

Minutes

RESIDENTS' SERVICES SELECT COMMITTEE

14 January 2025



HILLINGDON
LONDON

Meeting held at Committee Room 5 - Civic Centre

	<p>Committee Members Present: Councillors Wayne Bridges (Chair), Peter Smallwood (Vice-Chair), Darran Davies, Ekta Gohil, Scott Farley (Opposition Lead), Janet Gardner and Kamal Preet Kaur</p> <p>Officers Present: Richard Ennis (Corporate Director of Finance) Andy Goodwin (Head of Strategic Finance) Dan Kennedy (Corporate Director - Homes and Communities) Ceri Lamoureux (Head of Finance - Place) Liz Penny (Democratic Services Officer) Karrie Whelan (Corporate Director - Place)</p>
41.	<p>APOLOGIES FOR ABSENCE (<i>Agenda Item 1</i>)</p> <p>There were no apologies for absence.</p>
42.	<p>DECLARATIONS OF INTEREST IN MATTERS COMING BEFORE THIS MEETING (<i>Agenda Item 2</i>)</p> <p>There were no declarations of interest.</p>
43.	<p>TO RECEIVE THE MINUTES OF THE PREVIOUS MEETING (<i>Agenda Item 3</i>)</p> <p>RESOLVED: That the minutes of the meeting dated 27 November 2024 be agreed as an accurate record.</p>
44.	<p>TO CONFIRM THAT THE ITEMS OF BUSINESS MARKED AS PART I WILL BE CONSIDERED IN PUBLIC AND THOSE MARKED PART II WILL BE CONSIDERED IN PRIVATE (<i>Agenda Item 4</i>)</p> <p>It was confirmed that all items of business were in Part I and would be considered in public.</p>
45.	<p>SELECT COMMITTEE TERMS OF REFERENCE UPDATE (<i>Agenda Item 5</i>)</p> <p>RESOLVED: That the Select Committee Terms of Reference update be noted.</p>
46.	<p>2025/26 BUDGET PROPOSALS FOR SERVICES WITHIN THE REMIT OF THE RESIDENTS' SERVICES SELECT COMMITTEE (<i>Agenda Item 6</i>)</p> <p>Richard Ennis (Corporate Director of Finance), Andy Goodwin (Head of Strategic Finance), Dan Kennedy (Corporate Director – Homes and Communities) and Karrie Whelan (Corporate Director – Place) presented the report.</p> <p>The Corporate Director of Finance noted that these were very challenging times, and</p>

national issues were impacting local government.

In respect of housing, the Government's target of delivering 300,000 homes per annum was a goal which had not been achieved since 1969. It was noted that the Help to Buy scheme from the previous Government no longer existed, and affordability in the housing market remained a significant issue, particularly in the rental market.

Members heard that the authority had been drawing on its reserves for a few years and aimed to rebuild them while maintaining transparency. It was noted that Hillingdon was a low-tax authority, resulting in lower resident payments compared to neighbouring authorities, but also less income for services. The Committee was informed that the settlement received had been higher than estimated by about £3.8 million, but this was considered a small sum given the scale of challenges. It was confirmed that the Government had increased National Insurance, but local authorities had not received confirmation of full reimbursement to date. There was a risk that increased private sector contractor costs could be passed on to the local authority.

Officers noted that interest rates were causing financial challenges, with long-term rates touching 5%. The final budget would be presented to Cabinet on 13 February and to full Council on 27 February 2025. The comments from the Select Committees were expected to be helpful in the final stages of the budget process.

The Corporate Director for Homes and Communities informed Members that, with regard to temporary accommodation, Hillingdon had experienced considerable pressure on its homelessness services, with a 24% annual increase in housing enquiries since the pandemic. Temporary accommodation rates for private sector accommodation had increased in cost by 30%, in line with London's 32% increase. Over the last five years, there had been a 40% reduction in the availability of private rented sector accommodation in Hillingdon. Only 5% of private rented properties in the Borough had rent levels met by benefit rates, meaning 95% required some form of subsidy for affordability.

The collective impact of these factors had resulted in significant pressure. The budget position for the year forecasted a £5.7 million overspend on the homelessness budget. Actions in the budget proposals for 2025-2026 onwards aimed to address this, including accelerating the supply programme to take charge of the supply for the next two to three years and building up the pipeline programme.

The Corporate Director for Place advised the Committee that Hillingdon had been focusing on its housing delivery programme, which involved significant capital outlay. The Hayes regeneration programme was already delivering, and there were proposals to accelerate the programme to deliver more affordable homes. The strategy aimed to increase the housing supply by about 800-900 properties over the next four years. This included acquiring properties quickly and building stock through land supplies. The Greater London Authority (GLA) provided funding, particularly for affordable housing, and it was hoped that a considerable amount of grant funding would be secured.

It was reported that there was a need to review and keep an eye on demand-led growth, particularly in relation to waste and population increases. Inflation on levies was also a concern. A total review of the parking structure was planned, including looking at fees and charges, and how car parks were being utilised. The aim was to get better value for money from land assets.

The Head of Strategic Finance addressed the Committee and provided an overview of the revenue monitoring position for month 7, which reported an £8.9 million overspend for the Council. Members heard that the pressures in the services under the Committee's remit were mainly related to the imported food office and Brexit changes, where previous grants had ceased. The savings programme for the year was £3.7 million, with £2.8 million on track for delivery and £0.9 million recorded as red, indicating potential delivery issues.

It was reported that the medium-term financial strategy consultation budget presented a saving requirement for the next year of £39 million, with £32.6 million identified, leaving a residual gap of £6.4 million. Corporate items added £37.3 million to the Council's running costs, with demographics and inflation adding a further £16.9 million. Services within the Committee's remit were forecast to increase by £7.7 million next year, with £5 million related to homelessness and £1.6 million from waste services. An additional £2.8 million was required to fund inflation, primarily for a forecast pay award of 3% for the next year.

The largest savings within the Committee's remit included £3.6 million from measures aimed at reducing homelessness support costs, £0.9 million from parking revenue income, and £0.3 million from planning income. The capital programme budget over the NGFS was £341.6 million, with £17.1 million related to services within the Committee's remit. This included £7.5 million for green spaces equipment, £7.5 million for the Chrysalis programme, £1.6 million for shopping parades, and £1 million for the playground replacement programme. The HRA revenue account set a balanced position for 2025-2026 and maintained balances at £15 million over five years, utilising the CPI plus 1% rent increase. This helped fund an increase in stock by 1,669 properties over five years, with additional rental yield reinvested into the HRA to fund the capital programme, developments, acquisitions, and works of stock budget.

Members enquired about the impact of the provisional local government finance settlements on the budget for the upcoming year, specifically focusing on the homelessness prevention grants. It was noted that the Government had imposed a 49% ring fence, which required boroughs to shift from temporary accommodation to prevention. Members asked how this shift had impacted the Council, given the figures provided, including a 24% increase in housing enquiries over the last year.

Officers outlined the impact of the 49% ring fence on temporary accommodation costs. It was noted that the grant required spending to focus on getting people out of temporary accommodation or preventing them from being placed there. Officers had already modelled this and did not anticipate any issues. There was a high demand for private rented accommodation, which could be used to subsidise the market and benefit rates. Members heard that, unlike some London boroughs that used 60-80% of their grant to fund temporary accommodation costs, Hillingdon was not in that position.

In response to further questions from Councillors, officers provided an overview of the settlement, which had not yet been finalised, particularly due to the absence of National Insurance in the settlement. It was confirmed that the authority had received about £3.8 million more than estimated, but this was not a significant amount given the overall turnover. Unlike some core cities and London boroughs that had received grants to deal with pressures, Hillingdon did not receive such support. The need for self-help was emphasised due to significant challenges in public finances and the expectation of significant savings across government departments.

The Committee was informed that the Council faced a substantial savings programme of £33 million for the next year, the largest it had ever faced, to meet policy objectives set out in the Cabinet report from December. An additional £17 million needed to be saved the following year. Contingencies had been built into the budget, and it was advisable to maintain these contingencies to rebuild the reserve position, which was too low.

Members sought further clarification regarding the impact of Heathrow on the Borough's finances. It was noted that there were significant noise and parking issues, and the Council faced pressures related to temporary accommodation.

Members heard that the boroughs of Westminster, Hounslow, Croydon and Hillingdon were disproportionately affected by these issues. It was confirmed that the Leader of the Council had written to the Home Office Secretary of State to raise these points.

It was believed that the Council was not adequately compensated through business rates at present, with a significant portion taken by the Government and the GLA. Hillingdon Council had lobbied for a fairer proportion of business rates and had responded to the settlement agreement, arguing against the unfair impact on their low tax borough. There was an expectation that the Government would work on a three-year settlement, which would provide more certainty for local government.

Officers noted that, from an economic growth perspective, the top 30 business rate payers were predominantly in the Heathrow or airport business. The Council had built a partnership arrangement with Heathrow to find assistance and support for community functions.

It was believed that Heathrow had funding available to support community-led projects and the Council planned to work closely with Heathrow over the next year to explore innovative avenues.

It was noted that 5,528 individuals or families had presented as homeless over the last 12 months and, of these, 3,739 cases had been closed. Members enquired whether "closed" meant that these people had been housed or just removed from the list. Noting that there were currently still 1,790 open cases the Committee enquired how the service would cope with this demand.

Officers acknowledged the high demand, with over 100 enquiries every week. They mentioned that they provided residents with information about their options and offered advice and signposting. Many people looking for affordable housing were not eligible for assistance, so they were given information about estate agents and charitable organisations. For those eligible for assistance, a caseworker was allocated to try to prevent homelessness through mediation, negotiation, and discretionary housing payments. About 50% of those progressing to homelessness had lost their private rented sector accommodation, requiring intervention to negotiate new tenancies or find alternative accommodation. Temporary accommodation was considered a short-term solution to avoid immediate homelessness. It was recognised that pressures on affordability and supply were likely to continue for the next two or three years.

In response to further questions from the Committee, it was acknowledged that there had been a significant increase in applications for the Right to Buy from existing Council tenants across all London boroughs. Although not all applicants proceeded with the purchase, the number of applications had risen from 50 to about 400. Officers expected this number to decline sharply due to the reduced discount. It was noted that some other boroughs had received between 800 and 1,000 applications. Officers

highlighted a cash incentive scheme where tenants could relinquish their tenancy in exchange for a cash lump sum to use as a deposit for a property. Members heard that this scheme worked well for some families, especially those willing to move to the north of the country where their money would stretch further. It was confirmed that any loss of housing stock would have little impact on rental income.

Members referenced pages 23 and 25 of the agenda pack and enquired whether plans were in place to mitigate any anticipated savings which failed to materialise.

It was confirmed that the statutory override was expected to be extended by the Government until the end of March 2026. The Office for Budget Responsibility had stated that the issue could only be resolved at a national level, affecting many areas including Hillingdon. Officers emphasised the importance of planning ahead to meet savings targets by April 1st, noting that this was the highest savings target in the Council's history. It was noted that reserves were low and that a section 25 statement would be made in February to assess the budget's risk and robustness. Officers stressed the need for a culture of living within the budget and working in partnership with others to drive better value. They also highlighted the importance of using grants and working with the third sector to find more efficient models for delivering services.

Members sought reassurance that the Council's digitalisation strategy would not impact negatively on the quality of services provided to residents.

In response, officers discussed the development of proposals for service changes, which included moving several services to digital points of contact or engagement. The primary benefit was that residents could access and transact with the Council at their convenience. Members heard that many residents preferred this method over calling the Council and waiting for a response. Officers noted that digitising and improving services provided long-term benefits, although it was acknowledged that some community members required additional support. The Council offered programmes at libraries to help residents improve their digital skills and provided outreach services for certain groups. It was confirmed that officers carefully mapped and modelled service changes, considering factors such as the age profile of residents and early communications and engagement. Overall, it was reported that digital access and self-service made a significant difference to residents.

Members sought further clarification in respect of zero-based budgeting and ways in which senior officers held responsibility for budgets within their portfolios.

The Corporate Directors emphasised the importance of constructively challenging their teams. Members heard that they reviewed legacy arrangements and contracts, emphasising the need for change and collaboration across services. Officers highlighted the importance of early intervention and a culture shift towards collaborative responses to needs. Forecasting models were refined and developed for complex budgets like temporary accommodation, ensuring precise budget management. The ongoing support and challenge of the Chief Executive and Corporate Director of Finance were noted.

The Committee was informed that savings targets were strictly enforced and alternative savings had to be found if initial targets were not met. Transformation work and the use of up-to-date data helped to identify trends and plan responses. Operating models for efficiency were reviewed, such as considering capital purchases over revenue-based solutions for green space equipment.

Councillors sought clarity regarding the allocated £592.9 million in the medium-term financial strategy, and enquired how much was for acquisitions and projects, and how it was broken down over the period. Further information was requested regarding fees, charges, and external funding from sources like the GLA, Government, and charity sector.

In response, officers explained that the £592 million was spread over six years, including 2024/25. They mentioned several development acquisitions already in progress, such as the HP H3 site, which was occupied in 2024/25, and two other sites, each costing around £40 million. They also discussed the Uxbridge Road region and other sites across the Borough, estimating that about 1,400 homes could be built over a ten-year period. It was noted that some funds were allocated to existing developments and acquisitions, while others were still unallocated. Officers emphasised the need for due diligence, planning applications, and determining the best use of unallocated funds to support domestic abuse and general housing needs.

In response to further requests for information regarding the process of applying for grants and target setting for obtaining funds, Members heard that there was a strong drive to proactively seek available grants. Over the past year, officers had been successful in building a relationship with the GLA, securing record numbers in housing grant activity. Officers mentioned the HP H3 site, where they had secured £20 million in grant funding for a £40 million acquisition, setting a precedent for other boroughs. The importance of delivering innovative ideas to continue receiving funding was emphasised. Officers outlined plans for four major housing development sites, aiming to secure grants covering up to 50% of the overall cost and stressed the importance of delivering projects on time and within budget, particularly for capital expenditure activities. It was confirmed that fees and charges, such as parking fees, were reviewed to understand usage and generate more income through strategic partnerships and alternative uses for car parks.

With regards to the consultation on the budget, Members were informed that the consultation period would close on 26 January 2025. 38 responses had been received thus far which was fewer than the previous year. The responses were geographically spread across the Borough, with the majority coming from UB3, UB10 and HA4 areas. All responses were from individuals and risk factors would be reviewed ahead of the Cabinet meeting in February. It was confirmed that the responses would be pulled together as an appendix to the February Cabinet budget report.

In reply to further questions from the Committee officers emphasised the need to modernise, noting that the Council had traditional practices that needed updating. They mentioned the target operating model savings, which included £5 million in 2025/26, £10 million in 2026/27, and additional savings in subsequent years. The benefits of modern services that allowed residents to access services online 24/7 were highlighted. It was acknowledged that some residents still required different types of services and the importance of catering to various needs was emphasised. Officers stressed the necessity of operating more efficiently and effectively, especially in an environment where funding was being squeezed. It was believed that modernisation would ultimately lead to stronger outcomes. With regard to grants, officers emphasised the importance of working efficiently to secure grants quickly and ensuring that the applications were successful.

Members sought further clarification regarding the 4.99% increase in Council tax and

heard that the budget strategy set out a 4.99% increase per annum for each of the five years. In 2024/25, the Hillingdon element of the Council tax was £1392 for a Band D property, which would increase to £1462 the following year. It was confirmed that Hillingdon had a good Council tax collection rate; typically collecting around 97% in the year it was due and an additional 2% over the next three to four years, thereby ultimately reaching a 99% collection rate. Support mechanisms such as the Council tax adoption scheme for vulnerable residents and the old people's discount were highlighted.

With regard to newspaper reports alleging that Hillingdon had the highest level of arrears of all the London boroughs, it was confirmed that officers had responded to the article noting that the figures quoted were incorrect; a footnote had been added to this effect.

It was agreed that the formation of budget comments would be delegated to Democratic Services, in conjunction with the Chair and in consultation with the Labour Lead.

RESOLVED that the Select Committee:

- 1. Noted the budget projections contained in the report; and**
- 2. Delegated formation of the budget comments to Cabinet to Democratic Services in conjunction with the Chair, and in consultation with the Opposition Lead.**

(Note: following the meeting, comments to Cabinet were agreed by the Chairman in consultation with the Opposition Lead. It should be noted that the Opposition Lead did not fully endorse the comments).

47. REVIEW OF HOMELESSNESS AND THE CUSTOMER JOURNEY - REVIEW FINDINGS (Agenda Item 7)

Dan Kennedy, Corporate Director of Homes and Communities informed Members that, further to the Committee's review of Homelessness and the Customer Journey, a number of smart recommendations had been drawn up in collaboration with the Chair, Labour Lead and Democratic Services.

Members thanked officers for their hard work on the review. In response to questions from Members, it was confirmed that progress in relation to the review recommendations would be monitored on an ongoing basis.

RESOLVED:

- 1. That the Select Committee considered possible conclusions, findings and early draft recommendations in relation to the review; and**
- 2. That the Select Committee agreed to delegate the final wording of the review recommendations to Democratic Services in conjunction with the Chair and in consultation with the Labour Lead.**

48. FORWARD PLAN (Agenda Item 8)

RESOLVED: That the Forward Plan be noted.

49.	WORK PROGRAMME (<i>Agenda Item 9</i>) RESOLVED: That the Work Programme be noted.
	The meeting, which commenced at 7.00 pm, closed at 8.15 pm.

These are the minutes of the above meeting. For more information on any of the resolutions please contact Liz Penny, Democratic Services Officer on epenny@hillington.gov.uk. Circulation of these minutes is to Councillors, officers, the press and members of the public.