

Minutes of the Public Accounts Select Committee

Thursday, 14 March 2024 at 7.00 pm

In attendance: Councillors James Rathbone, Billy Harding, Mark Ingleby, Eva Kestner, and Joan Millbank

Apologies: Councillor Aisha Malik-Smith, Councillor Susan Wise

Also present: Councillor Will Cooper (Cabinet Member for Housing Management and Homelessness), Timothy Andrew (Scrutiny Manager), David Austin (Acting Executive Director of Corporate Resources), Fenella Beckman (Director of Housing Strategy), Gillian Douglas (Executive Director of Housing), Katharine Nidd (Acting Director of Finance) and Nick Penny (Head of Service Finance)

Also present virtually: Councillor Amanda de Ryk (Cabinet Member for Finance and Strategy)

NB: Those Councillors listed as joining virtually were not in attendance for the purposes of the meeting being quorate, any decisions taken or to satisfy the requirements of s85 Local Government Act 1972

1. Minutes of previous meeting

- 1.1 **Resolved:** that the minutes of the previous meeting be agreed as an accurate record.

2. Declarations of interest

- 2.1 There were none.

3. Responses from Mayor and Cabinet

- 3.1 Katharine Nidd (Acting Director of Finance) introduced the response from Mayor and Cabinet and responded to questions from the Committee – the following key points were noted:
- Consideration was being given to options for the single key performance indicator for social value.
 - Some information about equalities was collected as part of the procurement process – the Council would have to give further to consideration as to how this would be used.
 - Work would take place to collate the various contract monitoring key performance indicators into a single key metric for social value.
- 3.2 **Resolved:** that the response from Mayor and Cabinet be noted.

4. Housing revenue account

- 4.1 Gillian Douglas (Executive Director for Housing) introduced the report noting the competing pressures facing the housing revenue account. Gillian also outlined the overarching plans for the HRA capital programme.

4.2 Gillian Douglas and Nick Penny (Head of Service Finance) responded to questions from the Committee – the following key points were noted:

- More investment was required to bring up all of the housing stock up to the decent homes standard (particularly given the age of a number of the properties in the portfolio).
- A stock condition survey was currently being carried out to evaluate the work required to bring homes up to standard.
- It was likely that the figure of non-decent homes would increase (from the 17% identified at present) – based on the initial findings of the condition survey (this was likely related to issues with damp and mould).
- The focus of the survey was on internal works – where need was identified then consideration would be given to external/structural work and communal areas.
- Leaseholder satisfaction (with Lewisham housing) was low. This mostly related to leaks and roofing problems. Consideration could be given to expanding the condition survey to consider this work.
- There was a difficult interplay between revenue expenditure and the capital programme.
- The major works income deficit related to works carried out on Lewisham housing that needed to be re-charged to leaseholders (but was in dispute)
- In future years – works would be charged to leaseholders upfront.
- The charges to leaseholders could be justifiably passed on. Additional work would take place with leaseholders to improve the process in future. There was an existing mechanism in place for bills to be paid over a five-year period.
- Work was taking place with tenants to ensure that support was provided for those with rent arrears. There was a proactive rent collection team that worked with tenants experiencing difficulties.
- The cost of dispute resolution for disrepair was drawn from the housing revenue account.
- Performance of the repairs service was vital for avoiding future disrepair cases.
- A housing transformation board had been set up – which would consider repairs as its highest priority. There had been some initial success with improvements – but “end to end” redesign was required to improve repair work from the first visit. This would require improvements in efficiency and productivity within the limited financial resources available.
- The housing service did not yet have a functioning customer relations management system (to track contacts and issues raised by residents) – however – work was taking place to ensure that this could be delivered in future.
- A new housing management system was due to be in place in March 2025.

4.3 **Resolved:** that the report be noted.

5. Temporary accommodation pressures

5.1 Gillian Douglas (Executive Director for Housing) introduced the report noting the (£10m) budget overspend in the temporary accommodation budget and the challenging circumstances in which the Council was operating.

- 5.2 Gillian Douglas, Fenella Beckman (Director of Housing Strategy) and Ellie Eghtedar (Head of Housing Needs and Refugee Services) responded to questions from the Committee – the following key points were noted:
- Around a third of temporary accommodation was nightly paid (the most expensive option)
 - Work was taking place with residential landlords (and through the Council's acquisition programme) to ensure that there was a sustainable future supply of affordable housing for temporary accommodation.
 - Assessment of new options for temporary accommodation was carried out as quickly as possible (typically within two weeks) – whilst assuring the property was suitable for tenants.
 - The temporary accommodation reduction project was designed to reduce the numbers of people in the most expensive accommodation.
 - The majority of residents in temporary accommodation were placed in Lewisham (with most of those not in the borough in other properties in London)
 - The income team sought to recover costs as fully as possible through a range of options.
 - Tenants were only charged up to the local housing allowance rate – with any additional costs being subsidised.
 - The limitation of recharges represented a significant overspend (largely due to the cost of nightly paid accommodation)
 - The incentives paid to secure accommodation in the private rented sector varied. They were not publicised – and were balanced to ensure that they were not pushing up local housing costs – however – the Council was working in a challenging environment and the incentives helped to move households out of expensive nightly paid accommodation.
 - The Council maintained a good relationship with landlords – in order to ensure that the Council was considered before other local authorities (and government departments) for rentals.
 - Every local authority in London was under the same pressures – particularly in relation to homelessness.
 - Resourcing had recently been provided for a new post to reduce empty homes in the borough. There were significant challenges involved in identifying the owners of empty properties – and also in bringing them up to standard.
 - All London boroughs were looking to reduce the number of empty homes.
 - The Council's powers to reduce empty homes were limited.
- 5.3 **Resolved:** that the report be noted. The committee also placed on record its thanks for the work carried out by officers.

6. Financial forecasts

- 6.1 Nick Penny (Head of Service Finance) introduced the report. Nick set out areas of overspending and the ongoing challenges facing the Council. He particularly highlighted the pressures facing children's social care due to high placement costs.

- 6.2 Nick Penny and Katharine Nidd responded to questions from the Committee – the following key points were noted:
- There was an increase in the number of children in high-cost placements in children’s social care. This was attributed to a combination of an increase in the number of placements and prices in the market.
 - Placements were considered high cost if they were more than £7k per week. The average cost of a high-cost placement was £11k per week. At this time last year there were only three children in high-cost placements – and now there were more than 20.
 - The cumulative cost of a small number of placements was consuming a significant proportion of the children’s social care budget.
 - The limitations of the housing benefit system (in proportion to the cost of housing) represented a significant pressure to housing budgets.
 - It was anticipated that improvements to the data in the housing benefit management system would be implemented immanently.
 - ‘Deep dives’ were being planned for the temporary accommodation, children’s social care and adult social care budgets.
 - The current collection rates for council tax and business rates were higher or comparable to previous years.
 - Council tax and business rate collection rates were forecast over a three year period – with actual returns being submitted to government on a regular basis.
 - Deficits in council tax and business rate collection could be dealt with in a number of different ways. Lewisham’s collection rate was similar to forecasts – but a dedicated reserve was also in place to deal with shortfalls.
 - The Council was ambitious to achieve its collection targets.
 - The cost pressure for legal services related mostly to children’s social care. A decision had been taken to consolidate all of the costs of legal services within the chief executive’s division. The in-house legal team had to sign off all external commissioning of legal services.

6.3 **Resolved:** that the report be noted.

7. Select Committee work programme

7.1 The Committee considered the work programme report – and agreed that the following suggestions would be put forward for 2024-25:

- Areas of heightened financial risk (temporary accommodation, children’s social care and the housing revenue account)
- Investing to prevent future pressures and core service provision.
- Council’s approach to contract management, market building and cooperation with other local authorities.
- Future priorities for the capital programme.

7.2 **Resolved:** that the Committee’s suggestions for 2024-25 be submitted for consideration by the new Committee in the next municipal year.

The meeting ended at: 20:40

Chair:

Date:
