

# MINUTES OF THE HOUSING SELECT COMMITTEE

Wednesday, 18 November 2020 at 7.00 pm

PRESENT: Councillors Peter Bernards (Chair), Aisling Gallagher, Silvana Kelleher, Olurotimi Ogunbadewa, Susan Wise, Bill Brown and Sophie Davis

APOLOGIES: Councillors Stephen Penfold

ALSO PRESENT: Fenella Beckman (Director of Housing), Kevin Sheehan (Executive Director for Housing, Regeneration & Public Realm) and Katharine Nidd (Strategic Procurement and Commercial Services Manager).

## 1. Minutes of the meeting held on 15 September 2020

Resolved: the minutes of the last meeting were agreed as an accurate record.

## 2. Declarations of interest

The following non-prejudicial interest was declared:

- Cllr Olurotimi Ogunbadewa is a board member of Phoenix Housing

## 3. Responses from Mayor and Cabinet

Resolved: the committee noted the Mayor and Cabinet response to its referral on overcrowding.

## 4. Budget cuts proposals

Kevin Sheehan (Executive Director for Housing, Regeneration and Public Realm) introduced the report and noted the following:

- 4.1 The financial impact of Covid-19 on the council has been £68m so far, and this is expected to continue to rise. £30m of this has been additional costs and £38 has been lost income.
- 4.2 The government previously committed to covering the costs of Covid-19. The details are still emerging but some costs will not be covered by the government.
- 4.3 The council is also carrying forward a significant overspend of £10m (from children's social care, environment services, and technology), which it has agreed one-off savings of £5.4m to contain.
- 4.4 In addition to addressing the overspend the council's medium term financial strategy has identified the need for £40m of cuts over the next three years with £24m needed in the next year.

4.5 The proposals being presented are for £15m of cuts for next year. Further proposals will need to be brought to scrutiny early in the new year.

Kevin Sheehan (Executive Director for Housing, Regeneration and Public Realm) introduced each of the cuts proposals listed below in turn. There were questions and discussions after each. Key points are noted below.

- A-07 Housing - Productivity gains
- C-05 Housing needs and procurement service review
- E-07 Increased rent for Private Sector Lease (PSL) and Private Managed Accommodation (PMA)
- F-12 Housing - No Recourse to Public Funds

4.6 The committee asked about the council's plans for disposing of non-strategic assets and how we will be working with partners to invest in strategic assets.

4.7 In response officers reassured the committee that the council is not intending to dispose of any strategic assets. The council will only look to sell those assets that are not useable, too expensive to invest in and are liabilities due to the ongoing costs of maintaining and securing them.

4.8 The committee queried whether the council invests the money it receives from the disposal of non-strategic assets back into strategic assets.

4.9 Officers confirmed that money received would be used to fund the council's capital programme and the delivery of the council's strategic priorities.

4.10 Following discussions on proposal **C-05** (*Housing needs and procurement service review*) the committee asked for reassurance that no one will 'slip through the net' as the council's housing services move from a through-the-door service to a remote service.

4.11 Officers noted that the council has worked extensively with local partners during the pandemic to support a wide range of homeless and street homeless and that it would continue to respond to cases as soon as it's made aware of them.

4.12 On cut proposal **E-07** (*Housing – Increased rent for Private Sector Lease (PSL) and Private Managed Accommodation (PMA)*) the committee asked for reassurance that those tenants affected would be informed and reassured in advance about the changes and what, if anything, they will be required to do.

4.13 Officers noted that they know exactly who will be affected by proposal **E-07** and that each household will be contacted on an individual basis and reassured that they will not be paying any more for their accommodation.

4.14 The committee asked that the council is also sensitive to the impact that Covid-19 has had on people's jobs and financial situations when they communicate with residents about rent increases.

4.15 In relation to cut proposal **E-07** the committee queried whether the council is getting value for money from those properties it rents under Private Sector Lease (PSL) and Private Managed Accommodation (PMA) arrangements.

4.16 Officers noted that private sector rents in London are very high for what you get and that it works with families to enforce standards as much as possible.

4.17 Following discussion on cut proposal **F-12** the committee requested further information on the projected expenditure of the No Recourse to Public Funds (NRPF) service following the implementation of the proposal. Officers agreed to provide this after the meeting.

Resolved: the committee agreed to refer its views to the Public Accounts Select Committee:

*Given that the additional round of budget cuts due to come to scrutiny in January 2021 is expected to be more severe than this round, please can the following information be included in the budget cuts reports to help committee members better understand and come to decisions about the proposals being brought forward:*

- *The impact of a proposed cut on the users of a service*
- *The impact of a proposed cut on the staff of a service*
- *The impact of the cut on the service overall*
- *Which other options were explored and why is this the most viable?*
- *The cumulative impact of the cut on LBL as a whole*

## **5. Select Committee work programme**

Resolved: the committee agreed to include another item on the January agenda to consider further budget cuts proposals.

The meeting ended at 8.20 pm

Chair:

-----

Date:

-----