

MINUTES OF THE HOUSING SELECT COMMITTEE

Wednesday, 5 March 2014 at 7.30 pm

PRESENT: Councillors Carl Handley (Chair), Vincent Davis (Vice-Chair), Anne Affiku, Paul Bell, Liam Curran, Amanda De Ryk and Vicky Foxcroft

APOLOGIES: Councillors Patsy Foreman and Darren Johnson

ALSO PRESENT: Timothy Andrew (Scrutiny Manager), Mark Dow (Service Group Manager - Housing Needs), Jeff Endean (Housing Programmes and Strategy Team Manager), Rachel George (Housing Regeneration & Projects Manager), Mark Humphreys (Group Finance Manager, Customer Services), Genevieve Macklin (Head of Strategic Housing), Kevin Sheehan (Executive Director for Customer Services) and Louise Spires (Strategy, Policy & Development Manager)

1. Minutes of the joint meeting with the Sustainable Development Select Committee held on 2 December 2013 and minutes of the meeting held on 3 February 2014

Resolved: to agree the minutes of the meeting held on 2 December and 3 February as accurate records of these meetings.

2. Declarations of interest

Councillor Bell declared a non-prejudicial interest in relation to item 5, as a Lewisham Homes Board Director.

3. Response to the referral on regeneration and housing in Deptford and New Cross

Resolved: to note the response from Mayor and Cabinet.

4. Housing Regeneration Schemes

Rachel George (Housing Regeneration and Projects Manager) introduced the report. The following key points were noted:

- The report provided an update on three housing regeneration schemes: Heathside and Lethbridge, Excalibur and Milford Towers.
- These developments provided the opportunity to increase the supply of housing in the borough, enhance their surrounding areas and diversify the mix of tenures.
- The Council sought to balance the needs of existing residents in regeneration schemes with the requirement for new homes and redevelopment.
- The 2008 financial crisis and the resulting downturn in the economy had a detrimental impact on the viability of regeneration schemes in general.
- Regeneration schemes were also slow by their nature due to the phased approach to resident re-housing.

- Funding for regeneration required a variety of approaches and the Council had worked with partners to ensure the appropriate arrangements were put in place for each scheme.

Heathside and Lethbridge

- Had been initiated ten years ago, it was delayed in 2008 by the onset of the financial crisis.
- 1200 homes were proposed for the site: 447 for rent, 160 shared ownership with approximately 50% affordable homes.
- There would be a significant increase in the number of available homes for sale – which would increase the mix of housing available in the area.
- Phases 1 and 2 of the scheme were complete – phase three was due for completion in 2015/16
- Some defects had been identified at the site – which the Council was pushing Family Mosaic (the scheme's developer) to address. However, overall there was general resident satisfaction.
- Phase four of the scheme was being split into two phases (A and B). Work was due to be completed in 2023, with all residents due to be rehoused by 2020.

Excalibur

- Plans for the site had been under discussion for ten years.
- There had been a long history of the Council working with estate residents on the proposals for the site.
- The new master plan for the site was sympathetic to existing properties.
- The development had been split into five phases – with phases one and two due to start on site in the near future.
- The initial decant was almost complete with one tenant remaining. The phase three decant was underway and all tenants who wished, in that phase could be allocated a new build home to be built in phase one.
- The scheme was due for completion in 2020.

Milford Towers

- The redevelopment of Milford Towers had been delayed, due to the revised plans for the Catford town centre regeneration.

Rachel George (Housing Regeneration and Projects Manager), Kevin Sheehan (Executive Director for Customer Services) and Genevieve Macklin (Head of Strategic Housing) responded to questions from the Committee about Heathside and Lethbridge. The following key points were noted:

- The private and social housing elements of Heathside and Lethbridge were being built by the same contractor.
- The homes were being marketed in England only.
- In the wake of the financial crisis, the developer had discussed marketing properties overseas in order to ensure the schemes remained viable– but this had not become necessary due to the level of domestic interest in the scheme.

- Lewisham and Family Mosaic had sought early funding support from the HCA to ensure the scheme remained viable.
- Owner occupiers appeared to be buying the majority of the homes in the scheme rather than buy to let landlords.
- Problems had been reported with the heating and hot water systems in the first phase of the development. The unusual nature of the problem meant that it was not something that could easily have been anticipated, but now that more was known about the cause Family Mosaic were putting plans in place to remedy the situation.
- In other parts of the scheme there were some latent defects; these were being dealt with through the usual processes.
- Both Family Mosaic and Rydon (the main contractor) had clerks of works to check on the quality of the completed work and the buildings had been signed off by Building Control.
- However, it was unlikely that Building Control would have identified problems of the type discovered.
- The role of Building Control was to assess the safety, security and structural integrity of a build.
- There was no indication that people living in the building were in immediate danger from the problems identified.
- Officers would bring a report before the Committee to update on the situation as soon as this was feasible.
- By way of compensation, residents in the affected block had not been billed for heating or hot water. Some residents had built up a surplus in relation to their compensation and others were in deficit. Where residents were in surplus, this would remain as a credit on their account – where they were in deficit – this was being written off.
- The Council had been working with Family Mosaic to thoroughly review the number and type of repairs and defects and so were assured that Family Mosaic had identified the key issues and appropriate action was being taken.

The Committee also discussed the following points:

- The apparent lack of good communication with residents about the extent of the problems identified in the first phase of Heathside and Lethbridge.
- The perception that there might be general issues of quality with properties built by some registered social landlords, particularly in comparison to private sector builds.
- There were also specific concerns raised about the suitability of the specification of some new buildings, their fitness for purpose and the level of quality assurance carried out.
- The importance of a thorough review of the 'lessons learnt' when the full extent of the problems at Heathside and Lethbridge were reviewed.

Resolved: to note the report, recording the Committee's concerns about the issues highlighted at Heathside and Lethbridge and recommending that further scrutiny be carried out by the Committee in the 2014/15 administration as a matter of urgency.

5. HRA Borrowing Cap

Mark Humphreys (Group Finance Manager, Customer Services) introduced the report noting the following key points:

- Lewisham's housing revenue account (HRA) debt cap was set at £127m. HRA debt currently stood at £85m, leaving £44m borrowing capacity.
- In its autumn statement, the Government had announced that some limited easing of the cap would be available, subject to a bidding process.
- Genuine relaxation of the debt cap would enable the borough to finance its long term plans for housing in the borough.
- The Council was working with partner organisations, including London Councils, to lobby parliament for further removal of the cap in order to free up funding for housing development.

Mark Humphreys (Groups Finance Manager, Customer Services), Genevieve Macklin (Head of Housing) and Kevin Sheehan (Executive Director for Customer Services) responded to questions from the Committee. The following key points were noted:

- Officers were considering ways to 'stretch' the debt cap. One mechanism would be to move the Council's charges for hostels from the HRA to the general fund.
- A number of Councils were being investigated by the government for breaking HRA accounting rules; the Council was not involved in any of the alleged suspect activities under investigation.
- Lewisham would be required to seek approval from the Secretary of State before moving its hostels from the HRA to the general fund.
- Details had not been released for the allocation of funding from the relaxation of the debt cap rules announced by government.

The Committee noted that the Government's current proposals for the relaxation of the debt cap would likely result in very few new homes for Lewisham because the whole country was expected to share a fund of approximately £300m.

It was also noted that there had been substantial lobbying to relax the debt cap rules and no further substantial changes were likely unless there was a change of government.

Resolved: to note the report.

6. Annual Lettings Plan

Mark Dow (Service Group Manager, Housing Needs) introduced the report. The following key points were noted:

- It had been projected that there would be 1515 housing allocations to households on the housing waiting list in 2013/14 however; the expected figure was now 1425. This was 334 lower than the number in 2012/13 (1759)
- There had been an increase of applications to the register – and the number continued to rise.

- There had also been an increase in households living in temporary accommodation.
- The letting plan included a proposal to increase the number of lets to homeless households.

Mark Dow (Service Group Manager, Housing Needs) Genevieve Macklin (Head of Strategic Housing) and Kevin Sheehan (Executive Director for Customer Services) responded to questions from the Committee; the following key points were noted:

- 3023 households in social housing had been identified in June 2013 as being affected by the 'bedroom tax' in Lewisham, many had absorbed the cost, some had taken in lodgers, some had been helped to move and others had been exempted from the tax; no household had been evicted.
- The Council had a team of people to assist with 'chain moves', whereby households affected by the bedroom tax moved to smaller homes suited to their needs, freeing up homes for overcrowded households and households in temporary accommodation.
- The military covenant was included in the full allocations policy to ensure that ex-service personnel received increased priority on the Housing Register. The Council also had a named officer (Mick Lear) to assist members of the armed forces accessing Council services, including housing.
- Since the housing register had been amended, and band four had been removed, there had been a few people re-applying to join the register – however, these were mostly people whose circumstances had changed thereby making them eligible to be considered for social housing.
- The proposals in the lettings plan to increase allocations available to homeless households would not necessarily reduce the number homeless households. This was due to the uncertainty around the numbers of homelessness applications and acceptances to the register.
- The Council paid various rates for temporary accommodation – ranging from £28 a night for a single room in nightly paid accommodation to more than £100 a night for bigger households.
- The Council had overspent on provision for homeless by £1m, the problem being the lack of supply in the face of continued increases in demand.
- There were currently 278 households in nightly paid accommodation.
- Combined finance and quality issues meant there was an imperative to find sustainable solutions for homeless households.
- The Mayor of London's Housing moves scheme was designed so that no borough should lose or gain as a result of moves into or out of their borough.

Resolved: to note the report.

7. Select Committee Work Programme

The Committee discussed the work programme report and put forward the following suggestions for additions to the work programme in 2014/15:

- A summary of housing issues in the borough.
- A review of the problems identified at Heathside and Lethbridge

- A review of the 'housing affordability crisis' – to include information about average earnings and average house prices, employment in the borough and affordability of home to people in key occupation. This review might assess the impact of reduced affordability on the demographic makeup of the borough and lead to consideration of proposals for new key worker housing and action on empty properties.
- Changes to housing support and welfare, to include the knock on effects of households in temporary accommodation and the capacity of support organisations.
- Visits to housing schemes.
- Scrutiny of initiatives to ensure households had the correct size of accommodation.

Kevin Sheehan (Executive Director for Customer Services) reiterated the challenging situation facing the Council and the future reduction in the size and scale of Council services, which would put additional pressure on officer time and resources. He advised that, when the Committee was deciding on its priorities for scrutiny at the beginning of the next administration, this would need to be taken into consideration.

Resolved: to note the report and to submit the Committee's suggestions for scrutiny to be considered at the first HSC meeting of the 2014/15 municipal year.

8. Referrals to Mayor and Cabinet

There were none.

The meeting ended at 21:20

Chair:

Date:
