

Housing and Homelessness Policy and Accountability Committee Minutes



Monday 27 January 2025

PRESENT

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

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

Guests:

Martin Thirlaway (Resident)

Officers:

Sukvinder Kalsi (Executive Director of Finance and Corporate Services)

Daniel Rochford (Head of Finance – Housing)

Richard Shwe (Director of Housing)

Debbie Yau (Committee Coordinator)

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Sally Taylor and Omid Miri.

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. MINUTES

The minutes of the meeting held on 12 November 2024 were agreed as an accurate record.

4. 2025/26 REVENUE BUDGET AND MEDIUM TERM FINANCIAL STRATEGY

Revenue Budget

Councillor Rowan Ree (Cabinet Member for Finance and Reform) gave an overview of the 2025/26 Revenue Budget, including the operating environment, additional central government funding and objectives of the financial strategy. He also briefed members on the budget headlines, the provisional settlement of the draft budget and departmental service allocations, the investment and savings proposals, council tax considerations and residual risks in 2025/26. He further highlighted the earmarked reserves forecast and medium-term financial forecast showing the estimated budget gap until 2028/29 as well as the MTFs for 2026/27+. Councillor Ree said the Revenue Budget would be presented to the Cabinet and Full Council in February 2025 after briefing the Policy and Accountability Committees and Policy Oversight Board.

Sukvinder Kalsi (Executive Director of Finance and Corporate Services) highlighted the positive comments of the External Auditor that the Council had attained two green (no significant weaknesses in arrangements identified or improvement recommendation made) and an amber (no significant weaknesses identified, but improvement recommendations made) ratings in terms of financial sustainability, governance and value for money (i.e. improving economy, efficiency and effectiveness). This had provided independent assurance to Committee members, residents and other stakeholders about how well the Council had managed its finances.

NOTE: The presentation slides are attached in Appendix A

Noting Hammersmith & Fulham (H&F) had maintained third lowest Council Tax in the country and continued to provide comprehensive Council Tax support to eligible residents while delivering core services, the Chair was concerned how this was achieved when some local authorities were liaising with the central government about emergency funding.

Sharing the same views, Councillor Asif Siddique said residents who noted some councils were struggling from bankruptcy would like to know how the Council had brought about this balanced budget where the essential services were maintained with further investment of £12.3m for growth spending, efficiency saving of £5.1m and a healthy reserve of £73.5m.

Councillor Ree noted H&F might have some of the highest land prices in the country but it also had huge areas of deprivation. He remarked that the achievement was made possible through being ruthlessly financially efficient practised by every Cabinet Member and officer who continued to focus on bringing the outcomes for residents as efficient and effective as possible. Every department was doing its utmost to put all resources to most effective use. He stressed that it was not easy to get a balanced budget which took them a long time to go through the council's spending line by line to ensure each of them was used efficiently. On Council Tax, Councillor Ree explained that to make the regressive tax regime fairer, the Council had kept Council

Tax as low as possible and set the maximum discount at 100% so that the most vulnerable paid nothing at all.

Councillor Adronie Alford sought clarification as one of the key investment proposals for 2025/26 included £3.4m for community safety and social inclusion (page 16) but the figure was larger for a similar item in the presentation. Separately, she considered it a better way of scrutiny for having the papers in advance to prepare the questions. It was not effective for members to look at the screen and write notes while listening to the presentation.

Councillor Ree explained that the information was all in the report had she taken time to read it and clarified the difference in the figures was because the larger figure included £120,000 investment in measure to educate residents about fraud, the fastest growing crime in the UK.

Housing Solutions

In terms of ruthless financial efficiency, Councillor Ree said he hoped to put this into reality in tackling homelessness. He expressed concern that homelessness had been an ongoing and aggravated issue with the number of cases going up continuously in the last 15 years without any joined-up solutions by the former central government. It had become a huge challenge to local governments and cost London councils as a whole as much as £4m a day. He looked forward to the solutions put forward by the current central government which was conducting a consultation to deal with this prolonged problem and this Council would certainly provide its views.

Sukvinder Kalsi presented the Housing Solutions under the Medium-Term Financial Strategy, including the strategic service context (service and financial considerations), the number of homelessness approaches since 2019/20, a budget overview 2025/26 with gross budgeted expenditure/income of £45.4m/£17.7m, key budget changes from £13.4m in 2024/25 to £15.7m in 2025/26 and investment & efficiencies for 2025/26+. Sukvinder then outlined the key objectives of the action plan and strategy for homelessness and the key risks involved.

NOTE: The presentation slides are attached in Appendix B

Councillor Frances Umeh (Cabinet Member for Housing and Homelessness) remarked that to tackle homelessness due to lack of available supply, the Council was committed to building more than 3000 new affordable and energy efficient homes over the next few years while looking for more affordable supply from the private rented sector (PRS). She noted the London councils' funding gap of nearly £100m in 2023/24 in terms of local housing allowance would enable local councils to provide more supply within the PRS.

Noting that the investment proposals included £1.2m for Homelessness, in addition to a further £3.5m from the Homelessness Prevention Grant and inflationary uplifts, the Chair was concerned whether there were other areas earmarked for this spending.

Councillor Umeh confirmed that the £1.2m was dedicated spending that would cover all the work of the Homelessness teams from finding homes within the PRS, paying for the rent to providing help and support to the homeless people. Richard Shwe (Director of Housing) added that the investment would mainly be used for work on homelessness prevention which was one of the stipulations in the new government grant. For example, the Homelessness team would seek to reduce families in bed and breakfast by providing extra support focusing on their needs so that they could have a normal family life.

The Chair expressed appreciation on the preventive initiatives which shall help stop the escalation of demand.

Given the number of homelessness approaches was predicted to rise as a result of the passage of the Renters' Rights Bill, Councillor Siddique considered the extra £1.2m might be used to tackle homelessness by running more daycare centre services as they were less costly.

Richard Shwe noted that daycare centres were under the remit of adult social care and the Council had been lobbying other London councils for temporary accommodation for homeless people from the borough. The additional support funding stream would mainly be used for preventive measures implemented in collaboration with the voluntary sector which had given detailed briefings about their work at the last Committee meeting.

Councillor Alford referred to a service gap as noted from a recent case. The residents who, having been receiving housing support service, felt rather lost after being declared homeless and passed from that team. They were not aware that the Council had moved them onto the next stage and received notification only a day before needing to move into the assigned temporary accommodation. They found the rent unaffordable and had no idea about the Council's assistance to be provided.

Councillor Umeh appreciated the feedback and agreed to take the reflections on board. She considered it was necessary for the team to ensure more effective communication with the homeless people and manage their expectations by informing them the process and their current position. The Housing team was committed to looking for a more permanent solution that ranged from creating a detailed housing plan with clear pathway, timeframe and options into permanent housing to ensuring the individuals' expectations could be effectively managed.

Councillor Alford asked how far out the out-of-borough temporary accommodation were. Councillor Umeh depicted the different challenging circumstances experienced by people facing homelessness. It was imperative to provide stable temporary accommodation locally for people being served last minute eviction notice by the landlord. For people becoming homeless due to domestic violence, they should be accommodated in safe housing away from the original neighbourhood. Richard Shwe added that the linkage of the temporary accommodation to the transport hubs would also be taken into consideration.

RESOLVED

1. That the Committee noted the budget proposals and agreed to make recommendations to Cabinet as appropriate.
2. That the Committee noted the proposed changes to fees and charges and agreed to make recommendations as appropriate.

5. HOUSING REVENUE ACCOUNT BUDGET 2025/26

Daniel Rochford (Head of Finance – Housing) presented the Housing Revenue Account (HRA) Budget 2025/26, including the strategic operating environment, the HRA budget strategy, HRA 10-Year Business Plan, proposed HRA budget and its key outcomes, key risks, HRA general reserve, Housing Capital Programme 2025/26 - 2028/29 and the key metrics (value of housing and external debt outstanding). He said that the HRA budget 2025/26 would be presented to the Cabinet on 10 February 2025.

NOTE: The presentation slides are attached in Appendix C

On the Chair's enquiry about the details of the efficiency savings of £5.3m, Daniel Rochford noted the contingency in the HRA budget had increased significantly to protect the HRA from various pressures experienced in recent years. With the current HRA balance becoming more stable, the level of contingency could now be reduced by £2m. In addition, a number of savings initiatives had been implemented by the Housing Service. A good example was that, on the conclusion of the Integrated Housing Management Systems Programme, it was no longer necessary to hold extra budgets and incur expenditure for the development and implementation of the project resulting in some savings as the service returned to business as usual.

Noting the robust target for reducing void rent loss to 1.6%, Councillor Asif Siddique sought elaboration in achieving this. Richard Shwe (Director of Housing) noted that the number of voids had dropped from some 600+ two years ago to around a hundred standard voids plus some major voids currently. He highlighted the joined-up thinking had helped shorten the duration of void recovery from several months or even a couple of years to about 20/30 days by streamlining the process with responsible officers' undertakings done digitally. For properties not meeting the required standards, former tenants would be held accountable and asked to improve. The Council also needed to incur some expenses in this regard.

The Chair asked why the repair spending was set to be reduced in HRA. Richard Shwe highlighted the good position in repairs the financial position of which had been improved. Moreover, the asset management plan over the next 10 years was also looking good.

In reply to Councillor Adronie Alford's concern about the level of compensation of disrepairs payable to residents and their ambulance chasers, Richard Shwe noted that a lot had been done to improve the policies

and procedures in respect of repairs. The Housing Service was now in a better position to assure what needed to happen for cases of disrepairs. It was giving advice proactively to the residents concerned against ambulance chasing by undertaking to recover the properties in good conditions. He agreed to provide the level of compensation of disrepairs in the HRA budget.

ACTION: Daniel Rochford

Councillor Frances Umeh (Cabinet Member for Housing and Homelessness) expressed deep concerns about ambulance chasing as the relevant firms might have misled the residents, delayed the work resulting in rising costs and brought adverse impacts on the families ultimately. Under the new policies and procedures, the Council was committed to maintaining homes to a decent standard and resolving with the residents any issues with their properties without having to pay a significant sum to the third parties. She said that the Housing Service would be addressing some of the claims over the course of the next financial year.

Question from the floor

Mr Martin Thirlaway asked –

‘The HRA Capital Programme shows several projects that include ‘market sale’ for some dwellings. This was intended to be leasehold. It now appears that commonhold will be enacted at some time before the projects are completed. Will the Council be prepared to make those projects commonhold?’

Richard Shwe replied on behalf of the Housing Service –

‘We understand that the Government will publish a draft bill later this year to reform the leasehold and commonhold regulations which may include abolishing the leasehold tenure for all new flats. We look forward to understanding and implementing any new regulations that will better serve our communities and many of our developments are on Council estates, include mixed tenure to meet different housing needs. We will explore new ownership models that help us deliver safe, secure and affordable homes for all our residents in H&F.’

Given some units in the White City Estate were imminently ready for market sale, Mr Thirlaway was concerned whether the new legislation banning new leasehold flats would also be ready. Richard Shwe said as a local government officer, he shared the same public knowledge about the legislation timetable. Nevertheless, he would review with legal officers the impacts of any new legislation on residents and provide the support they needed.

Councillor Umeh relayed members’ feedback on the HRA Budget 2025/26 expressed at the Sheltered Housing Forum and Housing Representatives Forum and their gratitude for the work of officers done to manage the very challenging circumstances under the HRA. The Housing Representatives had

asked to pass their appreciation particularly relating to the service charges and rent to this PAC and the Cabinet.

RESOLVED

That the Committee noted the presentation.

6. DATE OF NEXT MEETING

Members noted the date of next meeting on 23 April 2025 and the Committee's Forward Plan below:

- Compliance Update (April 2025)
- Hidden Homelessness (April 2025)
- Sheltered Housing (July 2025)
- Repairs Update (July 2025)
- Capital Programming and Regeneration (Nov 2025)

Meeting started: 7.00 pm

Meeting ended: 8.25 pm

Chair:

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