



London Borough of Hammersmith & Fulham

# Housing, Health And Adult Social Care Select Committee Minutes

Wednesday 19 February 2014

## **PRESENT**

**Committee members:** Councillors Lucy Ivimy (Chairman), Andrew Brown, Daryl Brown, Joe Carlebach, Stephen Cowan, Oliver Craig, Peter Graham, Peter Tobias and Rory Vaughan (Vice-Chairman)

**Co-opted members:** Patrick McVeigh (HAFAD) and Bryan Naylor (Age UK)

**Officers:** Liz Bruce (Tri-borough Executive Director of ASC), Kathleen Corbett (Director of Finance & Resources, HRD), Mike England (Director Housing Options Skills & Economic Development), Matin Miah (Head of Regeneration & Development) and Sue Perrin (Committee Co-ordinator)

## **51. MINUTES AND ACTIONS**

The minutes of the meeting held on 21 January 2013 were approved as an accurate record of the proceedings subject to the following amendment:

46. Housing Revenue Account Financial Strategy and Rent Increase Report 2014/2015: fourth paragraph:

Ms Corbett responded to Councillor Graham's query that it was likely that the rent would have to be more than doubled based on the current capital programme phasing in the business plan with no increase in debt, should it not have been possible to contribute to stock maintenance through the Expensive Void Disposals Programme.

The Opposition expressed no confidence in this analysis.

## **52. APOLOGIES FOR ABSENCE**

There were no apologies for absence.

### **53. DECLARATIONS OF INTEREST**

There were no declarations of interest.

### **54. CARE BILL: PROGRESS AND UPDATE ON IMPLICATIONS**

Ms Bruce presented the report, which set out the background to the Care Bill and summarised the potential financial impact upon the Council.

The Care Bill would take forward a number of separate commitments around social care including:

- A full review of adults' legislation;
- Driving up the quality of care following the findings of the Francis Inquiry which identified failures across the health and care system;
- Delivering commitments made in the 'Caring for our future: reforming care and support' White paper to put in place a modern care system that enables people to prevent and postpone the need for care and support;
- Strengthening the rights for carers to access support;
- Introducing a new adult safeguarding framework; and
- Taking forward recommendations made by the Dilnot Commission (on the funding of care and support) to introduce a cap on the costs that people will have to pay for care in the future.

The Care Bill, if enacted, would implement the following key changes to the current care and support system:

- A financial cap on the costs that people have to pay to meet their eligible care needs set at £72,000 in April 2016 for people of state pension age and over.
- The provision of means tested financial support to more people to help with care home costs. The lower threshold is set to increase from £14,250 to £17,000. The upper means-tested threshold is set to increase from £23,250 to £118,000 where property is included in the financial assessment and £27,000 where no property is included.
- The option to defer paying for care costs until after a person's death (from April 2015).
- A personal contribution to living costs of around £12,000 a year will be introduced from April 2016, which will not count towards the cap.

Whilst some analysis and modelling had been undertaken locally in order to derive some early estimates of the likely impact upon the Tri-borough, there were a large number of variables and 'unknowns' and therefore these estimates were being treated with caution, particularly in relation to self funders.

Should the current Fair Access to Care Services (FACS) system be widened, this would have a major resource impact on Hammersmith & Fulham and Westminster City Council which do not currently provide support to all those with moderate care needs.

Ms Bruce stated that the financial implications were significant and the time scales were tight (the Care Bill was currently in the process of going through Parliament). Under the new burdens principle, Central Government was expected to provide funding to meet any increased costs on local authorities arising from legislative or policy changes. However, the detail of how the reforms would be financed in practice were not clear. There were risks in respect of the Council carrying increasing debt and the impact of deferred charges on the housing market.

In response to Members' queries, Ms Bruce confirmed that significant additional funding would be required. Modelling had been used to provide an indication of the likely scale and extent of the financial impact of the Care Bill proposals, as set out in the report. An increase in the number of assessments, comprising assessments of carers and self funders aged 65 and over was anticipated.

Some modelling in respect of self funders had been undertaken, but there was not a clear definition and some people would be self funding for a relatively short time.

Should a person move area, their care package and associated cost, but not the funding, would transfer with them. The package could be reviewed and re-assessed after a year, in line with current practice and resources but, in the interim, the impact of portability could be a multi-tiered system. Whilst, under the Care Bill, the new borough would inherit provision of the assessed level of care, the detail of how this would translate into cost and provision in a different market was not known.

In respect of FACS, the national simulation events had indicated that the system could potentially be widened to require support to be provided to those with moderate needs. This would have a major resource impact on the Council, although it would be in line with the commitment to prevent and postpone the need for care and support and could potentially drive savings.

The Council currently supported people in the bandings of 'greater moderate' and above. Ms Bruce stated that 'greater moderate' was a local distinction and it was likely that FACS eligibility would have to be applied nationally on the basis of single bands.

Ms Bruce clarified that the £72,000 cap related to residential care, excluding food and lodging costs. Home care was not currently included. The Committee noted the significant cost increase in a few years' time when more people reached the cap and requested that the modelling was circulated.

**Action: Liz Bruce**

Ms Bruce stated that Councils would be expected to use £185million of the £3.8billion Better Care Fund to cover the cost of new responsibilities created by the Care Bill. Adult Social Care would work with health service colleagues over the next few months. Whilst there would be some joint funding, health services would remain free at the point of delivery.

Ms Bruce responded to members' comments in respect of the way in which the Care Bill was being implemented and the lack of funding. The Government was trying to address four key issues: support for an increasingly ageing population; funding of care over a longer period of time; allocation of funding in a fair way; and support for self funders who are often left to family and the care market. These were all issues which were difficult to address without a sensible funding framework.

Ms Bruce stated that there was concern in respect of the timescales, in that councils were required to have a system in place from March 2015, ready to go live in March 2016. There were difficulties in respect of, for example, the IT system required for implementation which could not be put in place until the specification was known. The Care Bill process was taking longer than originally envisaged and the detail was quite complex.

Ms Bruce responded to queries in respect of carers that currently Adult Social Care had a duty to assess carers, but not to provide. The Care Bill would introduce a duty to provide support. The implications, which would potentially have a greater cost, had not yet been modelled. Under the new burdens principle, Central Government was expected to provide funding to meet any increased costs on local authorities arising from legislative or policy changes.

Ms Bruce confirmed that the Council had responded to the consultation and agreed to provide the response to the Committee. Councillor Ginn added that he believed that there would be further opportunities for the Committee to feed into the formal consultative process. It was agreed that the minutes of this meeting would feed into the next consultation response.

**Action: Liz Bruce**

**RESOLVED THAT:**

1. The report be noted.
2. Regular updates be provided to the Committee.

**55. WELFARE REFORMS: UPDATE REPORT**

Mr England summarised the welfare reform legislative changes and the Council's response.

**Local Housing Allowance (LHA)**

There had been minor variations in the private sector housing benefit claims within the borough. In April 2011, when the LHA charges had been introduced, there had been 3109 claims paid through LHA; in December 2013, the equivalent figure was 3035.

The report set out the most recent update (April 2013) for the HB Assist team, which had been established to look at mitigating the effects of the LHA.

#### Overall Benefit Cap

The capping process had begun in August 2013 and by mid-October most of the initial wave of benefit cap claims had been received from the Department of Work & Pensions (DWP). The total number of households then stood at 414, considerably fewer than the original estimate. In January 2014, the number had fallen to 385. The report set out the total breakdown by individual tenure.

Since capping had begun, a total of 569 households had been subject to the restriction, with a significant number moving into and out of it in any one month. Officers were seeking to build a statistical picture of this movement within the HB Assist project. In January 2014, the project was aware of 179 cases where a 'resolution' of the household circumstances had occurred. Of these, 85 households had moved into employment and were therefore not subject to the cap; 19 had been resettled or moved into different accommodation; 7 had become exempt from the cap and in 68 cases the reason for resolution had yet to be confirmed.

#### Housing Benefit Size Criteria Restrictions for Working Age Claimants in the Social Housing Sector

It was currently estimated that there were 677 under-occupying cases claiming housing benefits in the Council housing sector affected by the Housing Benefit changes. This was a reduction from the total of 834 at April 2013. Within the Registered Provider (Housing Associations) sector, it was estimated that 644 tenants were affected.

The Council had awarded a total of 198 Discretionary Housing Payments to assist the most vulnerable tenants affected or those who had committed to downsizing. In addition, officers were visiting tenants affected by the benefit restrictions to ensure that they were fully aware of the available options.

In January 2014, the Department of Work and Pensions (DWP) confirmed that they had discovered a gap in the law such that those claimants who had been continuously entitled to benefit and continuously resident in their property since 1 January 1996 should have been exempt this change. This gap would be closed with effect from 3 March. The Council was working to identify those claimants who could benefit from this.

#### Universal Credit

The national roll-out of Universal Credit (UC) had begun at Hammersmith Job Centre on 28 October 2013. Initially only a restricted cohort of claimants were affected: broadly single, newly-unemployed people who were not previously

claiming benefits, estimated to be 100 claimants per month. The Cabinet had authorised an agreement between the Council and DWP for the Council to provide a number of services in support of UC implementation.

The work of the HB Assist team had been extended to cover the impact of welfare reform more generally. The report set out the main areas of focus of the team.

Mr England responded to Members' queries.

The number of UC claimants was not known but believed to be in the region of 300/400. Applications were made to DWP. Protocols in respect of data sharing needed to be developed further. Claimants were identified only if they approached the Council for other reasons. UC placed more of the onus for managing affairs/income on the claimant and to inform any other agencies which the claimant believed should be informed.

Mr England was not aware of any specific problems for vulnerable people, although it was possible that in future this group might have problems in making claims on line and in budgeting. Looking forward, a support framework would need to be developed.

In respect of the Housing Benefit Size Criteria, properties occupied by, for example, a person who required an extra room for a carer, it was likely that the Council would be able help with a discretionary housing payment. Mr England asked Members to advise him should they be aware of any affected vulnerable people who were not receiving a discretionary payment.

In respect of private rented accommodation, the level of rent was dependent on the state of the market. However, the changes in legislation had influenced landlords and it was still possible to attract privately rented properties in the borough and surrounding areas and to meet the demand for temporary accommodation. Letting properties via the Council had the advantage of guaranteed vacant possession and no letting agents' commission. A system was in place to attract more properties and where appropriate the Council would provide financial incentives to landlords or tenants, rather than have a family in bed and breakfast accommodation. There had been a substantial decrease in families in bed and breakfast accommodation over the previous six months. Currently, there were 29 families compared with 75/80 in June 2013. No families had been in bed and breakfast accommodation for more than six weeks.

Mr England confirmed that tenants with spare bedrooms were allowed to take in a lodger, and were advised of this. However, a number of those affected chose to pay the difference.

Councillor Cowan requested information in respect of the type of accommodation which families in bed and breakfast accommodation had been moved into and the location of all temporary accommodation.

**Action: Mike England**

Mr England stated that 60% of all temporary accommodation was in borough and almost all the remainder in surrounding boroughs. A few properties were out of Greater London, for example in Luton and Slough. Councillor Cowan requested an analysis of where people had lived previously. Mr England responded that he would advise on available information.

**Action: Mike England**

Mr Naylor commented on older people living in bigger properties who considered that the offer made was poor quality smaller accommodation.

Mr Naylor considered that there was a scarcity of supported housing within the borough.

Mr England responded that if a person was deemed to have a spare bedroom, an offer of smaller accommodation would not be outside the borough, but the offer would be restricted by availability and this could be of varying quality. The Council had substantially increased the payment to incentivise people to move and resources for people to decorate were also available.

It was intended over time to improve the quality of sheltered housing. Investment was shifting to provide improved quality properties to which people would want to move.

**RESOLVED THAT:**

The report be noted.

**56. BENCHMARKING HOUSING REVENUE ACCOUNT HOUSING MANAGEMENT COSTS**

Ms Corbett presented the report which considered the impact of the Housing Revenue Account (HRA) Transformation Programme on the cost of the Housing Management for the Council's housing stock held within the HRA.

The Council's direct housing management cost per property was within 1% of the top quartile cost, despite the Council spending more than the peer group on managing antisocial behaviour.

**RESOLVED THAT:**

The report be noted.

**57. PROCUREMENT OF A PRIVATE SECTOR PARTNER TO ESTABLISH A HOUSING & REGENERATION JOINT VENTURE**

Mr Miah presented the report which provided an update in relation to procurement of a private sector partner to establish a Housing and Regeneration Joint Venture.

The Cabinet, at its meeting on 3 February 2014, had approved the appointment of Stanhope plc (subject to standstill period) as the Joint Venture partner. The report set out the key benefits of adopting a joint venture approach.

Stanhope plc had submitted a detailed Site Specific Development Plan for Watermeadow Court and Edith Summerskill House ('Opportunity Sites'), which would be adopted by the Joint Venture on its establishment. This would lead to the development of around 301 homes on the two sites, of which it was anticipated that 119 would be affordable (low cost home ownership). It was intended that further sites would be taken forward by the Joint Venture.

The key benefits included the creation of approximately 350 new construction jobs and 14 apprenticeships, with 15% of the construction workforce to be taken from local residents and 10% of building contracts to be let to businesses in the borough.

Mr Miah responded to Members' queries. The process had been set out at the beginning of the procurement exercise and had been applied rigorously with external advice in terms of selecting the final bidder. It has been set out that when this stage was reached, there would also be a reserve bidder in case negotiations with the preferred bidder were not concluded successfully. On the basis of the scores and evaluation, Berkley Group plc and Barratt London (BDW Trading Limited) had been selected as the second and third place Bidders.

The bids had been based on the Council's planning policies and in relation to the housing strategy. It was currently proposed that 40% of the homes would be affordable housing and the remaining 60% market value in order to provide a viable scheme.

Councillor Cowan queried whether any checks were proposed to ensure UK residents were able to buy those homes or would it be a free market approach whereby homes could be purchased by overseas investors purely for investment gains. Councillor Johnson responded that whilst there was nothing which the Council could do or should do to restrict foreign ownership of assets in the United Kingdom, a flat sales structure allowing UK residents and overseas investors an equal opportunity to buy through the free market was the preferred solution.

Councillor Cowan referred to recent off plan sales of Sovereign Court by St. Georges, a subsidiary of the Berkeley Group. Councillor Cowan stated that Councillor Graham was conflicted in respect of St. Georges. Councillor Graham asked that Councillor Cowan either substantiated this remark or withdrew it. Councillor Cowan responded that Councillor Graham had supported a St. Georges development within his ward. Councillor Graham



responded that this was whilst he was on the Planning Committee and did not mean that he had a conflict of interest. Councillor Cowan stated that he wished to record that he considered that Councillor Graham had a consistent record of advocating on behalf of St. Georges. Councillor Graham stated that he rejected this and explained his reasons for supporting the Fulham Reach site.

Mr Miah confirmed that the Joint Venture would be a 50/50 Limited Liability Partnership which would be taken forward by the Council and developer. The Council would receive the land value up front. Both risk and post development profits would be shared 50/50. The Council had provided the land and Stanhope plc would provide development capacity and expertise and the capital. There had been an assessment to ensure that returns were commensurate with input and risk. PWC and Lambert Smith Hampton had advised the Council in respect of meeting its obligations.

Councillor Cowan queried how these figures had been calculated as he considered them to be extremely low, given the revenue which could be generated by just owning a brownfield site in Hammersmith & Fulham. Mr Miah responded that it was a 50/50 joint venture and that the Council would receive the land value after planning permission and that in principle this was the same proposal as had previously been brought to the Committee. Councillor Graham stated that there had been no objections when the proposal was originally brought to the Committee.

Mr Miah responded to further queries. Following the Cabinet Decision, formal letters had been issued to all parties and there were no longer Reserve Bidder. The Council had included a range of protections in the legal documentation to protect its position.

As part of the procurement exercise the final three bidders had been asked to progress design in discussion with the Planning Authority up to RIBA stage C, which is essentially the pre-planning stage which includes fairly advanced modelling in terms of design, site capacity and transport.

Councillor Johnson confirmed that the affordable housing would be made available only to those people on the Homebuy register.

Councillor Cowan stated that whilst the Opposition supported the Homebuy Register and the Joint Venture in principle, there were concerns in respect of the detail and the agreement with Stanhope plc. Council Johnson responded that the 3 February Cabinet meeting had provided an opportunity for the Opposition to query the detail of the Joint Venture.

#### **RESOLVED THAT:**

The report be noted.

#### **58. WORK PROGRAMME AND FORWARD PLAN 2013-2014**

**RESOLVED THAT:**

The work programme be noted.

**59. DATE OF NEXT MEETING**

Meeting started: 7.00 pm  
Meeting ended: 9.30 pm

Chairman .....

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