

Scrutiny Homes Sub-Committee

Meeting held on Monday, 5 December 2022 at 6.30 pm in Council Chamber, Town Hall,
Katharine Street, Croydon CR0 1NX

MINUTES

Present: Councillor Leila Ben-Hassel (Chair), Councillor Joseph Lee (Vice-Chair),
Kola Agboola, Adele Benson, Claire Bonham, Danielle Denton and
Ellily Ponnuthurai

Also Present: Councillor Lynne Hale (Statutory Deputy Mayor and Cabinet Member for
Homes)

PART A

1 Apologies for absence

There were no apologies for absence.

2 Disclosures of Interest

There were no disclosures of interest.

3 Urgent Business (if any)

The Chair asked about the significant mischarging of General Fund costs to the Housing Revenue Account (HRA) that had been highlighted in the Section 114 notice issued by the Council on 22nd November 2022. The Corporate Director of Housing explained that there had been an overcharge to the HRA account for several years; the level of recharge to the HRA had been discovered to be higher than the normal when compared to similar boroughs and it had been found that this had been for services that should fall under the General Fund. A piece of work had been initiated to scrutinise what these recharges looked like and to date a figure of £9.5 million a year since 2019/20 had been calculated. To rectify this, around £40 million would be put back into the HRA account, which would increase reserves although this would have a detrimental effect on the General Fund.

The Chair asked if mischarging had potentially started earlier, and it was confirmed that this could be the case and would be investigated with the Section 151 officer. The Chair asked if this opened the Council to legal challenges and the Corporate Director for Housing explained that as the Council was pro-actively rectifying this it was unlikely. On whether there had been communication with tenants on this issue, the Corporate Director explained that the issue of recharging to the HRA had been raised by the Tenants and Leaseholders Panel, and that they had been advised that the situation was being looked at. The Cabinet Member for Homes explained that this was still an evolving situation, and the numbers were still under review as

years before 2019/20 were investigated. The Chair raised concerns that this had only been picked up as part of the 'Opening the Books' exercise.

4 Pre-Decision Scrutiny: Updating the Homelessness and Rough Sleeping Strategy

The Sub-Committee considered a report set out on pages 5 to 18 of the agenda, which provided a Cabinet paper on the Council's approach to revising the existing Homelessness & Rough Sleeping Action Plan for 2023/2024, following guidance from the Department for Levelling Up, Housing and Communities (DHLUC), and for undertaking a comprehensive review of homelessness in the Borough in developing a three-year strategy from 2024/2025. The Cabinet Member for Homes introduced the item.

The Corporate Director for Housing explained that this was the same Strategy that had been consulted on in 2019 with an updated Action Plan; this course of action had been decided in collaboration with DHLUC while the Council worked on a new comprehensive Strategy. The Head of Temporary Accommodation explained that the Action Plan had been aligned to transformation work happening in the Housing department and would ensure that there was a solid base for the new Strategy that would be developed for adoption in 2024.

Members asked whether joint bidding for a grant with Public Health addressing health issues, such as substance misuse which could be prevalent amongst those experiencing homelessness, had been successful. The Corporate Director of Housing responded that unfortunately this information was currently embargoed. Members asked about the budget for the Housing Needs Service and the Head of Temporary Accommodation explained that there was a standing General Fund budget, with a total could be provided upon request, but that the budget for temporary accommodation sat at around £20 million (including grant funding).

On occupancy checks, the Head of Temporary Accommodation explained that these were not currently being undertaken due to capacity in the service; additional transformation funding had been bid for to ensure these begun as part of the Action Plan. Occupancy checks would help to establish who was living in which accommodation, ensure properties were not being sublet and provide an opportunity to conduct welfare checks. It was envisaged that occupancy checks would be annual, unless complaints or notification of changes in circumstances were received. The Chair asked what would happen should the tenants be found not to be occupying allocated properties; the Corporate Director of Housing explained that each case would need to be reviewed on its own merits. The Cabinet Member for Homes explained the high cost of Temporary and Emergency accommodation, and stated that having the right people in the right accommodation would lead to greater efficiencies in the service. Members asked about the possibility of outsourcing occupancy checks to address the lack of capacity in the service, and the Corporate Director of Housing responded that all options would be considered.

The Chair asked about the likelihood that the Homelessness Support Grant allocation for Croydon could reduce by up to 30% and whether this was a result of poor data and reporting or whether this was a national reduction. The Corporate Director for Housing explained that this was an issue all councils were facing and that DHLUC were aware that this was a worsening and acute issue in Croydon. No Grant allocation figures for the settlement were yet available, but this was being watched closely by officers. Members heard that all grants were being monitored to ensure that any possible additional funds could be secured. The Corporate Director for Housing explained that robust representations were being made to DHLUC in conjunction with London Councils, and that discussions with neighbouring boroughs about out of borough placements into Croydon were ongoing.

The Chair asked about trends in homelessness in Croydon and how these compared to neighbouring boroughs; it was further asked if DHLUC recognised that this was trending up and whether there was a possibility that additional ad hoc funding could be directed to Croydon in light of this. The Corporate Director for Housing explained that the case for additional funding was being made to DHLUC and that Croydon was facing issues more similar to that of inner London boroughs. It was recognised that more work needed to be done on assessing homelessness trends in the borough, and that Croydon had historically been more likely to accept homelessness duties than other boroughs.

Members asked why Croydon was considered a cost-effective borough for homelessness placements by other authorities and, with the cost-of-living crisis increasing demand, how this could be reduced to increase capacity for Croydon placements. The Head of Temporary Accommodation explained that demand would likely increase and that work to improve data quality and capture was ongoing to help identify trends and generate demand forecasts. Members heard there was little Croydon could do to stop other authorities placing into the borough, and it was thought these authorities were undercutting Croydon for placements with this still being cheaper than in-borough placements for inner London councils. The Head of Temporary Accommodation stated that conversations had started with these authorities to gain a clear picture of the situation. The Corporate Director of Housing explained that the Chief Executive would be writing to their counterparts across London about placements into Croydon to request increased transparency and changes to practices.

The Sub-Committee asked if Croydon residents were being placed outside of borough, and if so, how were they being supported. The Corporate Director for Housing explained that 1684 households had been placed out of borough, but that this was low compared to similar councils; the borough that the placement was in were responsible for providing support to these individuals. Members asked if there were homeless people in Croydon who did not want to be in the borough long term, and if so, how was this being measured. The Corporate Director of Housing acknowledged that there was a tendency to keep people in the borough, even if they wanted to be elsewhere, and that

this needed to be addressed. The Head of Temporary Accommodation explained that the current focus of the service was ensuring placements happened and that greater training needed to take place on prevention to ensure staff could facilitate the needs of clients, house them with their support networks and provide quality advice. The Chair agreed that empowering staff to support clients through proper training was incredibly important; the Corporate Director of Housing agreed emphatically and explained that this approach was embedded in the restructure of the Housing Needs service.

The Chair asked about the use of reserves for homelessness in the current Medium Term Financial Strategy (MTFS) to meet increased demand. The Corporate Director of Housing explained that reserves would be used in this year, which could lead to problems in future years. The new Strategy that would be developed would focus on statutory provision with any additional services needing to be reviewed to see if these would still be deliverable.

Members asked about plans to improve partnerships with Housing Associations with private sector landlords increasingly leaving the market. The Cabinet Member for Homes explained that they were very keen to build these partnerships, and the Corporate Director of Housing agreed and explained that these relationships needed to be developed. It was stated that it was likely there were Housing Associations struggling to sell properties who would be keen to work with the Council. The Sub-Committee encouraged the Cabinet Member and Corporate Director to approach all landlords and available accommodation to ensure no opportunities were missed. The Corporate Director of Housing and Head of Temporary accommodation agreed and stated that no approach was off the table.

The Sub-Committee asked about Croydon's funding settlement as an outer London borough when much of its need was more aligned with that of an inner London borough. The Corporate Director of Housing explained that this was a part of ongoing conversations with DHLUC and would continue to be raised in discussions.

Members asked about contracts for Temporary Accommodation providers and the Head of Temporary Accommodation explained that the Dynamic Purchasing System (DPS) would ensure all providers would be under a contract framework, which would make the responsibilities of the provider clear and ensure value for money was achieved. The Chair asked why DPS was still not in place as the implementation date had moved back several times. Members heard that this was due to procurement deadlines and the value of the contract, but the timeline for this to be in place was now June 2023. The Corporate Director of Housing explained that the resource to develop and implement DPS had not been put in place previously, but this had now been done and progress was being monitored monthly – the latest possible implementation date was thought to be September 2023. The Sub-Committee highlighted that there were other contract frameworks that could be used in the period before the DPS was implemented.

The Sub-Committee asked about clients who refused formal offers of help for street homelessness or temporary accommodation. The Head of Temporary Accommodation explained that it was important that offers of accommodation were suitable and approximate to support networks. Members heard that where offers of help with street homelessness were refused, cases were assessed on a case-by-case basis to ensure support needs were being met and any referrals that needed to be made took place; the importance of constant engagement with clients was highlighted. Members heard that where all of this had taken place, only then would enforcement action take place with it being the only course of action left. The Chair highlighted additional needs that might lead clients to refuse placements other than mental illness or substance misuse.

Members asked for a more detailed version of the Action Plan listing the overall timeline, key milestones, deliverables for each workstream and interdependencies and associated risks. The Corporate Director explained that there were detailed plans under each of the Action Plan headings which could be provided. It was explained that much of the Action Plan was focussed on developing a better understanding of data and performance. The Sub-Committee asked about hiring additional resource to maximise income through bidding for as many grants as possible, and the Corporate Director explained that this would be taken into consideration.

The Chair asked about the £135,000 that would be used to develop the new Strategy. The Corporate Director of Housing explained that this would be used to bring in expertise and experience for 15 months either by a fixed term contract or by consultancy.

Conclusions

1. The Sub-Committee concluded that the department were taking the right approach by not rushing into producing a new Strategy and extending the current strategy with an updated Action Plan and members were reassured that DHLUC were on board with the approach.
2. Members were encouraged that additional resource and expertise was being sought to address substance misuse.
3. The Sub-Committee concluded that trend data for homelessness should be included in future reports for Croydon and comparable boroughs.
4. The Sub-Committee concluded, should central government grant funding for Croydon be reduced, that the plan to address this is shared with Members.
5. The Sub-Committee were of the view that under occupancy of registered social landlord properties should be investigated to see if

this could provide additional Temporary and Emergency Accommodation capacity.

6. The Sub-Committee concluded/ that officers consider historic policy data concerning 'FairBnB' in Croydon and that this was reviewed and considered as an additional housing provision pipeline under the Action Plan Housing Provision workstream.

Information Requests

1. The Sub-Committee requested an update on the outcome of the grant funding application concerning substance misuse before the end of December 2022.
2. The Sub-Committee concluded that budgets for individual services under the Housing department was provided by the next meeting.
3. The Sub-Committee concluded that procurement strategy for the Dynamic Purchasing System be provided to Members, including key milestones/gateways.
4. The Sub-Committee concluded that a training plan for staff in the Housing Department should be provided by the next meeting.
5. The Sub-Committee concluded that an update concerning Sycamore House and the Winter Plan be provided before the end of December 2022.

Recommendations

1. The Sub-Committee recommended that the Action Plan is updated to show overall timeline of the action plan, key milestones, deliverables for each workstream and that interdependencies and associated risks be highlighted and included in the action plan.
2. The Sub-Committee recommended that the Action Plan is updated to show that the Occupancy Checks workstream covered both the remit of ensuring the accommodation is occupied by homeless households placed by the Council to meet housing duty and of monitoring how long new clients were staying in Temporary or Emergency accommodation (to be updated by next 6th Feb Sub-Committee meeting and updated version to be sent to committee members).
3. The Sub-Committee recommended that Occupancy Checks proactively looked to see that accommodation was still meeting the needs of clients that had been placed there and that this was supported by appropriate staff training to empower them to anticipate and identify changing needs (e.g. pregnancies/overcrowding, disability).

4. The Sub-Committee recommended that suitable policy or guidance is in place once Occupancy Checks started, to ensure those who had left accommodation were not penalised if they had done so for legitimate reasons.
5. The Sub-Committee recommended that the Executive Mayor write to the Department for Levelling Up, Housing and Communities to lobby for additional homelessness funding for Croydon, recognising the homelessness situation is acute in Croydon on a par with inner London boroughs.

5 Pre-Decision Scrutiny: Distribution of the Household Support Fund Grant

The Sub-Committee considered a report set out in the supplementary agenda, which provided a Cabinet paper on the Council's approach to the distribution of the Household Support Fund of £3,013,689.49, as allocated by the Department of Work & Pensions (DWP), covering the period 1st October 2022 to 31st March 2023. The Director of Housing introduced the item.

Members asked how the Fund would be publicised and the Corporate Director of Housing explained that this would be done through the website, directly targeted communications, the voluntary sector, schools and partner organisations. The Vice-Chair suggested that Councillors were consulted on the best ways to reach residents. The Chair requested that previous funding round distributions were mapped and the Head of Temporary Accommodation explained that work to analyse and map this data was still ongoing.

The Sub-Committee asked whether this could be delivered in full given that the grant was already in the third month of the eligibility timeframe, why this had not been delivered earlier, and whether the allocation period would be extended beyond April 2023. The Corporate Director of Housing explained that this Grant had been a recent announcement from government, with guidance on distribution only made available in November 2022. Members heard that it was likely that all of the money would be spent in the period and it was unlikely that the DWP would extend the deadline. The Head of Temporary Accommodation explained that learning from previous rounds would be incorporated including targeting residents through schools, directly targeted communications and inter-departmental collaboration.

Members asked about risk from the Fund, if there was additional resource that could be drawn on should it be spent early, and what would be done should the DWP fail to reimburse the Council. The Corporate Director of Housing explained there was no risk to the General Fund and that a single point of contact had been established across the directorates; this was the third funding round of this Grant and the Council had good experience of ensuring that there were strong audit trails and recovery from the DWP. The Sub-Committee asked whether direct applications were allocated on a first-come-first-serve basis and about the risks of fraud. The Corporate Director of

Housing explained the importance of audit trails in ensuring a full return of funds from the DWP and that all claims needed to be fully evidenced. The Head of Temporary Accommodation stated that applications for the fund would be on a first-come-first-serve basis but that all applications would be fairly assessed against criteria.

The Chair asked about how the allocation criteria had been decided. The Corporate Director of Housing stated that this would be better explained in the press release and information sent to Members on the fund; households would be directly targeted on a proactive basis, including those paying for energy through service charges. The Head of Temporary Accommodation explained that the guidance on the fund from the DWP was clear and this would be provided in future communications.

Members asked how long it took from a direct application being made to the payment being received. The Head of Temporary Accommodation explained that the Discretionary Housing Support team would be processing applications with a timeframe of two weeks for direct applications but that residents targeted through other directorates' databases would be paid directly which should ensure this was paid quicker. The Sub-Committee raised concerns that two weeks was a long time for the most vulnerable residents, and it was explained that direct applications were a small amount of the funding total with the majority of the fund being paid faster.

The Chair asked how learning from previous rounds had informed the strategy for this round of Grant funding. The Corporate Director of Housing explained that having a central point of contact had been a major learning, and that keeping good track of allocations was also extremely important. The Chair asked if there was a monitoring framework in place. The Head of Temporary Accommodation explained that grant conditions in the second round had been very specific, but these conditions had been largely removed in this round to focus on fuel poverty, food and essentials with the discretionary element limited in favour of targeted support. The Corporate Director of Housing explained that monitoring data could be provided at a later date.

Conclusions

The Sub-Committee requested that simplified information on grant eligibility be provided to Members and residents.

The Sub-Committee concluded that Members should be involved in helping to identify possible allocations for the Fund.

The Sub-Committee thanked officers for their hard work in getting the Fund into place in good time and under challenging conditions considering the late issuing of government instructions on the distribution of the Household Support Grant.

Information Requests

The Sub-Committee concluded that an update be provided on how direct applications to the Fund would be promoted.

The Sub-Committee requested that the timeframe for payments reaching bank accounts from the point of direct application be provided.

Recommendations

1. Members recommended that publicity be clear on the criteria and exceptions relating to the distribution of the Discretionary part of the fund and to consider using of social media advertising (including Facebook paid ads) to proactively publicise the Fund. It was further recommended that all councillors were provided with the information in a timely manner so they can promote through community networks and other social media channels incl. Next Door. (Chair and Vice-Chair to be updated on communication of the grant before Christmas break 2022)
2. The Sub-Committee recommended that a provision for emergency situations be investigated for the discretionary element of the Fund. This could be in the form of faster processing of the grant (days instead of a two week turnaround) and/or vouchers. (Chair and Vice Chair to be updated on feasibility before the Christmas break 2022)

6 Pre-Decision Scrutiny: Report by the Monitoring Officer under section 5A of the Local Government and Housing Act 1989 - Finding of Fault with Maladministration and Injustice

The Sub-Committee considered a report set out on pages 19 to 38 of the agenda, which provided a Cabinet paper on the public interest report dated 23 June 2022 and the recommendations made by the Local Government & Social Care Ombudsman (LGSCO) in relation to Croydon Council. The Director of Housing introduced the item.

Members commented that the council had been fortunate that this case had been received by the Ombudsman and had not been the subject of a Judicial Review. The Chair asked if the risk of legal challenge from similar cases had been assessed and was informed that more cases were already in progress. The Corporate Director of Housing explained that accommodation suitability was being reviewed to ensure that legal risk to the council was minimised. The Head of Temporary Accommodation informed the Sub-Committee that placements into shared accommodation were also being reviewed to ensure there were not legal risks from these stays exceeding six weeks.

Members commented on casework where they were aware of residents submitting proper paperwork to notify the council of changes in circumstances where these had not been responded to.

Information Request

The Sub-Committee requested that an update be provided on the current legal exposure of the Council to similar cases.

7 Work Programme 2022/23

The Chair requested that there was an update on Temporary and Emergency Accommodation Budgets at the next meeting.

The Chair requested information on damp and mould in properties in the borough in response to the planned February 2023 Cabinet paper on the Council's approach to damp and mould and the case publicised in the national press. The Corporate Director of Housing explained that they would be happy to provide their response to the Housing Secretary's request for local authorities to submit details of how they plan to tackle damp and mould for social landlords. The Sub-Committee heard that the council were already alert to these issues following the situation at Regina Road and that the response had summarised Croydon's current position. Members heard that the Director of Sustainable Communities, Regenerations & Economic Recovery had also provided a response covering private landlords.

The Chair asked the Cabinet Member for Homes if a damp and mould strategy was being developed and heard that this would be the case. The Corporate Director explained that a working group would be set up to develop this using an assessment on the current position based on the Housing Ombudsman framework.

The Chair explained that they would be requesting a briefing to update the Sub-Committee on the Responsive Repairs Contract.

The meeting ended at 9.30 pm

Signed:

Date:

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