand residents' needs and be held accountable to them.

Responding to Councillor Alford's enquiry about the acquisition of housing for temporary accommodation, Sukvinder Kalsi briefed members on the properties acquired by the Council last June. He said that a housing association exiting the sector had potentially exposed the Council to a number of vulnerable young adults and children who shall become homeless upon losing the tenancy. The Council thus acquired those properties to maintain their tenancies. Sukvinder noted that the Council would continue to look at different options in securing properties in the market. Jon Pickstone (Strategic Director for the Economy) added that while the Council looked forward to additional funding for acquiring temporary accommodation to meet the anticipated increasing demand, Housing Services had been working very hard to clear the repairs backlog and reduce damp and mould cases so that fewer people would need temporary accommodation.

On Councillor Alford's further question about enlarging the housing portfolio, Jon Pickstone (Strategic Director for the Economy) noted there were two major means. The Council, being the developer, used private market sales to cross-subsidies building affordable housing stock in the borough. The other was buying affordable homes directly from other developers. Jon noted occasions where housing associations acquiring fewer properties offered chances for the Council to acquire more affordable homes at a good price from the developers and that newly-built stock typically had lower maintenance and energy costs, and owning it helped the council to mix the age of its housing portfolio.

Councillor Asif Siddique appreciated Councillor Ree and the officers for their hard work in presenting a balanced budget within the limited resources. Councillor Paul Alexander also took the opportunity to express his thanks for their work given the challenging environment.

Councillor Siddique asked whether any service had been reduced or their standard compromised as a result of the proposed budget. Councillor Ree remarked that despite the central grant having been cut by 56% in real terms since 2010/11, the Council was able to deliver the same quality of services and offer new services such as offering free breakfast in primary schools and abolishing homecare charges. It also helped generate more than £118 million of efficiencies without impacting core services. Councillor Ree noted that going forward, the Council was looking at how it could use residents' data to operate and deliver the services in the most efficient way.

Councillor Siddique asked about the timeframe in rehousing a homeless household moved outside the borough. Jon Pickstone remarked that the timeframe would vary among households due to their individual needs. He hoped that putting the Council's stock for more use could help ease the pressure on temporary accommodation and allow small households to come back to the borough. Moreover, the current local housing allowance had been frozen for a few years and would be adjusted nationally from this April which might help increase the supply of private rented homes locally. Richard Shwe highlighted the Council's policy to prevent homelessness and keep those residents at risk within the borough. He appreciated the difficulty in finding appropriately sized accommodation in borough for larger households, and the need to explain to families placed in temporary accommodation outside of the borough that returning may not be possible at all.

Councillor Frances Umeh (Cabinet Member for Housing and Homelessness) noted that the number of homelessness approaches had increased by 20% at the end of 2023 as compared to the previous year. In addition to those policy measures mentioned earlier in response to the rising demand, the Housing Services also sought to enhance communication with residents in temporary accommodation and explore alternative ways for them to look out for suitable housing. For example, they could bid for a home online. Councillor Siddique thanked the officers' hard work and looked forward to the commissioning of the one-stop Family Hubs which, as pointed out by Councillor Umeh, shall be an avenue for delivering support and continual dialogue.

RESOLVED

1. That the Committee noted the budget proposal and recommended it to Cabinet.
2. That the Committee noted the proposed changes to fees and charges and recommended them to Cabinet.

5. HOUSING REVENUE ACCOUNT BUDGET 2024/25

Councillor Adronie Alford expressed concern about the lack of papers for this item. She believed that she had probably already seen half of the Housing Revenue Account (HRA) report during the Sheltered Housing Forum meeting where the information was distributed on printed papers.

Councillor Frances Umeh (Cabinet Member for Housing and Homelessness) and Richard Shwe (Director of Housing) explained that it was the intention of Housing Services to brief the Sheltered Housing Forum through slide

presentation in the same way as it was here, going forward. However, due to technical issues, the presentation at the Forum had to be done in paper format. Richard apologised on behalf of Housing Services. Sukvinder Kalsi (Strategic Director of Finance) reassured the Committee that robust reports on the financial position of the Housing Services would be presented to Council's various committees on a regular basis.

Danny Rochford (Head of Finance – Economy and Housing Revenue Account) gave a presentation on the proposals for the HRA budget including the rent and service charge changes. He outlined the HRA 10-Year Business Plan and the housing capital programme to 2027/28. In respect of the proposed rent increase of 7.7%, Sukvinder Kalsi highlighted that the Council provided support to residents by maximising their benefit entitlement such that almost half of them would be able to recover the proposed increase through housing benefit. He also highlighted the merits of social tenancies with value for money rents which compared favourably to that in housing associations or private rented sector.

Officers' presentation is attached in Appendix C

The Chair asked about the residents' response in forums to the proposed increases in rent and service charge. Danny Rochford advised that there was a reluctant acceptance of the proposals among the residents who understood the Council had to deliver services amidst the cost-of-living crisis. He remarked that the Council recognised the financial hardship faced by struggling tenants and about 50% of the tenants would be supported financially through housing benefits and universal credit as well as discretionary housing payments or if renewed in March, the Household Support Fund. Richard Shwe highlighted residents' positive feedback towards Housing Services' improvements over repairs work and complaints management that they began to understand and see the benefits of what the Council had been doing.

Councillor Paul Alexander expressed concern about the involvement of residents, in particular the leaseholders, in Council major projects such as attaining net carbon zero emissions, or security system. He hoped to see more resident-driven initiatives which in his opinion might help create savings as in the case of responsive repairs. Councillor Alexander reflected residents attending the housing forum were representing TRAs and residents from smaller estates or street properties might be under-represented.

Richard Shwe agreed that more community engagement should be carried out by the project managers for the housing capital programme which also helped residents to understand the housing budget. He noted the relevant team would start doing more such community engagement over the next year. Jon Pickstone (Strategic Director for the Economy) remarked that enhancing community engagement could help the Council gain useful insights on how to take forward capital programmes based on collective local wisdom. On the link between capital programmes and responsive repairs, he noted that while current capital programmes were prioritised based on best available data e.g. for repairs and complaints, the Housing Service had completed 9,000 units of its stock condition survey, which would provide

strong evidence-based data to develop an asset management strategy. This strategy would help inform a long-term plan for the Council's housing capital investment. Councillor Umeh remarked that with the Social Housing Act coming into force, effective resident engagement via different co-production channels became even more important.

Councillor Asif Siddique thanked officers' comprehensive presentation and explanation about the short- and long-term policy and strategy. He appreciated the setting of a balanced budget despite all the economic challenges in the past three years due to COVID-19, cost-of-living crisis and high inflation. He was thankful that there were no service cuts but more improved services like the one-stop Family Hubs.

Councillor Alford referred to a recent meeting with residents who were shocked to be told about major works involving cladding. She considered it necessary to explain clearly what the cladding was given the deep ingrained fear of the tragic fire incident at Grenfell Tower. They wanted extra assurance that the cladding was not flammable. Separately, Councillor Alford questioned whether surveys had been carried out for the properties concerned as the residents learnt about having new windows again since last renewal some 15 years ago. Jon Pickstone (Strategic Director of the Economy) thanked her for conveying the residents' feedback. He assured that both the law and standards had been improved since the Grenfell tragedy. The Housing Services would ensure good communication and conduct investigations before the start of works.

Councillor Alford noted that one of the key recommendations on the HRA made in November 2023 by Grant Thronton, the Council's External Auditor, was that the Council should start building up the HRA general reserve balances. According to the officer's presentation, HRA general reserves balance carried forward to 31 March 2024 was expected to be £5m, dropping from £10m as of 1 April 2023.

Sukvinder Kalsi noted that the Council had reduced the structural deficit of the HRA from £4.1m in 2022/23 to £1.4m in 2023/24 and planned to eradicate it totally by 2024/25. He further advised that those investments listed under the HRA's 10-year business plan should enable the HRA to remain sustainable and resilient moving forward. He assured that the external Auditor, in reviewing the position of the HRA for 23/24, would note that the Council had rectified some of the issues raised in the previous year, and would report any concerns if any were found in the audit.

On the HRA general reserve balances, Sukvinder Kalsi explained that while £5m might seem smaller than it used to be, it represented 5% of the annual spend, and the Council would endeavour to increase the general reserve balance should it be able to do so. Councillor Rowan Ree (Cabinet Member for Finance and Reform) added that the reserve could help smooth out longer term spending and cover the needs of rainy days. Having eliminated its structural deficits, the HRA was now in a more sustainable position and might increase its reserve balance to go up with inflation.

Councillor Alford asked why the provision for tenant arrears was pitched at 90% under the proposed HRA budget 2024/25. Sukvinder Kalsi noted that a

90% coverage was reasonable. Danny Rochford explained that the calculation of the provision depended on the status of the tenant (current or former) and the amount of the arrears. The approach was a long-established and prudent one which had been audited many times and was appropriate during the cost-of-living crisis.

Councillor Alford enquired further why was the leaseholder contribution under the housing capital programme increasing more than double from £3.1m in 2024/25 to £7.7m in 2027/28. Danny Rochford noted that the increase was in line with the increasing expenditure in the asset management and compliance programme which also doubled from about £40m in 2024/25 to some £80m in 2027/28.

Responding to Councillor Alford's further concerns, Jon Pickstone explained that the Housing Services team was encouraging residents to report repair issues directly to the Council rather than through third parties. Having focused on improving their partnership for several months, the repairs team and legal team were working well and in tandem with the additional contractors. The number of disrepair backlog cases was reducing at a good rate, while the management of voids had been a high priority.

Question from the floor

Martin Thirlaway was concerned that Grant Thornton's report dated September 2023 stated on page 8, "in 2023/24, the Council had raised rent by the maximum allowable of 7.0%". If this was true, why was this Committee presented with a proposal on 23 January 2023 to increase rent by 4.4% and the Cabinet approved this on 6 February 2023. Sukvinder Kalsi undertook to brief him in detail after the meeting.

ACTION: Sukvinder Kalsi

Martin Thirlaway asked whether there had been any estimate of what compliance with the Social Housing Regulation Act 2023 would cost either initially or ongoing, in particular any initial or ongoing costs of Section 21 regarding the competence and conduct of relevant individuals. In response, Richard Shwe noted that the Council was getting ready for compliance under the Social Housing Act and the staffing competencies would be allowing local authorities two years to ensure that housing staff qualifications level would occur across housing from level 1 to level 5. The Housing Services team was reviewing the budget with colleagues in people and talent to arrange staff undergoing relevant training as part of their personal development.

RESOLVED

That the Committee noted the presentation.

6. DATE OF NEXT MEETING

The Committee noted the next meeting would be held on 26 March 2024.

The Chair suggested discussing the following items at the meeting:

- Private Rented Sector Policy
- Voids Management
- Housing Ombudsman report

Meeting started: 7.00 pm
Meeting ended: 9.28 pm

Chair:

Contact officer Debbie Yau
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[Appendix A - Corporate Budget Strategy 2024/25](#)

[Appendix B - MTFS for Housing Solutions](#)

[Appendix C – Proposal for the HRA Budget](#)