

## **PRESENT**

### **Committee Members**

Cllr Claire Simmons (Chair)  
Cllr Gregory Hammond (Vice-Chair)  
Cllr Dahabo Isse  
Cllr Will Lane  
Cllr Lloyd North  
Cllr Marie-Therese Rossi

### **Others Present**

Cllr Sof McVeigh, Lead Member for Housing Management, Housing Safety & Building New Homes

### **Council Officers**

Archa Campbell, Interim HRA Finance Lead  
Luke Curran, Governance Officer  
Doug Goldring, Director of Housing Management  
Dan Hawthorn, Executive Director for Housing and Social Investment  
Jacqui Hird, Scrutiny Manager and Statutory Scrutiny Officer  
Bella Jessop, Scrutiny and Policy Officer  
Lisa Taylor, Director of Financial Management

## **1 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Cllr Joanna Gardner.

## **2 DECLARATIONS OF INTEREST**

There were no declarations of interest.

## **3 THE HOUSING REVENUE ACCOUNT BUDGET**

The Chair introduced the item and noted disappointment that the budget had not been available for scrutiny in November 2023 as originally expected. The Chair called on the Lead Member and officers to commit to a timetable for the future scrutiny of the Housing Revenue Account that was in line with budget scrutiny of other business areas of the Council. The Committee made a formal recommendation that the HRA should be scrutinised at a meeting of HCSC annually in early December.

The Chair invited the Lead Member to comment on the report. The Lead Member stressed that the decision to increase rent levels and other charges for tenants and leaseholders was not taken lightly but was essential considering the intensive investment needed in the Council's housing stock, financial challenges caused by inflation including the increased cost of borrowing and materials, and the Government's below inflation cap on rents in 2023/24. The Council's priority was to maintain a good quality of housing for its tenants and leaseholders.

Members of the Committee were invited to comment or ask questions on the report. Committee members:

1. Noted the budget had accounted for a £200m shortfall previously identified in the HRA Business Plan and requested further information on the additional measures taken to achieve the balanced budget, beyond the rent and service charge increases, be shared with the Committee after the meeting.
2. Welcomed the additional funding allocated to the Tenant Support Fund, but raised serious concern for those residents with low incomes but not in receipt of housing benefits, whom a 7.7% rent increase and 6.7% service charge increase would disproportionately affect. Members questioned whether the additional £200,000 for the Fund would therefore be sufficient and called for more clarity on which tenants were considered 'most vulnerable' and therefore eligible for the additional support. The Lead Member and officers stressed that the support would be targeted towards residents most in need, with tailored support to individual needs in order to maintain tenancy sustainability for the Council's tenants. The Council was developing a detailed communication strategy around the Tenant Support Fund to ensure awareness of the support available among tenants and leaseholders.
3. Highlighted the importance of ensuring support already offered by the Voluntary and Community Sector (VCS) was not duplicated.
4. Cautioned against assuming residents' consent for the increased rent and service charge levels through the Tenants Consultative Committee, and queried whether the increased charges were reasonable given the state of repair and disruption affecting many homes. Officers acknowledged a disproportionate number of residents were experiencing disruption from the capital works programme due to limited historic maintenance of the Council's estate by the Kensington & Chelsea Tenant Management Organisation, but noted consistent feedback from residents prioritising the improvement of homes, which the increased rent and service charge levels would help to facilitate.
5. Suggested the Council explore the possibility of acquiring homes off-plan at the proposed developments in Earls Court and Kensal Green and model the financial implications as part of the HRA business planning process.
6. Noted recent news reports detailing a 23% unoccupancy rate in Kensington and Chelsea of Council-owned parking garages and asked how the Council was addressing this to maximise income to the HRA. Officers advised the Council was exploring increasing security measures at some units and disposal of less commercially viable units. Consultation was also underway with residents on the Council's wider Green Parking Policy which would influence decision making.

7. Welcomed the disposal policy for non-estate properties owned by the Council throughout the borough to generate additional income for the HRA, except where those property met a known or expected need for residents or the wider community. Officers stressed that the Council did not intend for the disposal policy to be permanent and that decisions on individual properties would be taken case by case, with due consideration of the particular needs of residents.
8. Emphasised the need to monitor, model for and mitigate financial risks to the HRA from the wider economic climate.
9. Suggested the Equality Impact Assessment could be improved by assessing the impact of rent and service charge increases on tenants or leaseholders only, rather than across the population of the whole borough.
10. Requested additional information about Formula Rent, and the significance to the affordability of social housing for tenants by adopting a Formula Rent.
11. Noted the HRA budget within the broader context of the council-wide Housing Strategy, which was due to be updated. Members highlighted the first key priority of the existing strategy, 'Supporting Grenfell survivors and bereaved', and made a formal recommendation to the Lead Member for Housing Management, Housing Safety & Building New Homes, that the updated strategy should also include support for the local community affected by the Grenfell Tragedy in North Kensington as a key priority.
12. Welcomed plans to provide strategic updates on the financial position of the Housing Management Service to the Tenants Consultative Committee and Housing and Communities Select Committee and requested those updates be scheduled within the Committee's Work Programme.

## RECOMMENDATIONS

That the timing of scrutiny of the HRA budget be brought in line with other business areas of the Council, taking place in early December annually.

That support for the local community affected by the Grenfell Tragedy in addition to the Grenfell survivors and bereaved be listed as a priority in the updated Housing Strategy.

## ACTIONS

Officers in Housing Management, Governance and Scrutiny work to timetable scrutiny of the HRA in accordance with the Committee's recommendation to bring HRA budget scrutiny in line with other business areas of the Council.

*Action: Governance Officer / Executive Director for Housing and Social Investment*

Further information on the additional measures taken to achieve the balanced budget, beyond the rent and service charge increases, to be shared with the Committee.

*Action: Director of Housing Management*

Additional information on Formula Rent, and the significance to the affordability of social housing for tenants by adopting a Formula Rent to be shared with the Committee.

*Action: Director of Housing Management*

Strategic updates on the financial position of the Housing Management Service to be added to the Committee's Work Programme.

*Action: Scrutiny and Policy Officer / Director of Housing Management*

The meeting ended at 7.53 pm

Chair

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