

# MINUTES OF THE HOUSING SELECT COMMITTEE

Monday, 3 February 2014 at 7.30 pm

PRESENT: Councillors Carl Handley (Chair), Vincent Davis (Vice-Chair), Paul Bell, Amanda De Ryk and Darren Johnson

APOLOGIES: Councillors Anne Affiku and Patsy Foreman (due to Council business)

ALSO PRESENT: Charlotte Dale (Scrutiny Manager), Mark Dow (Service Group Manager - Housing Needs), Jeff Endean (Housing Programmes and Strategy Team Manager), Sarah Holden (Strategy, Policy & Project Officer), Mark Humphreys (Group Finance Manager, Customer Services), Madeleine Jeffery (Private Sector Housing Agency Manager), Genevieve Macklin (Head of Strategic Housing), Mike Powell (Senior Environmental Health Officer), Kevin Sheehan (Executive Director for Customer Services) and Ian Dick (Strategic Manager, Private Housing & Environmental Health) (London Borough of Newham)

## 1. Minutes of the meeting held on 4 December 2013

- 1.1 **RESOLVED:** That the minutes of the meeting held on 4 December 2013 be signed as an accurate record of the meeting.

## 2. Declarations of interest

- 2.1 None were declared.

## 3. Response to Referral on Low Cost Home Ownership

- 3.1 Jeff Endean briefed the Committee on how far talks with Gentoo Genie had progressed and Members welcomed the willingness of officers to examine a wide range of schemes to bring forward housing.
- 3.2 **RESOLVED:** That the response be noted.

## 4. Private Rented Sector Review

- 4.1 Madeleine Jeffery gave a presentation on the Council's approach to tackling rogue landlords and improving standards in the private rented sector. The following key points about the work of the Council's Private Sector Housing Agency were made:
- 200 out of 700 licensable HMOs were currently licensed
  - An estimated 50 rogue landlords were operating in the borough
  - £125k had been received from the DCLG to tackle rogue landlords (to be spent by March)
  - £30k had been received from public health to help drive up standards in the sector
  - £750k had been received from the GLA to tackle empty homes
  - Attracting institutional investment was a key priority
  - Discretionary licensing schemes were being considered.

4.2 Lewisham's 'surgical' approach to tackling rogue landlords was explained, the aim being to take a range of different enforcement activity that, when combined, would have a significant detrimental financial effect on a rogue landlord. The Council was also lobbying central government to change the rules regarding:

1. The payment of housing benefit to allow payment to be withheld in the case of landlords who were not 'fit and proper' and were continuing to flout relevant regulations despite having had successful enforcement action taken against them.
2. The restriction of planning enforcement action to within 4 years of the illegal building work being carried out.

4.3 The Committee discussed the presentation and noted that the number of staff working in enforcement limited the type and volume of enforcement action that could be carried out currently.

4.4 Ian Dick from the London Borough of Newham gave a presentation on Newham's mandatory, borough-wide licensing scheme for private landlords and the following key points were made:

- Following a pilot scheme, a five year mandatory borough-wide licensing scheme had been agreed by Newham's Mayor
- 70% of landlords had applied voluntarily for a license
- The use of data was crucial in targeting the right properties (each property now had 64 pieces of different information attached to it which allowed officers to determine which properties were private rented with a high degree of confidence)
- 120 staff were initially required to operate the scheme, this had now reduced to around 80
- The scheme was self-financing from year 2 but initial start-up costs of around £60k for consultation and £150k for a bespoke IT package had been required
- £6.5m in licensing fees had been collected to date
- 30,000 licenses had been issued and it was expected that 37,000 properties would be licensed by March 2015
- The number of private landlords operating in the borough had been underestimated – the initial estimate was around 4,000, the current number was 19,970 and growing
- Newham's wards were demographically very similar and no wards had been significantly gentrified to date
- 18 landlords had been refused licenses and in each case Newham Council worked with the landlord to agree an acceptable solution such as having the property managed by a reputable managing agent
- Landlords guilty of any count of fraud would be refused a license
- Landlords of concern were only granted 12 month licenses
- The evidence base that had needed to be assembled to justify the scheme (based on tenant anti-social behaviour) had been considerable as the bar had been set very high
- A beneficial side effect of licensing had been a reduction in council tax arrears as payment of council tax was a condition of licensing

- It was clear that many right to buy properties were being rented out without the knowledge of the council and the 'cash no docs' sector, where tenants paid in cash and had no tenancy agreement, made up around 20% of the private rented sector.
- 4.4 Members and officers discussed the merits of the scheme (including the opportunity costs arising from the fact that all staff had to focus on licensing at the cost of all other activity) and the resources required, versus Lewisham's 'surgical' technique and other borough's more targeted licensing schemes.
- 4.5 The Committee commended Newham's borough-wide mandatory licensing scheme and agreed to recommend to Mayor and Cabinet that officers carry out a feasibility study to assess whether a discretionary licensing scheme would be suitable for application in Lewisham. Members agreed that the study should include an investigation of borough-wide schemes such as Newham's and other, more targeted, schemes such as those proposed by the London Boroughs of Southwark, Brent and Greenwich.
- 4.6 **RESOLVED:** That the report be noted and a referral made to Mayor and Cabinet commending Newham's borough-wide mandatory licensing scheme and recommending that officers carry out a feasibility study to assess whether a discretionary licensing scheme would be suitable for application in Lewisham.

## 5. Temporary accommodation

- 5.1 Mark Dow introduced the report and explained that the use of bed and breakfast (B&B) accommodation was increasing, at significant cost to the Council, as the demand for temporary accommodation was increasing whilst the supply was decreasing. It was noted that the following actions were being taken to address this issue:
1. Developing the Lewisham Landlord Letting Scheme to increase the supply of property
  2. Hostel improvements to reduce repair costs
  3. A B&B audit to make sure all paid for accommodation was being used
  4. Increased and more proactive homeless preventive work to reduce demand
  5. Property procurement to increase supply (including former care homes and possibly sheltered accommodation).
- 5.2 244 households were currently staying in temporary accommodation paid for on a nightly basis. This consisted of both B&B accommodation, with shared facilities; and self-contained accommodation, with no shared facilities. The latter form of accommodation was not counted as B&B accommodation and 134 households had been in this form of accommodation for more than 6 weeks. 46 households were currently staying in B&B accommodation, 32 of which had been there for approaching six weeks and five for more than six weeks.
- 5.3 It was noted that Lewisham Homes was potentially going to move into the Town Hall building, which would free up Holbeach House for the housing

options officers currently occupying Eros House and allowing the co-location of all officers in the private sector housing agency.

5.4 **RESOLVED:** That the report be noted.

## 6. Church Grove Self Build

6.1 Jeff Endean introduced the report and explained that a standard self build worked best where the people involved had access to capital and relevant know how; whereas a custom build could be a facilitated build involving a wider range of people from a variety of backgrounds and with a variety of skills and was perhaps the preferable option if an aim of the project was to get people off the housing register.

6.2 The land involved in the project could be treated in one of three ways by the Council:

1. Sold to the self builders (most applicable to a standard self build)
2. Retained by the Council and used for a custom build facilitated by Lewisham Homes (perhaps the safer option)
3. Transferred to a community land trust for a custom build facilitated by a community group such as RUSS (Rural Urban Synthesis Society), allowing the builders to raise finance against it (perhaps the more innovative option).

6.3 Members were divided on the merits of the scheme but all felt that if the scheme went ahead (a) the land and the new homes should be subject to a form of 'lock' whereby any subsidy or increase in land value would be recycled and not used for individual profit; (b) there should be a mix of affordable home ownership and social rent properties; and (c) the scheme should be creative and risk taking.

6.4 **RESOLVED:** That the report be noted.

## 7. Select Committee work programme

7.1 **RESOLVED:** That the work programme be noted and the item on developing Lewisham's housing assets (upgrading existing stock) be removed from the agenda of the next meeting.

## 8. Referrals to Mayor and Cabinet

8.1 **RESOLVED:** That a referral be made to Mayor and Cabinet in relation to the item on the private rented sector.

The meeting ended at 10pm

Chair:

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Date:

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