

Performance, Finance and Customer Focus Overview and Scrutiny Committee

Wednesday 15 November 2023

PRESENT:

Councillor Darcy, in the Chair.

Councillor Goslin, Vice Chair.

Councillors Blight, Hendy, Moore, Poyser, Ricketts, Stevens, Stoneman, Tofan and Tuohy.

Apologies for absence: Councillor Allen.

Absent: Councillor Bingley.

Also in attendance: Councillor Lowry, Councillor Penberthy, Rosie Brookshaw-Williams (Democratic Advisor – observing), Matt Garratt (Service Director for Community Connections), Jackie Kings (Community Connections Strategic Manager), David Northey (Interim Section 151 Officer) and Hannah Whiting (Democratic Advisor).

The meeting started at 3.30 pm and finished at 4.33 pm.

Note: At a future meeting, the Panel will consider the accuracy of these draft minutes, so they may be subject to change. Please check the minutes of that meeting to confirm whether these minutes have been amended.

22. **Declarations of Interest**

No declarations of interest were made.

23. **Minutes**

The following issues were raised in relation to the minutes of the previous meeting:

- a) Councillor Stoneman questioned the wording of his declaration of interest, and it was agreed the minutes would be edited to make it clear the family member was in the team concerned at the time of the meeting;
- b) Councillor Tuohy questioned her being listed as apologies for the previous meeting, as she believed she was in attendance, but having reviewed the YouTube footage of the meeting, it was concluded she had not attended.

After the amendment was made, the minutes of the meeting held on 28 September 2023 were agreed as a correct record.

24. **Chair's Urgent Business**

There were no items of Chair's urgent business.

25. **Financial Monitoring Report Month 6**

Councillor Mark Lowry (Cabinet Member for Finance) introduced the report and highlighted the following points:

- a) The report covered 1 April 2023 to 30 September 2023;
- b) There had been a reduction in the overspend from £7.5 million to £4.76 million;
- c) Most of the issues reported at the previous meeting still existed, particularly within Children's Services where there was a projected overspend of £6 million, equating to 10% of the original budget, and it was not sustainable, but work was being done with improvement partners to better understand the issues and to get some assurance that the measures in place were the best to contain the overspend;
- d) Other areas of overspend included homelessness and school transport for children with special educational needs;
- e) The capital monitoring position revised budget reflected an additional £18.6 million in 2023/24 financial year and a further £18.2 million for 2024/25 to 2027/28;
- f) He was working with officers on a review of the capital programme to ensure its affordability due to increases in interest rates.

The Chair added:

- g) The outturn report would be considered at the City Council meeting the following week;
- h) The report would also help inform the Budget Scrutiny Select Committee Review, scheduled for 6 and 7 December 2023.

In response to questions, supported by David Northey (Interim Section 151 Officer), it was explained:

- i) As a consequence of the COVID19 pandemic, a large number of businesses were unable to pay business rates, and the Government paid that money to the Council instead, but there was an outstanding deficit to the Council of £900,000, which the Council wrote to Government about and had now had paid;
- j) Future reports would include details on the changes that had been made since previous reports so show the variance in different budgets, not just the forecast net variance;

- k) £500,000 had been moved from revenue to capital following review of projects and finding parts of projects that could be included as capital and a detailed explanation of what had been moved would be provided to members;
- l) The Council tried to optimise the money it had in advance for the year to get the highest interest rate possible, and did the same for its reserves, and the treasury management team had overachieved and had been able to release £500,000 to the revenue budget, which would be detailed in the Treasury Management Half-Year Report which would be published shortly for the November meeting of the Audit and Governance Committee;
- m) An external commissioner had been appointed to assist the Council with regards to managing the Children's Services budget and there had been a tremendous amount of progress, but there were still issues to resolve and there was a possibility that the area would see worsening overspend before the end of the financial year;
- n) David Northey was confident that the Council would reach a balanced budget by the end of the financial year.

The Committee agreed to;

1. Note the forecast revenue monitoring position at Period 6 as set out in this report in the sum of £4.766m;
2. Note that the Capital Budget 2023-2028 was revised to £629.924m as shown in Table I and recommended these amendments to City Council for approval.

26. **Homelessness**

Councillor Chris Penberthy (Cabinet Member for Housing, Cooperative Development and Communities) introduced the report and highlighted the following points:

- a) Homelessness in Plymouth was at an all-time high with record numbers of people approaching the council for housing support;
- b) There were more families than ever before living in temporary accommodation, and the length families were without a permanent home, was increasing;
- c) The increase had been attributed to the cost of living crisis, high interest rates and the long term economic impacts of the COVID19 pandemic;
- d) There was a national housing crisis;
- e) The team at Plymouth had been working hard to increase the provision of resource and temporary accommodation in the city, and although this was

beginning to have a positive impact, lead-in times for building homes etc, were lengthy;

- f) The Homelessness Recovery Board had been set up to work with partners with the aim of ending homelessness, and to get people out of temporary accommodation and into permanent homes;
- g) Prevention work was also important, but difficult as the local housing allowance had been frozen since 2020, something senior government members were lobbying to change, as it should mean that a third of private rented sector properties were within reach of people in receipt of benefits, but it seemed that there were no rented properties in the city within the local housing allowance framework;
- h) Housing providers needed the local housing allowance in order to get mortgages to develop new properties, and without the local housing allowance increase, there was a viability gap because providers were not able to borrow against the difference in their rental income and so new affordable housing provision had slowed at a time where it needed to be increased;
- i) He had set up a Housing Task Force with Tracey Lee (Chief Executive) to involved senior officers from across Plymouth City Council from community connections, finance, commissioning, planning, public health, policy and more to try and provide solutions to the housing crisis within Plymouth;
- j) The team were working with providers to create specialist emergency accommodation to meet different needs for single people, couples, young people and families, providing the right support for people at a challenging time;
- k) Loans had been provided to PATH and Young Devon to enable them to develop temporary housing stock;
- l) There were more than 40 housing developments being supported by council officers, with 3,000 homes, to include provision of affordable homes;
- m) There was more in the pipeline that would be announced in the coming months, including a decision due to be taken at the December 2023 meeting of Cabinet.

Jackie Kings (Community Connections Strategic Manager) added:

- n) The impact of the COVID19 pandemic, could not be underestimated; it had had a significant impact on unemployment as well as health and well-being, and other reasons people had been listing as the reason for becoming homeless included increased in utility costs and increase mortgages rates and rents;
- o) In Plymouth there was a reduced affordable private rented sector market as rents had increased significantly and were unaffordable for many, but in

addition there had been a decrease in properties as landlords were exiting the market due to increased costs, to exit the market altogether, or to enter into something more lucrative such as Airbnb;

- p) No properties were available at an affordable rate in Plymouth;
- q) The numbers of people presenting as homeless and seeking advice had increased significantly year on year since 2021/22;
- r) There were high numbers in temporary accommodation due to a shortage of permanent accommodations, with most in B&B's and nightly holiday lets , which was having a significant impact on the budget;
- s) Section 21 Notices (no fault evictions) were the primary reason for people presenting as homeless, usually because landlords were having to sell their properties or change their business;
- t) A number of people had moved in with family and friends during the COVID19 pandemic, but were finding that goodwill had run out, but they could not afford a property, and therefore, were homeless, but the team did investigate alternative ways to sustain people in that accommodation, rather than moving them into temporary accommodation e.g. provision of storage, or bunk beds;
- u) The third highest reason for people presenting as homeless was people fleeing domestic abuse;
- v) The team had continued to work with Alliance partners to sustain and increase temporary accommodation, increasing single homeless accommodation by 138 rooms from 2020-23, and increasing family accommodation by 88 homes from 2020-23;
- w) The Homelessness Recovery Board had 4 pillars of activity:
 - i. Reducing Demand for Homelessness Services
 - ii. Reducing Reliance on Nightly Paid Emergency Accommodation
 - iii. Creating a more sustainable moving on service
 - iv. Increasing Long Term Housing Solutions

More detail on the work being done within these four areas was detailed on the presentation during the meeting which can be accessed at this link:
<https://tinyurl.com/PerfScrutinyNovPresentation>

In response to questions, supported also by Matt Garrett (Service Director for Community Connections), it was further explained:

- x) The homelessness prevention grant from Government tended to be a last minute add-on and used to be provided during the year, but had recently been given in one sum annually, the amount for 2024/25 was not yet known;

- y) Planning the commissioning of services would be far easier if Government were more clear about long-term homelessness prevention funding;
- z) Five years previous, the budget for pay by night accommodation was £800,000, but this had increased to around £6 million in 2023/24;
- aa) 10's of millions of pounds would be needed to build the number of homes required, but that would only tackle the existing issue and not the continuing increase;
- bb) The waiting list for homes had increased from 8,000 to 12,000 in the last 18 months;
- cc) Floating support was support that went to the people in need to support them wherever they were staying whether it be in temporary accommodation, or at risk of homeless at a family members home;
- dd) Some properties were leaving the affordable rental market because existing or new landlords were renovating homes and then renting them at a higher market rent;
- ee) There had been an increase in people relocating to the South West from the South East as they were able to work from home more;
- ff) A relationship breakdown would cause a need for two homes, rather than one, putting further pressure on the system;
- gg) Airbnb use was increasing in Plymouth and a number of family homes had moved from the private rental market to pay-by-night, but the team had spoken to some Airbnb owners about reducing costs to rent as temporary accommodation for families;
- hh) Plymouth had a higher number of private rented properties than most cities of its size, and far less owner occupied properties;
- ii) Work would be done on reporting to better understand the reasons included under 'other' for people presenting as homelessness;
- jj) Most people fleeing harassment, who presented as homeless, were local, if not from the wider South West;
- kk) Recruitment for supportive roles within the sector was difficult as the wages were not high, but the stress levels were, resulting in a lot of churn within the sector;
- ll) Councillor Penberthy publicly thanked the people working in the sector for their compassion and hard work to find people permanent homes;
- mm) It was the hardest time to have ever worked in homelessness;

- nn) Resourcing was okay, a restructure was being undertaken that was going to lead to more resource within the team;
- oo) One of the largest concerns relating to grant funding and how services would be delivered if grants were not continued;
- pp) Consistency and certainty in terms of government roles and funding from Government would benefit the sector as it was a complicated issue;
- qq) There had been a more person-focused approach and joint working between Community Connections, Children's Social Care and Adult Social Care.

The Committee agreed to note the report.

27. **Work Programme**

The Committee agreed to note its Work Programme.

28. **Tracking Decisions**

The Committee agreed to note its tracking decisions document.