

# **MINUTES OF THE Housing, Planning and Development Scrutiny Panel HELD ON Monday, 15th December, 2025, 6.30 pm**

## **PRESENT:**

**Councillors: Adam Small (Chair), Dawn Barnes, John Bevan, Lester Buxton and Isidoros Diakides**

## **ALSO ATTENDING:**

### **274. FILMING AT MEETINGS**

The Chair referred Members present to agenda Item 1 as shown on the agenda in respect of filming at this meeting, and Members noted the information contained therein'.

### **275. APOLOGIES FOR ABSENCE**

There were no apologies for absence.

### **276. URGENT BUSINESS**

There were no items of Urgent Business.

### **277. DECLARATIONS OF INTEREST**

None.

### **278. DEPUTATIONS/PETITIONS/PRESENTATIONS/QUESTIONS**

The Panel received two deputations, one from Nazarella Scianguetta, which covered a broad range of issues relating to disability access to housing and the issues faced by impaired residents when navigating the housing system. The other deputation was received from Paul Burnham on behalf of Defend Council Housing. This deputation related to the HRA Business Plan agenda item and raised a number of questions around the use of London Affordable Rent models and why rent increases were not part of the public consultation on the next year's budget proposals.

Ms Scianguetta introduced the first deputation. The following is a summary of the key points of the deputation:

- Ms Scianguetta asked Scrutiny to use the social model of disability when reviewing these policies. This meant looking at how the Council's systems created barriers for disabled people, and the removal of those barriers would

enable everyone to access services equally. Ms Scianguetta advised that she had nine points that would improve disability access in housing.

- Accessibility of accommodation – It was suggested that too many council homes remained inaccessible and that minor adaptations were not enough. What was required was purpose built homes, built around a particular person's needs.
- Reforming the process of how somebody accesses services. It was posited that the current process was a mess, with confusing forms, inaccessible online portals, and very long waiting times. It was suggested that the process needed to be simplified, so that people were not left behind simply because of bureaucratic inaccessibility.
- Support services and communication – The need for advice and support services to be accessible to all. Information should be written in plain english and available in a format that everyone could access. It was put forward that staff should be trained to understand disability and that those with complex needs should have a single point of contact.
- Anti-deformation and stigma reduction. The Panel heard that discrimination and negative attitudes persisted in Haringey. There was a need for public education and an easy to engage with complaints process, in order to stamp out bias. Every resident deserved to be afforded respect and dignity.
- Co-production and design – Policies for those with disabilities that were made without their direct input were doomed to failure. It was suggested that disabled residents must be involved in the co-design, delivery and reviewing of housing services. Their lived experience was a valuable resource.
- Investment in accessible housing supply – Without proper funding, accessible homes were not possible. This was true both in terms of building new homes and adapting existing ones in order to meet current accessibility standards.
- Improving standards of temporary accommodation. When housing people in temporary accommodation, it was crucial that the housing was suitable and that people were not being put in homes that didn't meet their needs.
- The need for transparency and accountability- It was commented that residents needed to know how long they would have to wait and be informed of how decisions were made. The Council should publish waiting times and explain allocation criteria, as well as the need to regularly consult with disabled people to ensure that policy reflected real needs.
- Mandatory staff training. It was stated that everyone who was involved with housing should receive disability and equality training, trauma-informed approaches and deaf awareness training. This was crucial to ensure respectful treatment for all. Disability was about overcoming barriers.

The following arose in discussion of the deputation:

- a. The Panel commented that a lot of people probably felt frustrated by the process of applying for housing, given the delays and the checks that a person had to go through. It was also commented that every single planning scheme that was submitted to the Council had to include a certain percentage of properties for disabled people and adequate parking provision for people with blue badges. The Panel also noted that there was a Haringey disability forum with a front door in Wood Green shopping centre, that was independent of the Council.

- b. The Chair sought clarification around whether the deputation believed that making the online portal easier to access or having a dedicated single point of access would make the biggest impact. In response, Ms Scianguetta commented that there was no one simple approach, given that the range of need across impaired residents was extensive and varied widely. Instead, the Council needed to improve a range of different areas, such as accessible ways of contacting the Council, providing updates on where a person was in the waiting list and being allocated a dedicated officer.
- c. The Panel sought clarification about the extent to which the deputee had links with Disability Action Haringey. In response, Ms Scianguetta advised that she did not consider Disability Action to be entirely independent, on account of the fact that they were commissioned by Haringey Council and were reliant on the Council for funding. It was also commented that they did not fully represent the whole of the disabled community.
- d. The Panel queried how long the deputee had to wait for a response when contacting housing. In response, the Panel was advised that Ms Scianguetta had been in temporary accommodation for eight years and that in that time she had always been the one to instigate contact with the Council. It was commented that at no point had she been given an update on her position on the list and that council staff regularly failed to check the medical assessment on her file leading to her having her disability questioned. It was commented that impaired residents found it very difficult to access the system online, and that being neurodiverse meant that she found it difficult to deal with a lot of different people about her case.
- e. The Chair thanked Ms Scianguetta for her deputation.

Mr Burnham introduced the second deputation. The following is a summary of the key points of the deputation:

- Mr Burnham set out that neither the proposed nor existing council rents were being reported honestly in the HRA Business Plan. It was suggested that the table at page 109 of the agenda pack conflated two completely different rent regimes i.e. social rents and London Affordable Rent (LAR). Mr Burnham advised that a report from Shelter branded affordable rents as being unaffordable for lower income working households in London.
- It was suggested that the confusion between the two rent regimes was something that the Council had done repeatedly. Following an FOI request Defend Council Housing had ascertained that LAR was £83 or 62% a week higher for an average two bedroom property compared to social rent. Increases in service charges were on top of this.
- Mr Burnham recommended that the Council should stop using LAR in favour of social rents in all cases.
- In relation to service charges, it was commented that Haringey's policy was that leaseholders and tenants should pay an equal share per household of the serviceable costs. Mr Burnham disputed that this was what was happening. It was contended that in April this year there was a 21% increase for tenants for the cleaning of communal areas of blocks and 29% increase for cleaning street properties. In contrast, leaseholders were being charged 3%. It was evident, therefore, that tenants were being overcharged. Mr Burnham recommended that the Panel ask Cabinet to set the current service charges for cleaning to 3% above the current year.

- The Panel were advised that rent convergence would result in further rent increases above the annual uplift of CPI +1% of up to £4 extra per week, attacking the living standards of some of the poorest residents. It was commented that the valuations used to set these rates would not stand up to independent scrutiny. Mr Burnham recommended that the Council should oppose rent convergence and instead seek additional funding through debt write-off, higher grant rates for new builds, match funding for acquisitions, and adequate building safety grants.
- Mr Burnham recommended that the Panel strongly object to the exclusion of the Housing Revenue Account and rent increases from the public consultation on next year's budget.

The following arose in discussion of the deputation:

- a. The Chair sought clarification about whether, in relation to London Affordable Rent, the deputee was recommending that the Council should not engage in any grant funding that required the Council to use LAR. In response, Mr Burnham disputed that the Council had no choice. Instead, it was suggested that the Council had the option to either use LAR or social rents, and that even when the government prohibited use of social rents, providers were still building properties at social rents.
- b. In relation to rent convergence, the panel suggested that the increase was more like one or two pounds per week. The Panel commented that a 1% reduction in rents over a four year period, had resulted in a situation where people were paying different rents for living in the same type of accommodation. The Panel asked the extent to which Mr Burnham agreed that this seemed fair to all tenants. Mr Burnham responded that the single biggest factor which determined differing rent costs was the use of affordable rents versus social rents. The cost of rents could be brought down by use of social rents. Mr Burnham suggested that it was claimed that rent convergence was all about fairness, but disputed this when it involved increasing rents for some of the poorest residents.
- c. The Panel sought clarification about whether the deputee would like to see a rebalancing of a discrepancy in the relative charges between leaseholders and tenants, or whether he would like to see the Council find other means of funding to subsidise the cost of service charges for tenants. In response, the Panel was advised that there was a false incentive built into service charges and that often they were used to generate additional income. In general, he believed that service charges were a negative thing for consumers. Mr Burnham commented that the rationale for his recommendation on service charges was to address an unfairness in the respective service charge rates in the current budget. He commented to the Panel that he intended to take the issue to a lower tier tribunal if needed.
- d. The Chair thanked Mr Burnham for his deputation

## 279. MINUTES

The Panel sought clarification about the previous minutes and the assertion that historically, Haringey had around 200 new lets in a year, but this number had

increased significantly to around 750. The Cabinet Member clarified that there were 739 new lets last year and that there were 240 in the year before that (2023/24).

## **RESOLVED**

That the minutes of the previous meeting on 17 November were agreed as a correct record.

### **280. CABINET MEMBER QUESTIONS - CABINET MEMBER FOR PLACEMAKING AND LOCAL ECONOMY**

The Panel received a verbal update from the Cabinet Member for Placemaking and Local Economy, Cllr Ruth Gordon, followed by a question and answer session on matters pertaining to her portfolio. By way of an introduction, Cllr Gordon commented that the last time she gave an update on her portfolio to the Panel she outlined how the strategy for developing Tottenham and Wood Green had been developed as the over-arching strategic framework for a range of placemaking projects, and following extensive consultation with the community and local stakeholders. The Cabinet Member advised that since then, the team had been implementing the projects that sat underneath this framework, such as:

#### Tottenham

- The opening of the Bruce Grove toilet block and the removal of that building from the heritage's at-risk register.
- The restoration of the Art-Deco frontage at St Mark's Church.
- The Chapel Stones project in North Tottenham, which involved a group of artists working with young people to design a mural.
- A partnership project with Youth Employability in Northumberland Park, providing employment support for 16-24 year olds.
- The launch of a new market at Seven Sisters, including the re-introduction of the Latin American Market.

#### Wood Green

- Completion of the Eat Wood Green project which involved a new community-led food growing and education space at Wood Green library.
- Penstock Tunnel had reopened following refurbishment and improved drainage and lighting.
- The launch of the Business Forum
- Improvements made to Turnpike Lane
- The completion of projects at Wood Green Common, including tree planting with local school children.

It was noted that progress had also been made with bigger schemes, such as High Road West, Selby Urban Village and Broadwater Farm.

The following arose in relation to this agenda item:

- a. A member of the Panel raised concerns in relation to the Local Plan consultation seemingly proposing that the library provision at Tottenham Green would be replaced with housing and the fact that this seemed to undermine the

Council's manifesto commitment to maintaining all nine libraries. In response, the Cabinet Member commented that the Local Plan sat under Cllr Williams' portfolio. Cllr Gordon provided assurances that there had been no change of strategy, and that the site allocation for this location had been in place for a long time. The Panel was advised that there were no current plans to develop this site, and that the Council had a vested interest in maintaining the existing leisure and library facilities on this site.

- b. The Panel welcomed the reopening of Seven Sisters Market and queried the fact that only 25% of the whole building was being used. Members questioned what the plans were for the remaining 75% of the site. In response, the Cabinet Member advised that the Council did not own or manage the market. Places for London owned the site. Cllr Gordon advised that she had held positive discussions on how the site would be taken forward with Places for London and the traders, and that these discussions were ongoing.
- c. The Chair commented that the market traders attending a recent Full Council meeting emphasised the importance of culture based regeneration schemes to him, and it was questioned how the Council were implementing placemaking schemes which maximised culture within different communities. In response, the Cabinet Member acknowledged that there were financial challenges facing the Council, but commented that they were looking at ways of leveraging funding and that the Borough of Culture would encourage funding being available for a number of schemes. The Cabinet Member highlighted the Seven Sisters Market as being one of the biggest cultural placemaking schemes and suggested that she anticipated it becoming a major hub within the borough for these celebrations. It was noted that a cultural hub was in place within the market and that the Latin American network had recently been re-established.
- d. The Panel sought clarification about the cost of the Bruce Grove toilet block. In response, the Cabinet Member advised that she did not have the figures to hand, but emphasised that as an at-risk heritage asset, the Council had a responsibility to preserve it. It was commented that the site's proximity to a railway had caused delays to the scheme. The Panel requested a written response on the final costs of the scheme. **(Action: Abigail Stratford).**
- e. In relation to Broadwater Farm, the Panel acknowledged the written response provided by officers. The Panel expressed a level of surprise with the cost of the scheme and commented that it was not clear whether the £143m figure included the costs incurred to date. The Chair noted that this was a long running programme of works that had already received a significant degree of scrutiny.
- f. The Panel sought clarification around the Town Centre Strategy and queried what was being done to reinvigorate empty shops in Crouch End and Muswell Hill. In response, the Cabinet emphasised the importance of the opening of Hornsey Town Hall and the expectation that this would give a boost to the local economy. The Cabinet Member acknowledged that there had been some reductions in the Economic Development team, which were focused on town centre management. The Cabinet Member set out that the Council was developing a growth plan for Haringey in the coming months, that would align with the London Growth Plan. The plan would focus on particular sectors, such as the nighttime economy and it was hoped that this combined with the Borough of Culture bid and the Euros, would build a lasting legacy in terms of improving our town centres.

- g. The Panel queried what was being done in relation to the business forum and what could be done to re-engage with the Muswell Hill traders. The Panel queried whether there were incentives that the Council could provide in relation to empty shops. In response, the Cabinet Member set out that the service had been working to re-integrate with the Traders Association in Muswell Hill, including the work done around Christmas events. The Cabinet Member emphasised the importance of having a BID in terms of developing a lively high street that people wanted to visit. Officers also advised that there were two loan funds available for businesses and that there was a need to understand some of the wider issues that led to there being more empty shops and a decline in high streets. Officers also stressed the importance of the conjunction between leisure, culture facilities, and high streets.
- h. The Chair commented on the Mayor's ambition to turn London into a 24 hour economy and questioned what strategy the Council was pursuing to find a balance between supporting a nighttime economy and also protecting local residents from nuisance. In response, the Cabinet Member stressed the importance of working with both local businesses and local residents. The Cabinet Member also referred to the need for people to feel safe when out late at night, citing Green Lanes as an example of thriving late night economy where people felt safe. The Cabinet Member acknowledged that there were some locations that were suited to a nighttime economy and others, in more residential areas, that were not.
- i. The Panel sought assurances around what the administration was doing in relation to supporting local jobs. In response, the Cabinet Member set out that a new Connect to Work scheme had just been launched with Haringey Works and an outside provider. The scheme was aimed at those with complex barriers to work, who needed a degree of wrap around support, to help them sustain employment. The scheme matched up employers with candidates, and it had received some government funding. Officers advised that the scheme had only started part way through the year, but that some figures could be circulated to the Panel at a later point when there was enough data to make it worthwhile. Overall, officers stated, the employment rate in Haringey was improving based on the data for the last quarter.

## **RESOLVED**

That the update from the Cabinet Member, and the responses to the Panel's questions were noted.

## **281. KPI UPDATE**

The Panel received a set of slides which provided an update on a range of Key Performance Indicators relating to the Housing Service, as set out in the agenda pack at pages 23-48. The Interim Director of Housing, Rachel Sharpe, was present for this item, along with the Corporate Director of Adults, Housing and Health and Paul McCabe, Head of Repairs and Maintenance. The Cabinet Member for Housing and Planning was also present for this item. The following arose as part of the discussion of this item:

- a. The Panel raised concerns about asbestos checks and feedback from residents that these checks were not being carried out. In response, officers

advised that they were updating and migrating the database used for recording the register of communal asbestos checks. It was acknowledged that this had had an impact on the performance figures, as an asbestos check had to be carried out before repairs could be done, as part of the relevant health and safety requirements.

- b. The Panel queried whether the void figures in the presentation included HCBS properties. In response, officers advise that the figures related to general needs housing voids and sheltered housing voids. HCBS properties were not included. The Panel requested that future KPI updates include the number of void properties in the HCBS as well as general needs and sheltered housing. **(Action: Robbie Erbmann).**
- c. The Panel requested that the March Panel meeting include a short, focused agenda item on Legal Disrepair claims. **(Action: Clerk).**

**RESOLVED**

Noted

**282. FINANCE UPDATE - Q2 2025/26**

The Panel received a report which set out the Council's financial position at Q2 of the 2025/2026 financial year. The report was originally published as part of the agenda papers to Cabinet on 9<sup>th</sup> December 2025. The report was included in the published agenda pack at pages 49-104. The following arose in discussion of this item:

- a. The Panel sought clarification about the report seemingly indicating that significant improvements had been made in relation to Housing Benefit overpayments. In response, the Chair commented that this sat under Cllr Chandwani's portfolio and under OSC's remit. It was commented that OSC recently received an update on this, and that the challenge related to not receiving full benefit reimbursement from DWP for supported accommodation. There were also long running issues arising from the migration of housing benefit to Universal Credit. OSC made a recommendation to support the Council in seeking full reimbursement from the DWP.
- b. The Chair queried why the in-year savings target was RAG rated as green, given that £101k of a £3.4m overall savings target had been delivered. In response, the Corporate Director of Adults, Housing & Health advised that the delivery of savings were always anticipated to be backloaded within the financial year. There were a number of things that came into play in the later parts of the year, including rent convergency which went live in September. The majority of the delivery within the acquisitions programme was also due to be delivered in the latter half of the financial year. The Corporate Director reiterated that the in-year savings were expected to be delivered by year end.
- c. In relation to the HRA capital forecasts for 2025/26, the Panel queried why most of these were RAG rated amber/red for time. In response, Cllr Williams advised that this was due to delays with the implementation of the partnering contract. Officers advised that the Section 20 consultation had been completed and that they would be engaging with contractors in January, with work expected to begin in April.
- d. The Panel noted that the underspend in the HRA capital delivery programme was historically much bigger than in the General Fund and queried whether a failure to spend capital funding in a given year meant that funding was lost. In

response, Cllr Williams advised that nothing was lost and that the works would be reprofiled to the following year. The Cabinet Member advised that a lot of the delays stemmed from the Building Safety Regulator and the backlog of approvals from that body. Officers provided assurances that spend had been reprofiled in order to meet the 100% decency target by 2028.

- e. In response to a question about reductions in HRA spending and how this would be monitored, the Cabinet Member commented that the re-profiling of budgets was a continuous journey, in order to ensure that projects could be delivered.
- f. The Chair welcomed the progress made to date in reductions in the prevention and outflow of temporary accommodation numbers.

#### **RESOLVED**

That the Panel noted the contents of the report.

### **283. HOUSING REVENUE ACCOUNT BUSINESS PLAN AND BUDGET 2026/27**

The Panel received the Housing Revenue Account Business Plan and Budget 2026/27 report. Every year, the Council sets a business plan for its Housing Revenue Account (HRA). This business plan considers projected income and expenditure over a 10 and 30-year period. The report provided an update on the aims and ambitions across the medium and long term and proposals for the 2026/27 budget which were due to be presented at Council in March 2026 for approval. The report was introduced by Kaycee Ikegwu, Head of Finance, as set out in the agenda pack at pages 105 – 128. The cover report was included in the additional papers agenda pack. Sara Sutton, Corporate Director of Adults, Health & Housing was present for this item, along with Rachel Sharpe, Director of Housing, and Robbie Erbmann, Delivery Director. Cllr Sarah Williams, Cabinet Member for Housing and Planning was also present. The following arose as part of the discussion of this agenda item:

- a. The Panel sought clarification around revenue contributions to capital and the plan to deliver an £8m surplus. The Chair noted that the surplus was forecast at £0.65m next year and £3.8m over the MTFS period. In response, officers clarified that the surplus target was an internal ambition that service set itself in relation to revenue to capital. This was done a few years ago, in relation to the level of risk that was being carried with the significant investment into existing stock and new homes, and determination that it was prudent to build in that level of revenue contribution to capital. Since then, a number of factors had made this increasingly difficult to achieve, in particular rising interest costs.
- b. In response to a follow up question, officers advised that the current business plan was a worst case scenario and that it was hoped an improved position would be reported in the final plan reported to Council in May. There were a number of things that had not been factored into this version, such as rent convergence as the service was waiting for government guidance to be released in January. Discussions were also being progressed with the GLA about covering interest costs in the construction period. It was envisaged that this would also improve the current position. Officers were also looking at implementing efficiencies within the service to improve the revenue costs to capital.
- c. The Chair sought clarification that by the end of the MTFS, £76m a year from the HRA would be spent on capital financing costs, which roughly equated to

30% of the overall budget being spent on servicing debt arising from the investment into existing stock and building new homes. In response, officers acknowledged that this was the case and that any major investment, on the scale that was being done in Haringey, would see increasing debt repayment costs. Officers advised that rental income would also increase as a result, and that years 7 onwards of the plan showed a significant surplus being generated from the HRA. It was commented that rising rental income tended to generate income growth over time due to inflation, particularly as interest costs remained static.

- d. The Chair commented that this was hard to understand the level of debts that were being carried by the HRA, as the report only showed the capital financing costs. The Chair commented that he would like to understand the level of debt being carried by the HRA in future reports and the trigger points. In respect of a repayment plan, officers advised that they were looking at this, but there was no requirement for one. Instead, the industry standard was to monitor the loan to equity value of properties. The industry standard was a ration of 60/40. Haringey was currently below 50%. The Chair requested that this indicator be included in future reports.
- e. The Panel queried whether the report showed that the New Homes Building programme effectively ended in latter years of the plan. In response, officers advised that the forecast represented schemes that were currently in the delivery programme i.e. they had been approved by Cabinet and they had active viability undertaken on them. Further schemes would be added as an when they were approved by Cabinet and underwent a viability assessment.
- f. The Panel sought clarification about whether any problems were anticipated going forwards with being able to balance the HRA. In response, officers confirmed that the plan as presented showed a balanced position, and that this was based on a set of assumptions that were worst-case scenario.
- g. The Panel queried the discrepancy between formula rents and the rent cap and why the difference was proportionally much less for larger homes. In relation to HCBS properties, the Panel queried which rental scheme they were charged under. In response, officers advised that the rent cap was set centrally by government. In relation to HCBS properties, these were charged at Local Housing Allowance rates, which were significantly higher than either formula rents or London Affordable Rent.
- h. The Panel followed up on a point raised in the deputation by Defend Council Housing and asked for clarification about the differing levels of increases in service charges for leaseholders versus council tenants. In response, officers advised that the general point was that the Council had to recover costs from whichever tenure the service charges were being applied to. Officers suggested that the examples given by Mr Burnham didn't appear to be directly comparable. If the concerns raised in the deputation were referred to first tier tribunal, they would look in detail at the service charges and the methodology to see whether they were comparable.
- i. As a follow-up question, the Panel sought clarification about how the Council differentiated between different block and different tenures in terms of service charges. In response, officers advised that within each service charge there was a difference in usage, location, block etc. and there was a methodology that looked at what was actually provided to that site in terms of tenure mix. A number of these services were pooled and the individual rate would be

affected by the number of properties in that pool. The apportionment between leaseholders and tenants may look different, but the methodology ensured that leaseholders only paid for what they received and likewise for tenants. The Cabinet Member stressed that having this reviewed at a tier one tribunal was normal practice, and that this was what the tribunal was there for. Officers set out that the general principle was that receipts were pooled against the numbers contributing towards that particular charge in that location.

- j. In response to a further follow-up, officers advised that pooled receipts could be pooled by block and location, and that the total cost was divided by the number of leaseholders/tenants in order to ensure it was proportional. Officers clarified that the figures in the report for individual service charges were effectively an average that was used internally. Those receiving bills for service charges would receive an indicative bill and a final bill. Once the HRA Business Plan was agreed by Cabinet individual bills would be calculated and sent out to tenants and leaseholders.
- k. In response to a question, officers provided assurances that leaseholders and tenants paid the same amount of service charge if they received the same service. This would be checked by adding up the service charges received from both sides and making sure this was the total cost of providing that service. Assurances were given that one group didn't proportionally pay more than the other.
- l. The Panel queried a scenario raised earlier in the meeting around service charges for having a door entry system and queried whether tenants/leaseholders were being charged for this if it was defective. In response, officers advised that for tenants, in the eventuality of a failure of service, there was a policy that would set out what refund or credit is applied, within a designated period of time. For leaseholders, communal repairs were picked up in addition to ongoing service costs and so it wasn't comparable with the service charge to tenants, as they paid for communal repairs through their rent costs.
- m. The Panel queried the extent to which service level agreements were in place for things like grounds maintenance. In response, officers advised that there was some form of agreement in place for all the different services that were provided, whether that was a contract, service level agreement, or other delivery mechanism. These were reviewed and a review of the SLA for grounds maintenance was underway involving the resident's voice board.
- n. The Panel queried why the figures at Table 6 of the business plan showed reduced levels of investment in repairs after Year 1 (2026/27). In response, officers advised that there were a lot of one-off items that artificially inflated the budget line in Year 1, such as higher disrepair costs. These were expected to tail off in Year 2 onwards.
- o. The Panel queried whether the cost and number of repairs could also increase as a result of the Council building more homes. In response, the Cabinet Member suggested that these were new builds and shouldn't require a lot of repairs. It was suggested that a lot of the repair work was driven by the need for major works to be carried out, particularly in places like the Noel Park Estate. Once those major works were completed the repair issues should drop dramatically. It was also envisaged that the increase in the number of Decent Homes should also result in fewer repair claims. The mobilisation of the partnering contract would enable significant progress to be made on repairs.

The Head of Finance advised that that Table 6.1 captured increased investment in repairs from Year 6 to Year 10.

- p. The Chair commented that the proposed HRA Capital Programme at Table 7 of the report showed approximately £1billion investment in things like the major works and the New Homes Build Programme in 2026/27-2030/31, and that this then reduced significantly to around £145m in Years 6-10. The Chair queried whether this reduction in capital spend was overly optimistic, given the continued need for investment and sites for the New Homes Building Programme coming online. The Chair questioned what level of challenge and difficulty this presented, given that the borrowing costs were around £290m. In response, officers advised that the exposure to risk identified in the report arose from the fact that assumptions had been made on what borrowing rates would be over the next five years. Officers had taken a position and used a model that was felt to be prudent. The key risk was in the eventuality that a major global event happened that impacted borrowing rates, like the war in Ukraine. If this happened and borrowing rates increased above what had been assumed, then this would be a big challenge. Officers advised that currently, the market rates were slightly below the rate that had been assumed for the current year. If this trend continued, the level of risk would be relatively low.
- q. In relation to the above point, officers advised that the figures seen here had been modelled over 30 years and that the HRA Business Plan ensured there was enough interest cover for the borrowing that was planned. Officers also commented that the HRA Business Plan was updated every year and that this involved looking again at the borrowing assumptions. In addition, the Housing service looked at the business plan on a quarterly basis and that the risk profile of new projects was assessed in that quarter, as well over a longer term. The Corporate Director advised the Panel that the Council received external validation and assurance around the model it used and that the Council wasn't marking its own homework.
- r. The Panel questioned how the organisation could ensure parity for tenants who were seeing year-on-year rent increases, but were not benefitting from having a new Council home. In response, officers set out that the New Homes Building Programme paid for itself, and that it actually grew the income of the HRA over time. Officers commented that they would not characterise the New Homes Building Programme as only benefitting the people that lived in those new build homes. The overall HRA position over the medium to long term benefitted, and this afforded more money to spend on services and other capital works.
- s. In response to a request for clarification, officers set out that from Years 2 & 3 after practical completion, the general trend was that the amount of rental income coming into the HRA from new build properties exceeded the interest costs. Over time, as rents increased, that gap would grow. The new homes made a net-positive contribution to the HRA as they brought in more income than they cost the HRA. Officers set out that properties acquired under the TA Acquisitions Programme returned a much higher rate of return to the HRA than new build homes. It was also commented that the New Homes Building Programme was supported by significant grant funding from the GLA that helped in terms of viability.
- t. The Chair sought clarification on whether, in effect, the Major Works programme was dependant on the additional revenue coming into the HRA from the New Homes Build Programme. In response, officers commented that

what would be affordable may look different if there was New Homes Build Programme. Officers did not characterise one scheme as being dependant on the other. The Cabinet Member commented that doing Major Works at scale would have a big impact on a number of works streams across housing, particularly repairs and the need for decants due to repairs.

u. The Panel put forward the following recommendations in relation to the HRA Business Plan:

- Sustainability of Long Term Borrowing Costs- Further information requested for 19<sup>th</sup> January OSC meeting in relation to the sustainability of long term borrowing costs and the burden this places on the HRA. The Panel would like to understand how a sustainable level of debt is calculated. Including some further information around the ratio of debt, and interest markers, and how these are factored into an assessment that a particular level of debt is affordable. What red lines does the Council use in assessing that a certain level of debt would be unsustainable?
- Sustainability of Long Term Borrowing Costs- Recommendation to Cabinet: That Cabinet gives consideration to the publication of an HRA Debt Management Plan alongside the HRA budget-setting process. The Panel recognises the necessity of significant long-term investment in the HRA to address the condition of council housing and meet acute housing need. However, it is concerned about the cumulative impact of high borrowing levels on residents. The Panel recommends that the Debt Management Plan should clearly set out the Council's long-term approach to reducing, as well as managing debt in order to provide transparency and assurance around the sustainability of the HRA.
- Tenant Affordability Assessment – Recommendation to Cabinet: That Cabinet give consideration to undertaking an assessment of tenant affordability, as it undertakes assumed year-on-year rent increases to its tenants as part of the planned investment programme. The Panel is concerned that that year-on-year rent increases would cross an affordability threshold at some stage and that the Council should be reviewing and modelling this.
- Neighbourhood Moves Scheme – Recommendation to Cabinet: That a review is undertaken of the Neighbourhood Moves Scheme to assess its financial and strategic impact on the Housing Register. The Panel is concerned that offering properties to households where there is no net improvement in housing need - such as cases where there is no overcrowding or priority change - should be reconsidered alongside the known additional costs to the HRA, including void costs and reletting expenses. The Panel recommends that the review considers whether amendments are required to ensure that limited housing resources more effectively to reduce the impact of the housing crisis.

#### **RESOLVED**

That the Housing, Planning and Development Scrutiny Panel:

- a) Noted the draft report being presented to Cabinet on 9 December 2025 setting out the proposed 2026/27 budget and 2026/27 to 2030/31 and which includes proposed increases to rents and service charges.
- b) Noted that the revenue financial position will be updated in January 2026 prior to Cabinet on 10 February – once government announcement on rent convergence is made.

- c) Noted that the capital programme might also be updated in January 2026 following any changes in the programme or confirmation of anticipated funding for new build programme.
- d) Noted that Cabinet on 10 February will be asked to recommend the final HRA 2026/27 Budget and 2026/27-30/31 MTFS, for approval to the Full Council taking place on 2 March 2026.
- e) Agreed the budget scrutiny recommendations set out in (Item 283) Paragraph U above, and agreed to send them the Overview & Scrutiny Committee for ratification and submission to Cabinet.

#### **284. WORK PROGRAMME UPDATE**

##### **RESOLVED**

That the Panel noted the work programme and agreed any amendments.

#### **285. NEW ITEMS OF URGENT BUSINESS**

N/A

#### **286. DATES OF FUTURE MEETINGS**

9<sup>th</sup> March 2026.

CHAIR: Councillor Adam Small

Signed by Chair .....

Date .....