

MINUTES OF THE MEETING OF THE HOUSING AND REGENERATION SCRUTINY PANEL HELD ON MONDAY, 17TH DECEMBER, 2018, 6.30 - 10.10 pm

PRESENT:

Councillors: Dawn Barnes, Isidoros Diakides, Ruth Gordon (Chair), Bob Hare, Yvonne Say and Daniel Stone

26. 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'.

27. APOLOGIES FOR ABSENCE

Apologies for absence had been received from Cllr Sarah Williams.

28. URGENT BUSINESS

None.

29. DECLARATIONS OF INTEREST

None.

30. DEPUTATIONS/PETITIONS/PRESENTATIONS/QUESTIONS

None.

31. MINUTES

In relation to the action point in the minutes about anti-social behaviour on the Love Lane estate it was noted that the response from Sean McLaughlin, Managing Director of Homes for Haringey, had said that Estates Watch system [involving a high-spec CCTV and intercom system in the communal areas of the blocks to monitor problems, speak directly to perpetrators and direct police] would be rolled out from April 2019.

However, Cllr Barnes said that the reports of anti-social behaviour were continuing and suggested that the Safer Neighbourhood Team should be involved to support residents during the winter months.

In relation to the item in the minutes on the Tottenham and Wood Green landowner forums, Peter O'Brien, Assistant Director for Area Regeneration, reported that a paper had been submitted to a meeting of the Housing & Regeneration sub-group on 4th December. The steer from Members at that meeting was to cease the Tottenham landowner forum and to take more time to consider political representation on the Wood Green landowner forum. Members had been keen to stress that the Borough remained pro-business and wanted to ensure that there are mechanisms and structures for effective engagement with businesses and landowners in line with the draft Borough Plan and the Business Pledge. These proposals remained in draft until such time as the Council's wider approach to business engagement had been established through the Borough Plan process.

In relation to the action point in the minutes about loading bays potentially being placed at the front of retail premises rather than rear access as part of the redevelopment of the Wood Green High Road area, Cllr Adje confirmed that this was indeed the case with minivans used to deliver goods to the High Road, as happens in a similar way elsewhere in London. However, this was predominantly a planning issue and so further questions would need to be directed to those responsible for planning policy.

AGREED: That the minutes of the Housing & Regeneration Scrutiny Panel meeting held on 15th November 2018 be approved as an accurate record.

32. SCRUTINY OF THE 2019/20 DRAFT BUDGET / 5 YEAR MEDIUM TERM FINANCIAL STRATEGY (2019/20-2023/24)

Helen Fisher, Director of Housing, Regeneration and Planning, introduced the report on the 2019/20 draft budget and the five-year Medium-Term Financial Strategy (MTFS) for 2019/20 to 2023/24 with a focus on Priority 4 (Economy/Regeneration) and Priority 5 (Housing). The Council's overall proposed budget reductions are £7m in 2019/20 rising to £12.8m by 2023/24 but it is currently estimated that £6.5m of further budget reductions will be required to address the current gap in 2019/20.

The figures for Priorities 4 and 5 are included in Appendix B of the report. This shows a significant drop in the budget for Priority 4 from 2019/20 but this is mainly due to movements out of Priority 4 into Priority 3. It also shows gradual reductions in the Priority 5 budget which is mainly due to savings in the Temporary Accommodation budget. The Priority 4 budget (£4.7m in 2018/19) and Priority 5 budget (£19.8m in 2018/19) combined represents less than 10% of the overall Council budget. The figures from the revised plan are £6.3m for Priority 4 (which comprises of £18.4m of expenditure and £12m of income) and £15.8m for Priority 5 (which comprises of £55.8m of expenditure and £40m of income).

Responding to a query on the overall staffing budget, Helen Fisher agreed to provide further details about this to the panel in writing. **(Action – Helen Fisher)** Overall staff

numbers across the whole directorate is around 240 but this shifts significantly and often involves agency staff for certain functions. A staffing structure chart was circulated to the panel with details of the senior management within the directorate. The directorate was increasingly moving towards a model of bringing in more planning income and external funding to reduce the impact on the General Fund. Peter O'Brien, Assistant Director for Regeneration, said that the regeneration budget was around £3.3m with around £1.7m to £1.8m coming from the General Fund with the rest covered largely by external funding.

On property services, Helen Fisher said that additional agency staff had been brought in to help with ongoing work to meet the increased income target but it would be better to move to permanent posts in this area. Some properties had not had a rent review for 10-15 years so assets owned by the Council are being reviewed and there is a large backlog to work through. This included reviewing the conditions and health and safety compliance of the properties as well as the rent levels. On a query about the void rate and current rental income, Helen Fisher said that this information would need to be provided in writing. **(Action – Helen Fisher)** It would not be possible to provide an estimate of how much additional rental income could be brought in as this would only be known as each property is reviewed. As an example, one recently reviewed property had seen the rent increase by 50%. The impact of rent increases on local businesses also needed to be taken into account. It was expected that the review would be completed within the next year. Policy direction in this area came from the Strategic Property Board which is chaired by Cllr Ejiofor. Cllr Ibrahim said that many of the tenants of these properties are small businesses, sometimes based on council estates with local people relying on their services, so it was important to be cautious as substantial rent rises could make these businesses unviable.

The panel then examined each of the specific budget proposals.

EC1 - Carbon Management

This proposal involves a saving to the General Fund of £60,000 from the Carbon Management Service by using some of the planning income to support this instead. Helen Fisher confirmed that this change would not result in any staff cuts or an increase in the planning fees as it only involves a shift in the source of funds. The risk of not receiving sufficient income through the planning fees was considered to be low.

Asked which part of the planning service would therefore be carrying the subsequent reduction, Helen Fisher said that the income generated was over and above what was required to pay for the planning service so the money was used to support various other services across the Council that support the planning function. Asked about possible funding for tree work from planning fees Helen Fisher said that this is on the agenda to be resolved but no commitment has yet been made.

EC2 - Reduction in consultancy budget

This proposal involves a reduction in the consultancy budget from £250,000 to £175,000. Asked whether there was any scope to bring more of these functions in-

house, Helen Fisher said that the consultancy budget tends to be used for technical specialist advisers. The directorate does not have, for example, architects, people who can do surveys of ground conditions, quantity surveyors or people to do very detailed financial modelling in-house. It would not make sense to employ this range of people full-time so it is necessary to bring these skills in on a case-by-case consultancy basis.

Asked whether there was scope to reduce the consultancy budget further, Helen Fisher said that it was difficult to estimate what skills would be required as part of the forthcoming housing delivery projects. If it is possible and efficient to bring more staff in-house that this would be done. But at present it was not possible to commit to reducing the consultancy budget any further.

Asked why the use of agency staff was not being reduced, Helen Fisher said that the Major Works team and Property team had been over-reliant on agency staff and so staffing restructures were anticipated in January/February in order to obtain more permanent staff. This wouldn't necessarily generate any revenue savings because the Property team is growing and the Major Works team's savings would be capitalised. In relation to the Planning team there is a balance to be struck as having too many permanent staff can be a problem if there are not enough planning applications coming in.

Asked how much is spent on consultants altogether, including those categorised as capital costs, Peter O'Brien said that it would be difficult to say as there are so many different projects ongoing but further details could be provided in writing. **(Action – Peter O'Brien)**

The panel recommended that consideration be given to further reducing consultancy costs and that senior managers should always examine whether functions can be carried out another way rather than through consultants.

EC3 - Deletion of senior post

This proposal involves saving £225,000 by deleting the Director of Regeneration post and streamlining the senior management level. This was Helen Fisher's post but as she is currently acting up as Director of Regeneration, Planning & Development that post is effectively vacant at present.

The panel was provided with a staffing structure chart. Panel members commented that the structure is currently inconsistent with a Director, two Assistant Directors and a Head of Department all on the same second tier level. Helen Fisher said that this proposal was at an early stage and would be tidied up with a flatter management structure but the overall aim was to deliver savings without impacting negatively on any member of staff.

EC4 - Tackling uncrystallised debt

This proposal involves bringing in more income by tackling uncrystallised debt in the commercial portfolio including from a backlog of outstanding rent reviews and lease renewals. Asked why the agency surveyor that had commenced at the end of June had achieved only two rent settlements, Helen Fisher said that preparation had been started on many others and that good progress was being made overall. A progress update could be provided to the panel in future if required. Asked about underutilised properties in the commercial portfolio, Helen Fisher said that the Council had not historically been as good as it could have been in terms of asset management. The capital programme included some proposals on investing in some of those properties to bring them back into use. This is the start of the process however and so it was not yet possible to give assurances on the level of any future revenue generation. In addition, this is specialist work and the skills in this area difficult to obtain which sometimes leads to reliance on agency staff.

EC5 - Outdoor media advertising

This proposal involves generating new income through the introduction of outdoor media advertising on the Council's commercial estate. Asked why there was no new income projected for 2019/20, Helen Fisher said that sites were in the process of being identified through a piece of consultancy work and then planning permission and marketing of the sites would be required so this is why there is an anticipated delay. Asked how much other nearby boroughs were able to raise through this kind of work, the consultants would be doing some benchmarking of this as part of their work. It is anticipated that more detail on this would be available by January which could be provided to the panel. **(Action – Helen Fisher)**

Asked why consultants are required for this work, Helen Fisher said that the Property team is small and so it would take some time to be able to get this work done. It was hoped that in future the team would be more geared up to do this kind of work but at the moment this is not the case. Asked about the cost of the consultancy work in this case, Helen Fisher said she would need to find out and provide this information to the panel in writing. **(Action – Helen Fisher)**

Asked whether this approach clashes with the aim of a good local environment without street clutter Helen Fisher said that this is why it is important that the process goes through the planning system. Cllr Barnes said that because of these issues, although achieving income in 2019/20 would be welcome, it is also important not to rush the implementation.

The panel agreed to support the proposal with the recommendations that:

- Consideration is given to whether it would be possible to obtain some revenue in 2019/20.
- Consideration is given to avoiding excessive street clutter when implementing the scheme.

HO1 - Temporary accommodation reduction plan

This proposal involves reducing the current budget of £7.1m for Temporary Accommodation including by increasing the supply of lower-cost temporary accommodation through a new Purchase Repair & Management Joint Venture Partnership. Asked why this involves a partnership, Cllr Ibrahim said that while this is a joint venture it doesn't require the Council to put any land or capital in and allows the Council to have some level of control over the rent levels which are currently very high within the Temporary Accommodation market and the quality of conditions in the accommodation which can sometimes currently be poor.

Asked why Homes for Haringey (HfH) couldn't perform this function independently, Cllr Ibrahim said that this would involve the purchase of properties which HfH wouldn't necessarily have the funds for. Helen Fisher added that there are a number of initiatives here including a Purchase Repair and Management (PRAM) scheme which would involve an external partner buying up properties and carrying out repairs and maintenance while the Council's role is to ensure tenants for these properties. The Council will then own these properties within 30-40 years. However, the recent lifting of the HRA borrowing cap by the government means that there are now more options available to consider. A paper on this would be brought to Cabinet in March. The Community Benefit Society would involve the Council increasing the level of acquisitions and this stock would be managed by HfH. More information could be provided to the panel in future about each of the different models. The Panel agreed that this should be brought back to the panel as a separate future agenda item, perhaps in March. **(Action – Helen Fisher)**

Asked whether the £920,000 saving on Temporary Accommodation budget for 2019/20 could be achieved, Helen Fisher said that the Council was able to use an unallocated portion of the Flexible Homeless Support Grant received from the government but that in the longer-term the initiatives that had been discussed would help to bring the budget down.

HO2 – Capitalisation of Development team salary costs

This proposal involves charging the salaries of development team staff to the HRA rather than the General Fund. This does not represent an actual saving as such, only reduced pressure on the General Fund. It is possible that further staff could be migrated in this way in future. There would still be £764,000 in the budget for development team staff costs but it was not possible to say whether this could be reduced further until it was known what programmes and initiatives would need to be delivered.

PL1 – Additional HMO licensing scheme

This proposal relates to Priority 3 and would therefore be scrutinised by the Community and Environment scrutiny panel, but due to its relevance to housing policy

this had been included in the agenda pack for the Housing & Regeneration scrutiny panel for their comments:

- Panel members generally welcomed the Licensing Scheme as a positive policy aimed at tackling poor quality housing.
- There were mixed comments in relation to the fee levels – one member commented that costs equating to 80p per week per tenant were quite low and questioned whether the fees could be increased. However, other members noted that they understood the intention of the scheme to be cost neutral and aimed at improving housing quality and not to raise funds. Members also questioned whether landlords would end up passing on the cost of the scheme to their tenants.
- Panel members also expressed concerns about displacement. Similar schemes elsewhere had been linked to high levels of evictions and they didn't want to see people in vulnerable circumstances being put into a worse situation as an unintended side-effect. They asked how people in such circumstances would be assessed and supported where necessary.
- Panel members asked whether there were already staff in place to carry out the new work or whether new staff need to be recruited.
- Panel members asked why there was no additional income for 2019/20. The delay to 2020/21 seemed unambitious as earlier implementation and more resources to do this work could generate gains for the Council more rapidly.

Capital Schemes

On the Wood Green Regeneration (Capital Scheme 480), Peter O'Brien commented that this covers a wide range of capital investments in the Wood Green area over several years including on highways, parks, health centre, schools and community infrastructure. The assumption is that this will be funded from various sources including CIL and Section 106 money.

Peter O'Brien said that the Strategic Investment Pot (Capital Scheme 481), related to an external grant for various uses including for a broadband project covering Haringey and other north London boroughs and for the Productive Valley Fund which is similar to the Opportunity Investment Fund but with a focus on the Upper Lea Valley.

Helen Fisher said that the Strategic Property funding (Capital Scheme 482), is a pot of money that had been identified to cover a range of different things including property acquisitions and capital investment into the Council's commercial property portfolio. Each project within this will be subject to a detailed business case.

On the Wholly Owned Company (WOC) (Capital Scheme 512), Helen Fisher said that this was the funding required to establish the WOC and support housing delivery. The amount of funding set out may reduce significantly as the development activity moves into the HRA.

On a query about why the Muswell Hill Flats (Capital Scheme 513), which involved 6 flats being fitted out, were being used for shared ownership and not temporary

accommodation Helen Fisher said that the Council is working with the CCG to open a GP surgery on the ground floor and is currently looking at whether the 6 flats on the upper floors could be used for social rent. The Panel supported the proposal on the condition that the flats were not used for shared ownership.

Panel members commented that insufficient detail had been provided on the capital proposals that involved, in some cases, investment of millions of pounds. Helen Fisher responded that areas such as the Strategic Property funding were part of a long-term strategic approach and therefore information specific acquisitions were not available because they had not happened yet. In addition, individual projects within these allocations would need to go back to Cabinet for approval before they can go ahead.

After some discussion the panel concluded that more detailed information about each of the capital proposals should be brought to the next meeting of the panel for scrutiny on 15th January. This could include more information about the sources of the funding and what it would be used for.

AGREED: That comments on PL1 be passed to the Community & Environment scrutiny panel ahead of its budget scrutiny meeting on 18th December.

AGREED: That an agenda item for scrutiny of the main Capital schemes for Priorities 4 & 5 be added for the meeting of the Panel on 15th January.

AGREED: That the panel note the revenue proposals for Priorities 4 & 5 in the 2019/20 Draft Budget and MTFS for 2019/20 to 2023/24 and that a list of recommendations be provided to the Overview & Scrutiny Committee ahead of its meeting on 28th January.

33. NEW ITEMS OF URGENT BUSINESS

None.

34. DATES OF FUTURE MEETINGS

- 15th January 2019
- 14th February 2019
- 14th March 2019

CHAIR: Councillor Ruth Gordon

Signed by Chair

Date