

## Public Document Pack

# Housing Select Committee Agenda

Wednesday, 17 December 2014

**7.30 pm,**

Committee Room 3

Civic Suite

Lewisham Town Hall

London SE6 4RU

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This meeting is an open meeting and all items on the agenda may be audio recorded and/or filmed.

### Part 1

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# Housing Select Committee Members

Members of the committee, listed below, are summoned to attend the meeting to be held on Wednesday, 17 December 2014.

Barry Quirk, Chief Executive  
Tuesday, 9 December 2014

Councillor Carl Handley (Chair)	
Councillor Peter Bernards (Vice-Chair)	
Councillor Paul Bell	
Councillor John Coughlin	
Councillor Amanda De Ryk	
Councillor Maja Hilton	
Councillor Simon Hooks	
Councillor Olurotimi Ogunbadewa	
Councillor Jonathan Slater	
Councillor Susan Wise	
Councillor Alan Hall (ex-Officio)	
Councillor Gareth Siddorn (ex-Officio)	

## MINUTES OF THE HOUSING SELECT COMMITTEE

Tuesday, 11 November 2014 at 7.30 pm

PRESENT: Councillors Carl Handley (Chair), Peter Bernards (Vice-Chair), Paul Bell, Amanda De Ryk, Maja Hilton, Olurotimi Ogunbadewa, Jonathan Slater and Susan Wise

APOLOGIES: Councillors John Coughlin and Simon Hooks

ALSO PRESENT: Timothy Andrew (Scrutiny Manager), Steve Bonvini (Operations Director) (Regenter B3), Scott Cook (Partnerships and Service Improvement Manager), Charlotte Dale (Scrutiny Manager), Jeff Endean (Housing Programmes and Strategy Team Manager), Robin Feeley (Director, L&Q Energy) (L&Q Housing Association), Rachel George (Housing Regeneration & Projects Manager), Jonathan Graham (Policy Manager) (Combined Heat and Power Association), Heather Hughes (Joint Commissioner, Learning Disabilities), Tracy Jones (Operations Manager) (Regenter B3), Maxeene MacFarlane (Contract Manager) (Pinnacle PSG), Genevieve Macklin (Head of Strategic Housing), Petra Der Man (Principal Lawyer), Peter North (Senior Manager, Programme Delivery - Sustainable Energy) (Greater London Authority), Martin O'Brien (Sustainable Resources Group Manager), Andrew Potter (Chief Executive) (Lewisham Homes), Brian Regan (Planning Policy Manager) and Laurence Rudman (Partnerships Performance Director) (Rydon)

### 1. Minutes of the meeting held on 1 October 2014

Resolved: to agree the minute of the meeting held on 1 October 2014 as an accurate record.

### 2. Declarations of interest

Councillor Wise declared a non-prejudicial interest as a member of the board of Lewisham Homes.

Councillor Bell declared a non-prejudicial interest as a member of the board of Lewisham Homes.

### 3. Brockley PFI mid-year review

3.1 Steve Bonvini (Operations Director, Regenter B3) introduced the report. The following key points were noted:

- The Brockley Private Finance Initiative (PFI) project started in 2007; it entailed the refurbishment of 1,839 properties in Brockley, of which 1,315 were currently tenanted and 524, which were leaseholder dwellings.
- There had been a reduction in complaints so far this year compared to previous years.
- The PFI was on course to achieve its key performance indicators for the end of the year.
- All leaseholders had been credited with the agreed 2% settlement from the high court.
- Income collection was on target for the year.

- The PFI continued to offer support to residents affected by welfare reforms. This included face to face support and advice, as well as involvement in Council led events and information sessions.
- Management action was being taken to ensure that that all calls were answered promptly.

3.2 In response to questions from the Committee, the following information was noted:

- Further information would be provided about the number of leaseholders who still owed money.
- There were 6 active tenant and resident associations.
- There had been three evictions in the current financial year.
- Consultation was being carried out with residents on the implementation of controlled parking schemes.
- In controlled parking zones, each household was eligible to receive one free parking permit.
- The PFI had a process for managing asbestos, which had been included in the appendix to the Committee report.
- All of the asbestos that had been identified to date had been removed.
- It was permissible to leave asbestos in place, but at present, this was not the case in any of the properties managed by the PFI.
- Information about asbestos was provided to all households as part of the sign up process.
- Where asbestos was identified, and left in place, it would be labelled with a hazard warning.
- Under tenancy agreements, residents were required to inform the PFI if they intended to carry out any extensive re-decorative works.
- Protocols were in place to protect trades people from exposure to asbestos.
- At present, there was no evidence that there was any risk to residents of exposure to asbestos.
- Resident satisfaction was monitored in a number of different ways. Monthly surveys were carried out by phone, which supported the annual residents survey commissioned by the Council.

Resolved: to note the report and to request additional information about – the number of leaseholders with outstanding debts.

#### **4. Lewisham Homes mid-year review**

4.1 Andrew Potter (Chief Executive, Lewisham Homes) introduced the report. The following key points were noted:

- Lewisham Homes (LH) continued to focus on three priority areas, repairs, resident satisfaction, the new build programme.
- Work was taking place to reduce void periods
- Work to improve resident satisfaction was concentrated on tackling anti-social behaviour.
- It had also been identified that, whilst satisfaction with the decent homes programme was good once work had been completed, satisfaction with decent homes work, whilst it was in progress, was low.
- Some of the upcoming challenges for the organisation would be: the transfer of grounds maintenance contract in-house; the delivery of the new customer service centre and the next phase of the new homes programme.

Andrew Potter (Chief Executive, Lewisham Homes) responded to questions from the Committee, the following key points were noted:

- 69% of staff felt that LH was a good place to work, 8% disagreed.
- When figures for people who were forced to leave LH and apprentices who didn't secure permanent employment were removed, the figure for staff turnover was less than 10%.
- Levels of sickness were particularly high in caretaking and average across the rest of the organisation.
- LH supported the Lewisham Plus Credit Union with a part time desk in Deptford, as well as promoting the credit union to new tenants. The credit collection team also made residents aware of credit union services.
- The Call Credit contract had only been in place for two months, so no comparison could yet be made with previous years. However, early indications were that recovery of fraudulently let homes was slight up on the previous year.
- Information had been provided in the report about the management of asbestos.
- Lewisham Homes had procedures in place to deal with asbestos but he was unable to provide detailed information at the meeting.
- Further information would be provided about the organisation's approach to informing residents about the presence of asbestos.
- Lewisham had a multi-agency hoarding protocol and officers worked with partners to ensure support was in place for vulnerable residents.
- Lewisham had been commended for its work with the London Fire Brigade to deal with problematic hoarding.
- There was no evidence that hoarding was more prevalent in social housing than in other tenures.
- The management agreement for Lewisham Homes was due for renewal in 2017. This still represented a risk to the future of the organisation.
- The build programme was a risk for the organisation because it was something new for the organisation.
- Further information would be provided about the five year rental income projections.
- Further information would be provided about the re-let times for void properties, including long-term voids.

4.2 Genevieve Macklin (Head of Strategic Housing) provided the following information about the Lewisham Homes management agreement:

- It was recognised good practice to begin negotiation on the agreement a year and half before it was due to end.
- Officers would be working on the new agreement in mid-2015.
- The aim would be to ensure that there was adaptability going forward.
- Officers would return to the committee with further information about the management agreement at the appropriate time.

Resolved: to note the report and to request additional information about - the number of residents in Lewisham Homes properties still affected by the bedroom tax; further information about projected rent levels; re-letting times for voids; and a detailed response about managing asbestos.

## 5. Communal heating review

5.1 Peter North (Programme Manager, Sustainable Energy, Greater London Authority) introduced a presentation; the following key points were noted:

- A third of London's CO<sub>2</sub> emissions were generated by heating.
- More energy was used to heat buildings in the UK than was used for transport or electricity generation. So in order to deliver reductions in CO<sub>2</sub>, in buildings it would be necessary to increase the energy efficiency of buildings and how the energy is supplied.
- London had a target of 60% reduction in 1990 levels of CO<sub>2</sub> by 2025 alongside a target to supply 25% of its energy from local decentralised sources.
- The carbon content of electricity generation would be an important part of future work in this area.
- A public role was required in order to enable district energy.
- There were three main categories of decentralised energy projects: single sites utilising small/medium CHP systems; multi-site mixed use schemes: area wide transmission networks with extensive heat pipe systems.
- In 2011 the GLA carried out a decentralised energy capacity study. It was found that London had more capacity potential than the 25% target for decentralised energy set by the Mayor.
- The London Plan contains a range of specific policies to promote the development of decentralised in new developments.
- Insulation was the first and most important part of ensuring the efficient use of energy.
- Generating energy from renewables had proved difficult in the urban environment.
- Densely developed areas were the most suitable for decentralised energy schemes.
- Area planning was an important part of enabling the future connection of new developments to existing networks.
- London boroughs could be involved in the delivery of decentralised energy projects in a number of different ways. They might choose to deliver their own schemes, or they might only act as a planning authority, facilitating delivery by others.
- Development of energy master plans was a long process taking around six months from start to finish, but work had taken place in 10 boroughs to achieve a coordinated policy.
- The GLA's EU funded technical, commercial and financial advisory services had helped develop a £300m pipeline of projects. The advisory support was running down and the GLA are proposing a successor arrangement that will operate until 2020.
- Two major projects were- Gospel Oak Hospital, and Islington Heat and Power scheme, the later connecting 850 dwellings providing 10% lower energy bills.
- Phase two of the Islington scheme sought to use waste heat from the underground and other sources.
- There were four energy from waste plants in and around the city, that could provide heat for tens of thousands of homes.
- SELCHP was finally providing heating to estates in Southwark after 15 years of operation as a power-only energy from waste facility..
- The future of heat networks would be to utilise heat lost from other processes - each would require technical availability and economic case.

- In order to meet the government's carbon targets, decentralised energy and communal heating would need to be part of the solution.

5.2 Peter North (Programme Manager, Sustainability, GLA) responded to questions from the committee, the following key points were noted:

- It was recognised that residential units had periods of peak demand; schemes which incorporated commercial units were able to sustain more consistent demand.
- In order to demonstrate commercial viability and bring in private sector money, work had to be done to develop the economic case for decentralised energy schemes.
- Projects had to be configured to attract lending and sustainable rates of return for investors.
- Councils could use funds from public loans board, green investment bank, London green fund to get projects started.
- There had been anecdotal information of discontent about some schemes. The detail of which was not available.
- Further analysis of concerns and the associated costs would be required in order to understand how these problems arose and how they might be avoided in future.
- There had been some work carried out to investigate problems with insulation levels of pipework. The lack of effective insulation could lead to overheating and excessive heat losses.
- There might be different reasons for problems on different schemes – requiring further work in different cases to understand the source of the specific problem or range of problems.
- It was recognised that the levels of fixed charges for some systems, which remained in the summer months, despite reductions in usage, were of concern on some schemes.
- The Housing Association, A2 dominion had a good record of delivering communal heating systems.

5.3 Robin Feeley answered questions from the Committee; the following key points were noted:

- L&Q had 2500 homes in Lewisham, including the new development at Loampit Vale.
- The problems identified were not with communal heating systems, but rather with the ability of developers and housing associations to deliver high quality.
- Developers were in a position where they could walk away once the project had been delivered.
- It was important that housing associations demanded high quality from their construction contracts; commissioning agents should be required to demonstrate the effectiveness of the schemes being delivered.
- There had been two years of 'blind push' to install heating systems, the details of the maintenance and operation of these systems was now being unravelled.
- 9 Combined heat and power systems (CHPs) were not working due to low demand.
- 3 year project to look at demand and specification of existing systems.
- Average bills for properties with communal heating systems indicated that they were not always more affordable than traditional schemes.

- At Loampit Vale, for example, there was a £365 standing charge for heating.
- There was also the concern that communal heating systems did not offer any choice for tenants.
- The key to ensuring the effective deployment of these systems was to agree a proper technical specification, using a robust tendering process.
- The cost of the assessment and monitoring work should be built into the tendering process.
- L&Q made no profit on schemes.

5.4 Brian Regan (Planning Policy Manager) advised the committee that:

- Lewisham's policy was to ask for major schemes (with 10 units or above) to consider the installation of a communal heating system.

5.5 Members also discussed the issues raised; the following key points were noted:

- Concerns about the speed with which communal heating systems were being deployed, despite signs that there were problems.
- The potential lessons to be learnt from the issues at Heathside and Lethbridge, including – the importance of good planning; technical expertise; project and contract management.

5.6 Jonathan Graham (Combined Heat and Power Association (CHPA)) introduced a presentation. The following key points were noted:

- Transparency and fairness should be the driving principles of decentralised energy provision.
- District heat was technology neutral; CHP was one means for providing heat to a shared heating system, amongst others.
- Registered social landlords and local authorities were leading the way in implementing new heating systems.
- CHP provided 2% of UK heat – and was not a new technology.
- However, CHP was being deployed in new places.
- Communal heating systems were popular across Europe.
- Communal heating systems had been delivered in a number of places, and had a number of benefits (such as reducing costs and tackling fuel poverty) when they were done right.
- Reductions could be shown in practice.
- UK was lucky to have cheap natural gas – but this would not last – so alternative sources of heating need to be found.
- There were problems for all modern buildings, which were often the unintended consequence of too much air tightness.
- Common challenges included – network losses and overheating; poor value from electricity generation, low build quality through value engineering, poor communication between partners, and lack of transparency for end users.
- The CHPA would work to offer solutions where problems had been identified. A code of practice was being developed between the Chartered Institution of Building Services Engineers (CIBSE) and CHPA.
- There should be obligations on all parts of the supply chain to improve performance.
- Heat customer protection scheme, required heat to be sold directly to customers – but the industry would build on the foundation to help people supplied by an energy supply company.

- It was intended that there would be transparency for customers on costs & customer protection.
- Gas costs are not the same as heat costs, boiler maintenance and replacement needed to be taken into account.
- Information and clarity are needed around costs and expenditure on the different systems available.
- There was a working communal heating system in Lewisham at The South East London Combined Heat and Power plant (SELCHP), which provided an example of the viability of decentralised energy schemes.
- The Heat Network Code of Practice would soon be in effect, as well as a protection scheme for users.
- In order to maximise the benefits of communal heating and avoid future problems, all parts of the system had to ensure that they were committed to building and operating systems to a high standard.

Standing orders were suspended until the completion of business.

5.7 Jonathan Graham (Combined Heat and Power Association) responded to questions from the Committee, the following key points were noted:

- The Combined Heat and Power Association had over 90 members, ranging from industrial and heat supply companies to local authorities, including Birmingham, Nottingham and Southampton. The list was available on the CHPA website.
- There was an impetus to decarbonise heating.
- Communal heating could be efficiently delivered, but this had not been consistent in every case.
- The CHPA was developing tools to ensure that there were not problems in the future.
- New build developments were different from the communal heating systems that had been in development previously, new rules for insulation in residential buildings and energy efficiency meant that there was an inconsistent level of demand.
- About 5000 units were required to make a system viable. But this was dependent on whether or not a commercial approach to development was being taken.

5.8 Members also discussed the issues raised and noted that: it appeared as though there were sectional interests at every part of the communal heating supply chain, including glaziers, boiler engineers, plumber, developers and supply companies; meaning that the end users were frequently an afterthought, when they should be of primary importance.

Resolved: to note the contributions to the review.

## **6. Church Grove self-build**

6.1 Jeff Endean (Housing Strategy and Programmes Manager) introduced the report. The following key points were noted:

- The development of the self-build project at Church Grove continued to progress.
- Officers had been working with residents to bring forward an assisted self-build scheme for the site.

- There were different options for the self-build, but the Council had committed to a community led approach.
- Further site investigation work was taking place to determine the constraints of the site. It was known that the site was contaminated.
- Officers were working to determine the full constraints of the site – and the best way in which to enable a consortium to come forward to progress self-building.

6.2 In response to questions from the Committee, the following points were noted:

- The OJEU limit for contracts was £4.3m. It was anticipated that, with an estimated unit cost of £150k, the contract for the development of the site would have to follow the European procurement rules.
- It was not anticipated that extensive flood alleviation works would need to take place, but it was likely that there would be a margin around the edge of the site which it would not be possible to build on.
- There had not been a great deal of cost associated with the project thus far. The work that was taking place was to assess further options for the development of the land.
- No decision had yet been taken about the development of the site. Any future reports about the scheme would be brought before committee.
- The Council would work to maximise the potential affordable housing on the site. All options being considered would allow the Council to nominate affordable homes to people on the housing waiting list.
- Work that had already been carried out identified that there were two or three hundred people on the housing waiting list who were willing to be involved in a self-build scheme.

6.3 The Committee also discussed the issues raised and noted: the possibility of developing the site through the sale or release of the land. Some Members of the Committee were highly opposed to any model of development in which the Council sold land for a reduced cost or gave it away.

6.4 In response to the Committee's concerns, Genevieve Macklin (Head of Strategic Housing) made the following key point:

- Officers were bringing forward the self-building option for Church Grove at the request of Housing Select Committee and Mayor and Cabinet. Further work was being carried out to determine the most effective means of developing the site, but no decisions had yet been taken.

Resolved: to note the report- and to receive further reports about options for Church Grove site for pre-decision scrutiny.

## **7. Kenton Court and Somerville Extra Care schemes**

7.1 Jeff Endean (Housing Strategy and Programmes Manager) and Heather Hughes (Joint Commissioner) introduced the report. The following key points were noted:

- The Committee had considered two previous reports about the Kenton Court and Somerville Extra Care schemes.
- 200 Extra Care places were being created in the borough.
- The existing Extra Care schemes at Kenton Court and Somerville were not up to standard and appropriate care could not be provided to vulnerable residents.
- Formal consultation had been carried out with residents at both schemes.

- At the beginning of the consultation there were 31 residents living across both schemes.
- A number had moved to alternative facilities, 18 remained on site. Eight had chosen not to engage in the consultation and were waiting for a decision to be taken. Four were simply waiting for a decision and four residents in Somerville were unhappy about the proposed closure.
- It was recognised that the length of the consultation might have been unsettling for some residents, but it was felt that it was important to ensure the consultation was thorough.
- An independent advocate had been appointed to work with residents. A report into their findings had been produced.
- As numbers of people living in the two schemes had reduced, the less viable they became.
- Social workers did not refer people to live in Kenton Court and Somerville, because it was recognised that they were not fit for purpose.

7.2 In response to questions from the Committee, Genevieve Macklin (Head of Strategic Housing) Jeff Endean (Housing Strategy and Programmes Manager) and Heather Hughes (Adult Social Care Manager) made the following key points:

- A great deal of effort had gone into engaging with residents and their relatives sensitively. Despite this some of the residents, or their relatives, had chosen not to engage in the consultation process.
- As the numbers of residents reduced the schemes became less viable, and the costs of keeping them open increased.
- There was a risk to the Council of allowing people to remain in these two schemes because the buildings were not fit for purpose.
- It was hoped that once a decision had been taken, residents and their relatives would be open to working with the Council.
- At the Conrad Court Extra Care scheme, there were a minimum of four staff members at any one time for the 54 residents.
- The level of staffing was not fixed – it was dependent on the assessed care needs of each resident.
- The Kenton Court and Somerville Extra Care schemes had been overstaffed because there were few residents living in those properties. The cost of this provision was unsustainable.
- Conrad Court had a 'stay put' fire policy in place, which had been agreed with the London Fire Brigade.
- In the event of a fire, evacuation would not necessarily be required because the building had fire containment systems in place.
- There was concern about the security at Kenton Court. Overnight staffing would be maintained on site.
- It was recognised that the consultation was complex and sensitive – nonetheless, officers had attempted to work with the input of relatives to ensure the best outcome for residents.
- Once a decision had been taken about the site, officers would work with residents and their relatives, efforts would be made to avoid issuing eviction notices.

7.3 The Committee also discussed the Healthwatch report and made the following key points:

- Concern about the amount of time it had taken to bring the proposals forward.

- The troubling language in the Healthwatch report, which noted that the consultation process had been unsettling for residents and their carers.
- That in making its decision, Mayor and Cabinet should give particular attention to the recommendations in the Healthwatch report.
- That officers should commit to learning from this consultation, in order to improve consultations with vulnerable residents in future.

Resolved: to refer the Committee's views to Mayor and Cabinet as follows- The Committee recommends that Mayor and Cabinet give particular consideration to the recommendations made in the Healthwatch consultation report.

## **8. Select Committee work programme**

8.1 Timothy Andrew (Scrutiny Manager) introduced the report. The Committee then discussed the work programme and made the following key points:

- The item on private sector licensing should include information about the approach being taken by Islington Council; it should also include information about the ability of the Council to prohibit rogue landlords from operating.
- The item on communal heating should include representations from Bill Watts; a resident representative from Heathside and Lethbridge and a representative of a housing association which had a functioning communal heating system.

Resolved: to agree the items for the meeting on 17 December – and to include an additional item on the New Homes Better Places programme: phase three.

## **9. Referrals to Mayor and Cabinet**

The meeting ended at 10.30 pm

Chair:

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Date:

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<b>Housing Select Committee</b>			
Title	Declaration of interests		
Contributor	Chief Executive	Item	2
Class	Part 1 (Open)	17 December 2014	

## **Declaration of interests**

Members are asked to declare any personal interest they have in any item on the agenda.

### **1. Personal interests**

There are three types of personal interest referred to in the Council's Member Code of Conduct:

- (1) Disclosable pecuniary interests
- (2) Other registerable interests
- (3) Non-registerable interests

### **2. Disclosable pecuniary interests** are defined by regulation as:-

- (a) Employment, trade, profession or vocation of a relevant person\* for profit or gain
- (b) Sponsorship –payment or provision of any other financial benefit (other than by the Council) within the 12 months prior to giving notice for inclusion in the register in respect of expenses incurred by you in carrying out duties as a member or towards your election expenses (including payment or financial benefit from a Trade Union).
- (c) Undischarged contracts between a relevant person\* (or a firm in which they are a partner or a body corporate in which they are a director, or in the securities of which they have a beneficial interest) and the Council for goods, services or works.
- (d) Beneficial interests in land in the borough.
- (e) Licence to occupy land in the borough for one month or more.
- (f) Corporate tenancies – any tenancy, where to the member's knowledge, the Council is landlord and the tenant is a firm in which the relevant person\* is a partner, a body corporate in which they are a director, or in the securities of which they have a beneficial interest.
- (g) Beneficial interest in securities of a body where:
  - (a) that body to the member's knowledge has a place of business or land in the borough;

(b) and either

- (i) the total nominal value of the securities exceeds £25,000 or 1/100 of the total issued share capital of that body; or
- (ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person\* has a beneficial interest exceeds 1/100 of the total issued share capital of that class.

\*A relevant person is the member, their spouse or civil partner, or a person with whom they live as spouse or civil partner.

### 3. Other registerable interests

The Lewisham Member Code of Conduct requires members also to register the following interests:-

- (a) Membership or position of control or management in a body to which you were appointed or nominated by the Council
- (b) Any body exercising functions of a public nature or directed to charitable purposes, or whose principal purposes include the influence of public opinion or policy, including any political party
- (c) Any person from whom you have received a gift or hospitality with an estimated value of at least £25

### 4. Non registerable interests

Occasions may arise when a matter under consideration would or would be likely to affect the wellbeing of a member, their family, friend or close associate more than it would affect the wellbeing of those in the local area generally, but which is not required to be registered in the Register of Members' Interests (for example a matter concerning the closure of a school at which a Member's child attends).

### 5. Declaration and Impact of interest on members' participation

- (a) Where a member has any registerable interest in a matter and they are present at a meeting at which that matter is to be discussed, they must declare the nature of the interest at the earliest opportunity and in any event before the matter is considered. The declaration will be recorded in the minutes of the meeting. If the matter is a disclosable pecuniary interest the member must take no part in consideration of the matter and withdraw from the room before it is considered. They must not seek improperly to influence the decision in any way. **Failure to declare such an interest which has not already been entered in the Register of Members' Interests, or participation where such an interest exists, is liable to prosecution and on conviction carries a fine of up to £5000**
- (b) Where a member has a registerable interest which falls short of a disclosable pecuniary interest they must still declare the nature of the interest to the meeting at the earliest opportunity and in any event before the matter is considered, but they may stay in the room, participate in

consideration of the matter and vote on it unless paragraph (c) below applies.

- (c) Where a member has a registerable interest which falls short of a disclosable pecuniary interest, the member must consider whether a reasonable member of the public in possession of the facts would think that their interest is so significant that it would be likely to impair the member's judgement of the public interest. If so, the member must withdraw and take no part in consideration of the matter nor seek to influence the outcome improperly.
- (d) If a non-registerable interest arises which affects the wellbeing of a member, their, family, friend or close associate more than it would affect those in the local area generally, then the provisions relating to the declarations of interest and withdrawal apply as if it were a registerable interest.
- (e) Decisions relating to declarations of interests are for the member's personal judgement, though in cases of doubt they may wish to seek the advice of the Monitoring Officer.

## **6. Sensitive information**

There are special provisions relating to sensitive interests. These are interests the disclosure of which would be likely to expose the member to risk of violence or intimidation where the Monitoring Officer has agreed that such interest need not be registered. Members with such an interest are referred to the Code and advised to seek advice from the Monitoring Officer in advance.

## **7. Exempt categories**

There are exemptions to these provisions allowing members to participate in decisions notwithstanding interests that would otherwise prevent them doing so. These include:-

- (a) Housing – holding a tenancy or lease with the Council unless the matter relates to your particular tenancy or lease; (subject to arrears exception)
- (b) School meals, school transport and travelling expenses; if you are a parent or guardian of a child in full time education, or a school governor unless the matter relates particularly to the school your child attends or of which you are a governor;
- (c) Statutory sick pay; if you are in receipt
- (d) Allowances, payment or indemnity for members
- (e) Ceremonial honours for members
- (f) Setting Council Tax or precept (subject to arrears exception)

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# Agenda Item 3

Housing Select Committee			
Title	Private Rented Sector: Options Study for Selective, Additional or Whole Borough Licensing Scheme		
Contributor	Executive Director for Customer Services	Item	3
Class	Part 1 (Open)	17 December 2014	

## 1. Purpose

- 1.1 In the 10 years between the last two censuses, the private rented sector (PRS) in Lewisham has doubled in size. This reflects the impact of post 2008 restrictions on mortgage lending to first time buyers Whilst the majority of private landlords and agents provide a good service to customers, concerns have grown about conditions in the poorest section of the private rented sector and the exploitation suffered by some of the most vulnerable private tenants for whom choice is very limited. Lewisham is committed to making the best of its powers, tools and resources for enforcing against low standards amongst private landlords and lettings and managing agents.
- 1.2 This report considers the options for adding a new tool to Lewisham's regulation of the PRS, the legal framework for introducing discretionary licensing in the private rented sector. It presents information to Housing Select Committee on:
- Our strategic objectives for the private rented sector and the fit between those objectives and discretionary licensing as a tool;
  - available relevant data on the PRS;
  - task of gathering and analysing data to make a robust business case for discretionary licensing;
  - experience of boroughs that have adopted schemes;
  - likely costs and timescales for introducing any such scheme.

## 2. Recommendations

### 2.1 Housing Select Committee to note:

- discretionary licensing schemes that have been or are being introduced (appendix II) with lead-in times of between 2- 4 years;
- that any additional or selective licensing scheme that is introduced is time limited to a total period of 5 years;
- that income generated through licensing cannot be used to fund enforcement activity or generate a surplus/profit;
- that Newham Council provided £10m up front investment to cash flow the borough wide scheme and expect to recoup the £10m over 2 years;
- that the going rate across London for the mandatory license fee is £500 - £550 compared to £150 in Lewisham;
- that the estimated cost to the council tax payer of a borough wide licensing scheme in Lewisham is at least £1m per year;
- note the benefits of discretionary licensing, if the criteria under the Housing Act can be shown to be fulfilled and a scheme can be funded;

- note that a data warehouse of addresses of probable PRS properties in the borough is needed, whether or not discretionary licensing is introduced.

## 2.2 Housing Select Committee is asked to consider the following:

- recommend to Licensing Committee an increase to the existing mandatory HMO license fee to come in line with the average charge of other London boroughs to recoup all its costs;
- calling for a further report to a future HSC setting out the business case for an additional licensing scheme to cover all multi-occupied dwellings over commercial premises with a view to consulting on the introduction of a scheme in 2016/17 if this is agreed at Mayor and Cabinet;
- opening discussions with potential partners to explore the case for a multi-borough partnership to take a wider discretionary licensing scheme forward suited to the strategic needs of our wider housing market rental area;
- areas where lobbying may be appropriate to strengthen LA powers to tackle rogue landlords.

## 3. Background

- 3.1 A report on the Private Rented Sector Review was presented to Housing Select Committee on 3<sup>rd</sup> February 2014: <http://tinyurl.com/moxd2oh>, which reviewed information available from Newham, Southwark, Hackney and Brent about a range of approaches to discretionary licensing and other options, and concluded:

*“Currently, there is not sufficient evidence in Lewisham of the type identified by London Borough of Newham to justify a wholesale landlord licensing scheme. However, officers will continue to consider all possibilities including monitoring similar initiatives elsewhere in other London boroughs. Officers will also explore the feasibility of a data gathering exercise to provide a more robust evidence base which will better inform future landlord licensing options in Lewisham and report back progress to the committee in due course.”*

### 3.2 Legal Background

- 3.2.1 It is not necessary to set out here within this report specific legal provisions save for merely noting the following. The Housing Act 2004 Part 2 introduced a mandatory duty for local housing authorities to administer a licensing scheme for all large Houses in Multiple Occupation (HMO). It became a criminal offence for anybody to run an unlicensed HMO. It also introduced a power for local authorities to decide to extend the Mandatory licensing scheme to include additional types of HMO – i.e. smaller HMOs and illegally converted properties that do not meet planning requirements or the Building Regulations (illegal conversions - Section 257 HMOs) (*additional licensing*). Part 3 of the Housing Act introduced a power for local housing authorities to introduce schemes requiring any privately rented property *excluding* HMOs (of any type or size) to be licensed (*selective licensing*).
- 3.2.2 Any scheme, whether *additional* or *selective* could be designated for the whole of the local authority district or a defined part of it.

3.2.3 To be lawful, any discretionary licensing scheme introduced by the local authority must meet particular conditions which are contained within Part 3 to the Housing Act 2004, set out below.

### 3.4. Conditions for all discretionary schemes:

3.4.1 Whilst Secretary of State confirmation (since 2010) is no longer required for discretionary schemes, local authority Members are responsible for judging the business case for licensing against the same criteria set out by Government. The Local authority must be satisfied that the business case for licensing meets the following basic criteria:

- the scheme, together with other measures, will help deliver on the local housing authority's strategic private sector housing policies;
- there is quantitative evidence of a problem related to significantly poor *management* of the private rented stock concerned
- there is evidence that licensing, as part of an overall approach can be expected to sustainably assist with addressing the management deficiencies
- analysis to show no alternative powers are available that could equally address the management deficiencies
- proper consultation with all stakeholders has been undertaken and the results considered
- the scheme is kept under review; if it has achieved its objectives it should be discontinued and if at the end of the maximum 5 yr period it has not achieved its objectives, it should also be discontinued on grounds of ineffectiveness

### 3.5 Distinction between *additional* and *selective* licensing

3.5.1 *Additional* licensing is for extending licensing to all types of HMO not covered by the mandatory scheme (large HMOs). This requires evidence that a significant proportion of those HMOs are being ineffectively managed resulting in health or welfare problems for occupants or the public. *Selective* licensing is for extending licensing to any and all private rented properties in a defined area that are not HMOs, if the criteria for this are satisfied. In the London context (where there are no areas of housing market failure) *selective* licensing requires evidence of a link between persistent anti social behaviour (ASB) related to the housing management. Both *additional* and *selective* schemes can be borough-wide or in a defined smaller area. To license all PRS either borough wide or in a smaller area requires both *additional* and *selective* licensing.

### 3.6 Licensing powers and conditions

3.6.1 "Fit and Proper Person" test: The unique advantage of discretionary licensing is that, if a manager of private rented property has been prosecuted for Housing Act offences (or other offences involving violence, sex, drugs or fraud or dishonesty or unlawful discrimination), *or is associated with someone else that has*, within the previous 12 months or there is a continuing pattern of offending, they no longer pass the "fit and proper person" test required for being granted a license. All licenses are then suspended or revoked. If they then continue to be unlicensed, the authority may prosecute. The maximum penalty the Courts could impose for such cases is currently a fine of up to £20k. The offence also carries a possible

continuing offence provision too; meaning that potential offender may be re-prosecuted.

- 3.6.2 There is also the additional and separate power of the right to apply for a Rent Repayment Order against the landlord for up to the value of the rent for the previous 12 months, potentially eliminating any income from the lettings for his entire portfolio.
- 3.6.3 Schemes introduce license conditions related to standards of housing management. They cannot include conditions unrelated to housing management standards. Licensing specifically cannot be used to introduce higher physical standards nor for introducing new conditions of tenancy. For instance it is not lawful to seek to introduce a requirement to offer longer minimum tenancy periods or to introduce rent controls. Appendix III lists the common license conditions local authorities apply.

### **3.7 Licensing, compliance monitoring and enforcement**

- 3.7.1 Compliance monitoring and enforcement are necessary for licensing to be effective. The Housing Act 2004 places a duty on the local authority to satisfy itself as soon as reasonably practicable that there are no breaches of the Housing Act 2004 in a property to be licensed. As a minimum this is taken to mean the licensed property must be inspected at least once in the timescale of the license (up to 5 years). Some advisers have suggested that in some circumstances it may be reasonable to permit license holders to provide independent verification that their properties are free of Housing Health and Safety Rating System (HHSRS) hazards and otherwise meet license conditions. It is thought the accreditation bodies for landlords and managing agents may see this as a business opportunity. This could provide choice for the landlord, an opportunity for a reduced fee and reduce the size of the Licensing team required to administer the scheme.
- 3.7.2 A prerequisite of an effective licensing scheme is that the authority knows which of its properties are privately rented. Few councils have had a database for their PRS; any database also needs to be kept up to date as tenure can change at any time. The task of compiling a database is complex and costly and may involve data protection issues. Newham council commissioned a consultant to build a predictive modelling tool drawing on all databases held by the council. Starting with what intuitively seemed likely to be true, it used an algorithm to identify which combination of data already held on an address best predicted it was privately rented. The model derived from this work was found to be very reliable in Newham. The same model has been applied in Brent and Enfield where it was found to be less reliable at a detailed level, because of key differences in the demographics. To shortcut the exercise of building a database for Lewisham, the Newham model could be used as a starting point. It is estimated that on this basis, a basic database could be built if a part time IT project manager were to be assigned to the project, in approximately 6 – 9 months.
- 3.7.3 Of the various discretionary schemes introduced in London, none has reached the end of its (maximum 5 year) term; data is not available to show what levels of enforcement activity are necessary to make a success of licensing. In Newham, enforcement covers only 6% of the licensable stock per year. As less than a third of the licensable properties can be inspected during the 5 year term of the scheme, it

is crucial that from the outset their inspection regime was intelligence-led, targeting the higher risk properties. Eighteen months into their scheme, whilst the borough are very confident the scheme is working, none of the data gathering and analysis that informed the business case for the scheme has yet been re-run to establish trends.

### **3.8 Setting the license fee**

3.8.1 The local authority is responsible for setting the license fee so that license fee income covers the cost of administering and compliance monitoring the scheme. It should not make a profit. It is not lawful to use license fee income to pay for enforcement against landlords who are not licensed; this is expected to be funded through other local authority income streams.

3.8.2 Legitimate costs include the personnel, electronic or paper based systems to deal with license applications, variations, collecting the license fee and maintaining the register.

3.8.3 Opinion remains divided as to whether the cost of enforcement activity against licensed landlords who breach license conditions or housing or planning laws can be included in the license fee or dealt with as a separate additional charge to the offender. The boundary between what is and what is not a legitimate expense that can be recovered through any license fee is currently being tested by Westminster City council. Opinion is divided also on what set up costs (e.g. IT development, consultation costs) might be recoverable from the fee. The “Westminster judgement” awaited from Supreme Court this autumn is likely make it clearer what can be financed out of a license fee.

3.8.4 The going rate across boroughs that have introduced discretionary licensing is around £500 - £550 per license for a 5 year license, with discounts for portfolio landlords. Lewisham’s fee for mandatory HMO licenses is £180 per dwelling for a 5 year license with a 20% discount for accredited landlords is not covering the costs of administering the mandatory licensing scheme costs.

## **4. National developments affecting case for licensing**

4.1 The current government administration favours “light touch” regulation; DCLG has stated it does not encourage or expect local authorities to adopt whole borough discretionary licensing in any numbers; it has specifically warned that it may act to make it more difficult for authorities to do so. On the other hand, the Lyons Report, Crisis and Shelter have all come out in favour of licensing.

4.2 Two new legal protections are coming into force which protect private tenants from landlords poor management and therefore could diminish the case for additional licensing:

- **Government Compulsory Redress Scheme:** was introduced in October, the requirement for private lettings and property managing agents to join one of three government backed schemes (the Property Ombudsman, Ombudsman Services Property and The Property Redress Scheme). They will offer independent investigation of complaints about hidden fees or poor service.

Where a complaint is upheld, tenants and lease holders could receive compensation.

- **Protection from eviction in case of complaints and enforcement:** a Private Members bill with cross party support is expected to be passed ahead of the General Election that will introduce protection for private tenants from retaliatory eviction if a local authority initiates enforcement action against the landlord under the Housing Act 2004 or other housing related law; from the point an offence is identified, the landlord is prevented from issuing a S.21 Notice until 6 months after the offence has been resolved.

## 5. Exploring the case for licensing

### 5.1 General

5.1.1 The grounds for setting up discretionary licensing are quite specific in the Housing Act. The authority must also demonstrate the case for it by reference to the provisions of the Act or else leave itself open to costly challenge and the scheme being quashed.

5.1.2 Advocates of discretionary licensing claim four key benefits of licensing:

- The worst conditions in the PRS in Lewisham (and some other places) are outside the mandatory license scheme;
- builds a database on the PRS, a powerful intelligence and engagement tool, with information about the landlords and their portfolios and standards of management;
- extends the power to revoke licenses then prosecute a landlord if they have been prosecuted for Housing Act or violent/sex/drugs/fraud offences – arguably the most efficient and impactful enforcement tool in the Act;
- establishes standards of management through the license conditions, which, if enforced, make landlords responsible for managing ASB problems which otherwise impact on the local community.

5.1.3 The case for licensing as a means of building a database of the PRS is not contentious, but there is controversy concerning whether bad landlords avoid applying for a license, or indeed seek comfort from the belief that if they license they are less likely to draw attention to themselves. This will depend upon the enforcement regime in a particular area and what is known about it. Evidence suggests information communicates around the landlord community quickly and conditions behaviour. Whatever the case, data collected, if it is used, is potentially very valuable in building better understanding and better partnership with the PRS.

5.1.4 The evidence base for linking PRS and ASB is central to the case for selective licensing in London, but is also one of two possible approaches to establishing a case for additional licensing of HMOs, only one of which appears to have been taken up by London boroughs at this time. The PRS association to ASB case may be open to challenge including the following points:

- Social research is complex with a range of interacting factors making cause and effect very difficult to prove, and there is no 'control group';

- A correlation between private rented housing and anti-social behaviour cannot be taken to prove that the one caused the other – it is just an association without an explanation – if the link isn't causal, then licensing is the wrong tool for the job;
- Only a very small proportion of the data used is linked to a specific property and thus the bulk of the data is not reliably linked to tenure;
- Only one proposition is being tested (that PRS and ASB are associated with one another) rather than 'following the data' in search of the answer;
- There are a number of other obvious intuitive explanations for an association between PRS and ASB that do not involve causation (e.g. poor quality PRS is concentrated in mixed residential/commercial areas and areas of lower value and ASB may be a function of what takes place in those neighbourhoods).

5.1.5 PRS landlords are understandably unhappy about having to pay a license fee, but perhaps more so at having to bear the increased cost of management associated with the license conditions, arguing if they are unfortunate enough to have a bad tenant, it is not reasonable to also hold them responsible for what those tenants do in the public domain. Campaigners for private tenants' rights have sometimes argued this thinking also 'demonises' private tenants.

## **5.2 An alternate approach to identifying arguments for licensing - Public Health Outcomes framework**

5.2.1 Part 2 of the Housing Act 2004 governing the requirements for introducing licensing refers to evidence for negative impacts on the health, safety and welfare of private rented tenants from poor management. That poor housing leads to negative health impacts is both intuitive and has been very well documented and modelled by University of Warwick and the Building Research Establishment, whose empirical model, the Housing Health Cost Calculator puts a price on various aspects of poor housing in treating the resultant ill health. The relevant health data that is held by the authority and can be mapped includes:

- Statutory homelessness – homelessness acceptances;
- statutory homelessness – households in temporary accommodation
- Fuel poverty;
- injuries due to falls in people aged 65 and over;
- injuries due to falls in people aged 65-79;
- injuries due to falls in people aged 80 and over;
- incidence of TB;
- under 75 mortality rate from cardiovascular disease considered preventable (persons);
- under 75 mortality rate from respiratory disease considered preventable (persons);
- Mortality rate from communicable diseases (persons).

5.2.2 An exercise in mapping this data against the census data for private rented property would highlight those areas of poorest rental properties. This work is being commissioned and could give rise to recommendations for localised additional and/or selective licensing.

5.2.3 Whether or not the case for licensing is accepted and whether the case can be demonstrated on the terms defined by the Housing Act 2004, these benefits can only be realised if the authority first invests in building a basic database of probable PRS addresses, and then also backs up the scheme with a sufficient programme of enforcement activity.

### **5.3 Big bang vs. incremental approach to licensing**

5.3.1 The Act provides that schemes must last for *no more than* 5 years and must be kept under review. If a scheme is successful, there is a presumption it will be discontinued as there would be no further need for it. If the scheme is unsuccessful then there is also a presumption it will be discontinued, on the grounds that as an approach, it is ineffective. Any decision by the authority to renew a discretionary scheme is open to a claim for Judicial Review by its opponents. It is crucial therefore that any scheme is matched by a fully funded and deliverable enforcement programme that meets minimum standards for establishing the success of the scheme within its 5 year maximum term.

5.3.2 Proponents of whole borough schemes (Barking and Dagenham, Newham, Waltham Forest and Enfield) argue in favour of 'big bang' whole borough additional and selective schemes, on the basis that anything less would allow landlords to change the nature of the lettings to sit outside the licensing criteria; for example where additional licensing is introduced covering all HMOs, a landlord could replace groups of house sharers with a single occupancy family letting so that a license is not required. Landlords procuring new homes may decide to acquire or trade stock to relocate outside licensing scheme areas. A domino effect may arise as local licensing schemes are introduced across more London boroughs, in which the poorest standards will gravitate, over time to the boroughs with the lowest regulatory standards.

5.3.3 However, critics argue other economic factors dwarf the impact of licensing on private landlords decisions. Net rent income only represents around 50% of return on investment. Moreover many landlords are 'accidental' landlords, owning just one property, for whom the transaction costs would represent a significant barrier to relocating. For the larger portfolio landlords, macro-economic variation in the ratio of capital values to rental value is likely to be a larger factor in determining where investment in private renting will be attracted to. A caveat is necessary here, that a rising number of landlords are managing agents, who are able to move their operations geographically more speedily in response to all factors affecting their income and outgoings. The fear of licensing or its absence determining where PRS stock is located may be overstated.

5.3.4 Authorities that have chosen smaller scale schemes appear to have done so on the basis of one or more of the following considerations:

- existing data recording and reporting across council services inadequate, requiring resource intensive research to build a business case;
- inadequate financial resources for a sufficient enforcement regime for licensing to be effective within a 5 year time horizon;
- recruitment problems resulting from skill shortages in London for enforcement officers;

- local authorities need a good relationship with private landlords to provide supply for homelessness prevention and ‘discharge of duty’; over zealous regulation may conflict with that goal;
- concerns about a reluctance of Buy-to-let mortgage lenders to advancing loans in licensing areas.

5.3.5 Where authorities have recognised they cannot deliver the funds and the boots on the ground to deliver whole borough licensing in 5 years, the choice of rolling out licensing incrementally over a series of 5 year schemes has won the day. An example of a pioneering authority that has taken this approach is Middlesbrough. It was in the vanguard of introducing selective licensing alongside 3 other north of England authorities with housing market renewal areas. Middlesbrough monitored the outcome from their schemes closely and has maintained the incremental approach in light of positive experience.

5.3.6 Lewisham must therefore consider the intentions of its SELHP neighbours on licensing. At this time, Southwark are consulting on licensing all HMOs in the borough plus an area based selective scheme focused on an area with a high concentration of PRS with a high proportion of Housing benefit claimants. Greenwich has called for a report on licensing. Bexley are also at an early stage in this work and it is not clear whether there is any appetite for introducing a scheme. Officers have committed to share their respective reports and a summary of the recommendations being considered in all of the SELHP partnership will be presented orally to Select Committee.

## **6. Lewisham perspective**

### **6.1 Stock Condition Survey data on the PRS and comparative conditions in PRS and HMOs**

6.1.1 According to the 2011 Private Rented Stock Condition Survey, this sector in Lewisham is now over 33,000 homes, around 29% of the stock in the Borough. It is the only housing option for many residents. (Census results indicate a figure of 24%, however it is generally believed that the Census under-records privately rented households.)

6.1.2 The stock condition survey suggests the levels of decency and prevalence of Category 1 hazards is not very different as between private rented and owner occupied dwellings generally (The key statistics can be found in Appendix IV).

6.1.3 Not all HMOs are obviously in poorer condition than the average stock in the borough. The only type of HMO to be significantly substandard is illegal conversions. These are even more likely to have a Category 1 Hazard than the supposedly ‘high risk’ mandatory licensable properties and also significantly more likely to be non-decent on grounds of outdated facilities. Illegal conversions are worse on both counts than any other property type in the borough. The enforcement case, based on this sample survey data, is therefore uniquely for illegal conversions to be subject to licensing. This represents a particular challenge for any licensing scheme, since no landlord would readily identify their property as an illegal conversion, even supposing they understood that it was.

## **6.2 Conditions and geography and association with ASB/enviro-crime**

- 6.2.1 In Lewisham the very worst housing conditions appear in two distinct areas, the largest being the south/centre of the borough where capital values are low and profit margins from letting are higher. The other is a residual pocket of very poor conditions, particularly in flats over shops, in the central Deptford area.
- 6.2.2 Reported anti-social behaviour is not systematically recorded on a single council database is not linked to property tenure. Metropolitan Police data is not currently made accessible to the council and is also not linked to property tenure. However, high level mapping of reported ASB on the MPS website for the borough shows the high levels generally following the main roads and commercial areas, an unsurprising finding in light of the activities and intensity of footfall associated with such neighbourhoods.
- 6.2.3 There is no prima facie case to indicate a link between the poorest private rented housing and ASB and even if there were, we do not currently have the tools to prove an association, much less establish causation.

## **6.3 Private tenants' survey feedback**

- 6.3.1 A survey of 1162 people living in privately rented accommodation in the five Boroughs of the South East London Housing Partnership – Bexley, Bromley, Greenwich, Lewisham and Southwark – and in Lambeth, exploring the question: *“What is the capacity of the private rented sector in South East London and Lambeth to meet the housing requirements of households who would otherwise be accommodated in the social housing sector?”* Specifically it aims to provide some of the evidence base that the Boroughs will need to draw on if considering the introduction of licensing in the PRS. From this survey only 14% cited concerns about anti-social behaviour in the area. The three leading issues identified as of most serious concern were damp or mould growth (23% of respondents), Excess cold/lack of heating (11%) and poor security/risk of intrusion (10%).

## **6.4 Engagement with Lewisham private tenants**

- 6.4.1 A Lewisham Private Tenants Rights Group was formed some years ago. The group did not seek to work with the council. It later ceased to meet when its co-ordinator left the borough. In July the group reconvened. An invitation to meet to discuss making links between the Private Sector Housing Agency and the group was conveyed to their meeting. No contact however has ensued.
- 6.4.2 A dialogue has recently been initiated with the campaigning group ‘Generation Rent’ who are working with the reconvened group and other private renters on their data base to support its development. They have extensive experience of conducting consultation with populations of private tenants on such matters as selective and additional licensing schemes. The charity also has a programme of fundraising and hopes to be able to part finance the development of a local group. The outcome of their research will be shared with the borough as soon as it is available.

## **7. Lewisham PRS strategic objectives**

### **7.1 Overview**

7.1.1 The Private Sector Housing Strategy 2009-14 set out to improve the quality, management, affordability, and security of the private rented sector. Tackling anti-social behaviour is specifically referenced. A range of initiatives have been pursued including a blend of stick and carrot approaches:

- introduce landlord accreditation
- develop a 'Lewisham standard'
- set up a Rogue Landlord Taskforce to focus enforcement on the worst landlords and drive them out of business

7.1.2 Neither the Private Sector Housing strategy nor the Community safety strategy has identified a link between the PRS and anti-social behaviour in general. It is known to have been an issue in specific cases. However we already have powers of enforcement to deal with these problems in specific cases. In order to place discretionary licensing within our strategic approach, the evidence needs to be found for a general, persistent and significant link. No standard has been set for what constitutes 'persistent' or 'significant'.

### **7.2 Accreditation and incentives**

7.2.1 Our Private Sector Housing Strategy included a commitment to increase voluntary accreditation by private sector landlords. We are a member of the London Landlord Accreditation Scheme (LLAS). The London Mayor has also launched the London Rental Standard. Accredited landlords in Lewisham get the benefit of free professional training, discounts on landlords' insurance and a 20% discount on their license fee. We have promoted an ongoing dialogue with landlords through a new forum.

7.2.2 LLAS membership does not involve any inspection. It relies on enforcement teams posting information on the scheme's website of any prosecutions. The London Mayor has a target to increase the numbers of accredited London landlords and lettings agents to 100,000 by 2016, from the current base of around 14,000. There has been no announcement publicising the progress in signing up new members since the launch of the London Mayors London Rental Standard in May this year.

7.2.3 In February 2014 the total Lewisham private landlords were thought to number 3,700. The number with accreditation by LLAS, NRA, ARLA or equivalent was just over 200 landlords, an increase of 20% over the past year, Lewisham estimates there are 3,700 private landlords in the borough meaning 5.4% of landlords have chosen accreditation. In spite of publicity and incentives for managers of HMOs to embrace accreditation, this voluntary approach to raising standards giving rise to 40 newly accredited landlords does not appear to be an effective of value for money measure. We will nevertheless keep the matter under review.

### **7.3 Rogue landlord taskforce**

7.3.1 Based on Lewisham's current priority enforcement programme, concerns arise from the slow rate of progress in gathering evidence to be able to prosecute offences by

known rogue landlords who we believe to control more than 160 properties. Information and intelligence only so far has been largely available to Council officers, as opposed to actual evidence. Our programme has uncovered a range of potential serious offences which often do not cease as a result of prosecution; creative approaches to effective enforcement are being sought. The range of potential offences include:

- Running unlicensed HMOs
- Severe overcrowding
- Housing Health Safety Rating System Category 1 hazards
- Hotwired electricity/utilities abstraction
- Letting properties with unsafe gas and electrical installations
- Allowing cannabis factories to operate
- Council tax evasion
- housing benefit fraud
- severe anti-social behaviour committed by tenants without any management control
- Illegal eviction
- Harassment – attempts to demand cash from tenants for whom the landlord already receiving housing benefit
- Pests including bed bugs
- Failure to protect tenants' deposits
- Taking deposits to secure lettings then not delivering the letting but withholding large admin fees or delaying repayment of deposit
- Converting and extending properties without Planning consent or building control approval.

7.3.2 These problems are illustrated in more detail by the case studies of 6 of the 15 landlords of greatest concern, at appendix IV.

7.3.3 The key concerns for the Taskforce are:

- Paltry level of fines imposed by the criminal courts for offences,
- High proportion of poorest properties not HMOs so the power of the not "Fit and Proper Person" not always available – enforcement therefore piecemeal and long-winded
- Absence of a real time data warehouse of high risk properties
- Lack of expertise and capacity to investigate alleged HB fraud
- Housing Benefit regulations that do not permit the authority to suspend HB claims on properties where the landlord is guilty of continuing offences under the Housing Act

7.3.4 The Rogue Landlord Taskforce submitted a bid to DCLG for funding from the Counter Fraud Fund; no announcement has yet been made as to whether that bid has been successful.

7.3.5 Other measures that would be of greatest value to the Rogue Landlord Taskforce are listed in the section 10.1 below:

## **8. What are the key problems in the PRS that Lewisham wishes to tackle?**

### **8.1 Stock condition and Environmental Health residential team experience of the problems suggests key priorities include:**

- “*additional*” licensing scheme that includes the highest risk property (i.e. multi-occupied dwellings over commercial property)
- data warehouse that collects data from across the council on probable private rented property in real time with reporting tool
- lobbying for change to HB regulations to give local authorities the power to suspend claims where the property is unsafe and the landlord has been prosecuted
- Support for increased resourcing into tackling suspected fraud, should the bid to Counter Fraud Initiative be unsuccessful
- illegal conversions have the lowest levels of decency and highest health risks, but by virtue of the fact the landlords have already flouted planning law, these would be the hardest to subject to licensing
- pockets of particularly poor conditions in the Deptford High Street area, but the case for linking this to anti-social behaviour, if it exists, is not readily established
- poor conditions are less easily identified by geo-spatial factors than by use type

8.1.1 Based on the stock condition survey 2011, there may be a case for *additional licensing* to be extended to illegal conversions, as this stands out in relation to Category 1 Hazards and non-decency and the lack of modern facilities; the case for licensing other types of HMO is weak.

8.1.2 Capacity for dealing with these priorities is limited by insufficient enforcement officers and the lack of a PRS database. Putting additional resources into these areas, both of which would be necessary to support the introduction and operation of discretionary licensing, would have a positive impact on the work of RLT, *but could not be financed out of license fee income.*

### **8.2 Private tenant feedback**

8.2.1 Looking to private tenants’ feedback from the recent SELHP report cited above, the most common problem is to damp and mould (23%) followed by experience of anti-social behaviour (14%), excess cold (11%) and home security (10%). No analysis from this report is available for which type or area of property is most at risk of being substandard.

## **9. Alternatives to licensing and enforcement**

9.1.1 The coalition government, the London Mayor and the private landlord associations have not been in favour of regulation. Some landlord bodies have explicitly said that they will pass on the cost of licensing to their tenants in higher rents, something they are able to do in the context of a lack of rent control in the private sector. Instead these bodies prefer incentives and encouragement to raise standards through accreditation. Although it is early days, the London and Lewisham experience of voluntary approaches is disappointing.

9.1.2 The case for investing in partnership should be kept under review.

## **10. Immediate steps - self-financing for licensing:**

10.1 The license fee for the existing Mandatory scheme does not cover the cost of administration and compliance monitoring and is significantly below the £500 London norm. The fee generates income of around £6k per year while fully apportioned costs are estimated at around £100k pa. As a result the scheme is subsidised by council tax payers to the tune of around £94k per year. There is a compelling case for reviewing the fee and using the current subsidy to the scheme to add to the budget for enforcement activity. This would create a virtuous circle of increasing the % HMOs registered and progressively reducing the subsidy to the scheme.

10.2 It is recommended the council brings forward a recommended increased license fee that fully recovers the cost of administering the scheme. If the costs exceed the London norm of £500 for a five year license, recommendations for improving value for money should be produced.

## **11. Next Steps - project costs and timescales**

### **11.1 Timescale**

11.1.1 Newham council, being one of the earliest adopters of discretionary licensing in London, took 4 years to complete its project to introduce a whole borough selective (and additional) scheme. Their scheme is now close to its second anniversary and expects to achieve 100% compliance with the scheme within around 3 months. The borough concluded their on-line license application solution which was custom built for their needs, should be replaced. They are entering the procurement phase for a new system and are interested in working with other boroughs. There is no known off-the-shelf solution that works with any of the leading software platforms.

11.1.2 With the benefit of their path-finding, some other boroughs are completing the work in shorter periods, however none is thought to have accomplished the work in less than 2 years – this is true even for less ambitious schemes. The IT problem can be expected to be a limiting factor everywhere

11.1.3 The task for Lewisham, assuming it considered licensing both the right tool and that the business case could be established should it wish to introduce discretionary licensing would involve the following steps:

### **11.2 Develop a data warehouse and apply predictive tools to identify what is privately rented housing**

11.2.1 Before any research can be undertaken into the business case, there is a need to collect data. There is no database currently. The internal cost of cleansing our various databases, and developing a warehouse that brings all the data into a single place and then develops reporting tools would be very significant; currently nobody has been assigned to any of the 3 parts of this project. Assuming the resource was identified, work on this scale typically takes 6 months to a year. Once this work was completed, a further project requiring an external consultant is required to undertake

predictive analysis. We have been quoted a sum of around £20k, and a minimum of 3 months to complete the analysis.

### **11.3 Research into the business case**

11.3.1 Association between some or all of the PRS and either Anti-social behaviour and enviro crime or health outcomes would need to be undertaken either by putting the project into the work programme for the housing research team, or outsourced. Research projects of this kind, whether in-house or outsourced, generally take a minimum of 3 months. If the modeller used by Newham and others were engaged, the time for this part of the project would overlap with the database building.

### **11.4 Consultation**

11.4.1 The Act stipulates a minimum 10 week public consultation period. Some authorities have worked up their business case and then gone out to consultation on it (e.g. Enfield); others have engaged in consultation as part of the process of building a business case. Liverpool took the latter option. They engaged an independent firm to run the consultation exercise. The use of consultation to build the business case using independent consultants meant that it was seen to be objective and informed by the stakeholders. This meant the risk of opposition or a Judicial Review was mitigated. At the cost of £100k for this exercise, Liverpool is satisfied that this was the best approach and represented value for money.

### **11.5 Options appraisal**

11.5.1 Once the evidence has been gathered in, a further phase of considering the feedback and analysing the options would be necessary, taking a minimum of one committee cycle and Cabinet consideration. This is likely to require a minimum 3 months.

### **11.6 Detailed scheme design**

11.6.1 Once an option has been chosen, detailed work is required on the license conditions, license fee options: this work would need to be undertaken and run through a detailed financial model in order to set license fees at a level to recover all legitimate administrative costs of the scheme.

### **11.7 Commission on-line web portal for license fee application**

11.7.1 There is no off-the-shelf product. Lewisham does not share the software platform used by Newham (who are looking for partners). The lead in time for designing, beta-testing and going live with a new solution likely to be 18 months minimum. The costs are unknown. The best option would likely be a user group club sharing our software platform jointly commissioning a product and sharing the costs. Based on recent experiences, suggests an expected provision of £125k. The feasibility of this is being explored informally.

### **11.8 Recruiting licensing and enforcement team**

11.8.1 The time and cost of this exercise will be somewhat proportional to the size of the scheme adopted. As training for enforcement officers takes 3 years and there has

been a recent surge in demand, as new boroughs implement schemes, a skill shortage has become apparent. In Lewisham, after 4 months and 3 rounds of recruitment, we have yet to secure an appointment. Our recruitment adviser indicates hourly rates having risen by around 50%. With Croydon and Southwark being ahead of Lewisham in considering schemes in south London and Enfield and going live with a whole borough scheme in the north shortly, the challenge of recruitment and the cost of appropriately skilled personnel is likely to get worse. In good times, even modest recruitment drives typically takes 6 months.

## 12. Income and expenditure costs for whole borough options

12.1 Costs of introducing discretionary licensing fall into two budgets:

- license fee self-funding, and
- setting up costs and enforcement costs required to ensure that those who should be licensed are either licensed or prosecuted

12.2 The unfundable costs generated by a scheme can be paid for out of General Fund. Rent Repayment Orders (£200k in Newham in first 18 months) and any Council tax debt recovery (£500k pa in Newham). However Legal Services in Lewisham advise that the money recovered from RROs can pay for the costs of prosecution only and any surplus is repaid to central government, a practice that is not followed by all boroughs. It is also not clear that recovery of council tax through private sector housing licensing in Lewisham would run at the levels cited in Newham, as it is not envisaged the licensing team would have access to any powers or data not held by the council tax debt recovery team.

12.3 Administration and compliance monitoring of a licensing scheme funded from license fee income should not generate a profit. Costs will depend upon:

- scale of the scheme,
- policy on the level of compliance monitoring and enforcement activity to back up the scheme
- investment in digital methods for license application
- any subsidy for early bird registration to increase the pace of registration

12.4 If Lewisham were to introduce a whole borough additional and selective scheme on the Newham model, but built in a minimum of one inspection for each 5 year license, it would need 55 enforcement officers and an estimated fifth of their activity would be attributable to enforcement activity of unlicensed landlords – hence not fundable from the license fee. Four fifths of their inspections could be charged against the license fee.

12.5 Ball park **annual** costs to the scheme, broken down into the cost to license fee payers on the one hand, and the cost to the council tax payer on the other hand, assuming apportioned overheads of 50% would be:

	<b>Licence fee costs</b>	<b>Costs to council tax payer</b>
<b>Licence administration</b>	£300k	nil
<b>Start up costs (/5), direct plus indirect (100%)</b>	nil	£98k
<b>Inspection/verification</b>	£2,709k	£756k
<b>TOTAL</b>	<b>£3,009K</b>	<b>£854K</b>
<b>= 33,000 5 YR LICENSE FEES @</b>	£456	

**APPENDIX I – ROUGH COST BENEFIT ANALYSIS OF LEAD OPTIONS FOR PRS ENFORCEMENT**

<b>OPTION</b>	<b>BENEFITS</b>	<b>RISKS &amp; COMMENTS</b>	<b>NON-LICENSE FUNDED COSTS</b>
<b>WHOLE BORO SELECTIVE</b>	<ol style="list-style-type: none"> <li>1. Builds borough-wide real time database</li> <li>2. Adds efficient “double jeopardy” power to enforcement programme to new scheme</li> <li>3. Raises awareness of legal requirements across landlord community</li> <li>4. Puts cost of “externalities” back on the landlord instead of public purse</li> </ol>	<ol style="list-style-type: none"> <li>1. Requires adequate enforcement for licensing to be credible and thus effective</li> <li>2. Requires exception reporting to identify those who fail to license</li> <li>3. Enforcement activity will not necessarily be focussed on the worst conditions</li> <li>4. May have to close after 5 years, whether or not the objective is achieved</li> </ol>	c. additional £975k per year
<b>ROLLING AREA BASED PROGRAMME or PILOT</b>	<ol style="list-style-type: none"> <li>1. Builds borough-wide real time database, incrementally</li> <li>2. Adds efficient “double jeopardy” power to enforcement programme to new scheme</li> <li>3. Raises awareness of legal requirements across landlord community</li> </ol>	<ol style="list-style-type: none"> <li>1. Requires adequate enforcement for licensing to be credible and thus effective</li> <li>2. Requires exception reporting to identify those who fail to license</li> <li>3. Enforcement activity will</li> </ol>	Above costs reduced by spreading over multiple terms

	<ul style="list-style-type: none"> <li>4. Puts cost of “externalities” back on the landlord instead of public purse</li> <li>5. Phases the work over multiple terms of 5 years</li> </ul>	<ul style="list-style-type: none"> <li>not necessarily be focussed on the worst conditions?</li> <li>4. Risk of chasing the bad landlords across boundaries and as they switch tenure type to avoid classes of letting caught in the licensing net</li> <li>5. Later terms in the programme may benefit from “lessons learned” from the first scheme</li> </ul>	
<b>PARTNERSHIP WITH OTHER BORO(S)</b>	<p>As per options 1 &amp; 2, plus:</p> <ul style="list-style-type: none"> <li>1. Shared intelligence</li> <li>2. Strategic approach to a whole housing market area may improve impact and effectiveness</li> <li>3. Potential for shared IT and other infrastructure development</li> <li>4. Innovative</li> <li>5. Could build foundations for a redesign of Licensing that is fit for purpose, by a future government</li> </ul>	<p>As per options 1 &amp; 2, plus:</p> <ul style="list-style-type: none"> <li>1. Development of multi-borough partnership proceeds at the pace of the slowest link in the chain</li> <li>2. Results achieved may reflect the inspiration and ambition of the strongest partner, or a compromise to the weakest ?</li> </ul>	<p>As per options 1 or 2, plus</p> <ul style="list-style-type: none"> <li>1. Reduce infrastructure development costs through joint commissioning</li> <li>2. Potential reduction in ongoing management overheads of scheme</li> </ul>

<p><b>MANDATORY ONLY</b></p>	<p>1. Focuses available management capacity on running operations for enforcement on worst known conditions and criminal landlords</p>	<p>1. Relies on accreditation and other 'nudge' programmes to raise awareness of legal requirements across landlord community  2. No "double jeopardy" option on the worst PRS stock  3. investment in data warehousing from existing council databases required to improving intelligence-led enforcement</p>	<p>Standstill budget</p>
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**Evidential questions**

1. Has whole borough licensing speeded up the rate of identifying rogue landlords that do not license? What are the statistics for this?
2. What have council's saved on the cost of managing ASB, enviro crime and other costs associated with badly managed PRS?
3. What are the statistics on reduced complaints about ASB, enviro crime etc in the areas where licensing has been adopted?
4. Where rolling area based programmes have been adopted, what evidence is there of this actively driving poor conditions into neighbouring unlicensed areas? Has the evidence been scrutinised to eliminate other economic drivers to explain any change?
5. Some criminal landlords in Lewisham choose a strategy of "hiding in plain sight". What is the evidence that rogue landlords do not apply for licenses, given they may know the council's strategy is to target those that don't license?"

6. What are the before and after statistics for cautions, prosecutions, IMOs and Prohibition Orders before and after introducing whole borough licensing

## **APPENDIX II**

### **Discretionary licensing in London**

#### **Whole borough selective & additional:**

- Barking and Dagenham
- Newham
- Waltham Forest (all whole borough additional and selective),
- Enfield whose whole borough selective has the go-ahead but whole borough additional licensing is subject to judicial review, and Brent (whole borough additional and 3 ward selective scheme).

#### Whole borough additional, local area limited selective:

- Brent:

#### Local area only:

- Islington
- Haringey (also using Article 4 Directive, removal of permitted development rights for HMO use class in Tottenham)

#### **Schemes in consultation:**

- Croydon: whole borough selective and additional scheme;
- Southwark: consulting on whole borough additional and a localised scheme for selective licensing in an area of poor quality PRS, associated with ASB.
- Redbridge

#### **Boroughs developing their thinking:**

- Hackney
- Tower Hamlets (favouring pilot)
- Lambeth
- Royal Borough of Greenwich
- Bexley are also beginning to consider what their strategic aims are for which licensing might be a tool.

#### **Experiences and plans of other local authorities**

Newham estimated their private rented sector to comprise around 30,000 homes, distributed very widely across the borough rather than concentrated in pockets. The private rented sector was widely observed to be closely associated with crime and anti-social behaviour and with environmental crime such as dumping.

To develop their business case a pilot project was undertaken. The experience of the pilot showed that properties which the landlord had not licensed were four times more likely to be in very poor condition than those that have been licensed. This led to the conclusion that licensing was in itself the strongest diagnostic tool when used as exception reporting, to flag up for enforcement those properties that represented the greatest risk.

Newham has the third highest incidence of reported ASB for any London Borough. The council engaged consultant Les Mayhew who worked with them to develop their various existing databases into a warehouse which could report on all addresses based on the likelihood that they were privately rented, then undertook regression analysis against data on reported ASB across the borough in order to demonstrate an association between the two. This statistical tool has been deployed again, with tweaks, in Brent, Waltham Forest, and Enfield.

Since the launch of whole borough licensing, Newham found the private rented sector was 33% bigger than thought, exceeding 40,000 dwellings and the estimate of the number of private landlords at over 4,000 had also been enormously underestimated. Private renting is the largest tenure in this borough and, like Lewisham, has nearly doubled in size over the last 10 years to 39% of all housing, (16% nationally). A third of all private tenants claim Housing Benefit. Growth of the PRS has been largely through the activities of 'buy to let' investors and these new landlords have replaced owner occupiers in many of Newham's streets and neighbourhoods.

The Newham scheme was introduced in January 2013 after 4 years of preparation.

Keys to the success of Newham's borough-wide claim for their scheme include the following:

- Investment in an on-line License Application form, allowing the processing of 31,000 licenses in around 18 months, so only 26 officers required to administer the scheme; the License Register forms a data base containing a large amount of data on the private rented sector which can be used for a range of intelligence purposes.
- Investment in data cleansing across various council databases and establishment of a reporting tool, regression analysis used to identify key drivers, and concatenating data extracts from all existing databases, to provide an additional intelligence tool to target on evidence based risk assessment, unlicensed and poor quality private rented housing
- Up front investment of £10m of funding to cash flow the scheme,

- License fee income (£6.9m in the first year) at a level that recoups the up front investment in an effective administrative system which enabled them to recoup up front investment in full to the council within 2 years
- 5 yr License fee for selective or additional licence is £500, discounted to rate £150 for early birds, renewal fee £500. The fee for mandatory license ranges from £950 for 5 lettings to £1550 for 20 + lettings or more, renewal fee from £550 to £750.
- Total staff team on enforcement and administration = 51 personnel, total budget of £1.5m pa. – and the enforcement team of 26 is no larger than it was prior to the extension of whole borough licensing (1:1,654 enforcement officer to PRS properties)
- Enforcement activity is substantially subsidised through generating further income, including £500k council tax recovered, 33 Rent Repayment Orders worth £200k budgeting for 75% income recovery
- Fines (paid into the Treasury, not the council) averaging £4k
- Effective enforcement using Works in Default budget (provision of £50k but recoverable) used in case of immediate risk to resident safety, against non-compliant criminal landlords
- One solicitor attached to the team turns round 20 - 30 prosecution cases per month
- News of the robust approach to enforcement has communicated swiftly round the landlord community; threat of action alone now much more effective

Newham also have a separate planning enforcement team which was granted £1m of Rogue landlord funding by CLG, who share intelligence with the Environmental Health team. They deal with “beds in sheds” and other planning contraventions.

Newham allowed landlords to license on self reporting of compliance, and offered an early bird discount to incentivise a high level of license applications at the outset. They used the Register as an intelligence tool, having first piloted the scheme and established that landlords who fail to license are 4 times more likely to have a substandard property.

**Greenwich:** have a budget of £1m council funding for tackling rogue landlords. This funds a team of 10 environmental health officers, 2 ASB enforcement officers an intelligence officer and a team leader. They are currently exploring the case for additional or selective licensing.

## **London Borough of Southwark - proposed licensing scheme**

In December 2013, Southwark Council adopted a set of minimum standards (similar to 2004 Housing Act minimum standards) for private rented sector landlords and have first applied it to homes used for its own temporary accommodation. Their stated intention was to roll out the scheme in specific areas before introducing a compulsory licensing scheme for all the borough's private rented sector landlords. The license conditions will include services provided to tenants, repairs and maintenance and the condition of the property and will draw together existing duties and good practice.

The borough is out to consultation on a proposal for borough wide *additional* licensing scheme. As to selective licensing, they have mapped ASB against the distribution of poorer PRS, being those where there is an HB claimant. They observe an association of ASB with poorer PRS which is not evident when comparing all PRS with ASB. They are consulting on two alternatives for a selective scheme based on licensing (poor quality) PRS, in that part of the borough where ASB is most prevalent; the two options are between a wider or narrow geography for the scheme, depending on the threshold of levels of ASB to be adopted to define the boundary.

Southwark are pledging to visit every licensed property within the 5 year period of the scheme. There is no published information about how enforcement is to be funded, however the license fee is proposed at £300 per bedroom for 5 years, with a 25% discount for accreditation.

## **London Borough of Hackney**

Hackney estimate their private rented sector has 27,000 properties, 15,000 of which are thought to be houses in multiple occupation of all sizes.

Hackney operates the mandatory licensing scheme only. They have a target to identify 450 licensable HMOs; so far they have licensed 300. Their licensing and enforcement team is made up of 6 licensing officer and 4 enforcement officers. Their average fee is £550 for a five year license. They have priced the fee on the demonstrable costs of administering the license application system and not including any enforcement costs.

They have committed to considering the case for extending to additional or selective licensing, as a strong local group representing private renters, 'Hackney Renters' has lobbied hard for the introduction of whole borough licensing on the Newham model. Officers have reviewed the evidence for a link between anti-social behaviour and private rented property. The council have worked hard to tackle ASB across the borough and do not believe they can evidence any such link.

Officers also believe the leading problem for private tenants in the borough is affordability, not property conditions. As an enforcement team, their primary interest is in identifying where the worst private rented stock is located in

order to target this for effective enforcement. At this stage they do not believe they have access to adequate data. It is likely the council will consider a pilot scheme ahead of any decision on the future of licensing.

Partly reflecting pressure from 'Hackney Renters', the council were tasked with clarifying their Private rented Sector "offer" and the council's view that affordability is the key issue, the council is planning to launch their own letting agency in a bid to lower the cost of private rented sector housing. The not-for-profit agency will invite landlords to hand responsibility of their properties to the Council, which will then rent them out. In return they will guarantee rent even if the property is empty and a regular supply of longer-term tenants. Initially the scheme will target people who do not qualify for housing benefit but struggle to pay private sector rents.

The Council intends for the agency to only accept properties for letting from landlords approved by the LLAS as well as encouraging longer-term lets of at least a year. It is also aiming to stabilise the rental market while encouraging landlords to improve the quality of their homes. The scheme will not charge agency fees to tenants which can increase the cost of moving by hundreds of pounds. Like many areas of London, rents in Hackney have soared due to a surge in the popularity of the area, making prices unaffordable for many.

The Council approved the scheme in December 2013 and has started the search for landlords to become part of their property portfolio. A pilot scheme is due to launch in early 2014 and be rolled out in full in the Summer. Although the scheme is at a very early stage of development, the principle sounds similar to the Council's private sector leasing scheme.

### **Liverpool Health Homes Project:**

Liverpool City Council has a national reputation for being a beacon of good practice in private sector housing intervention and using this as a key approach to prevention and tackling health inequalities. Their approach has been endorsed by Audit Commission, LACORS, CIH, CIEH and the Marmot Review. In spite of the strides the council have made in driving up standards, they have agreed the business case and have consulted on the introduction of additional and selective licensing scheme for the City. It is planned to begin in April 2015, although the lack of an on-line web solution to handle license applications is thought likely to delay this.

The Council managing services to 445,000 households, is a "low demand" area of housing market failure. As such it has very different characteristics to London. However, low demand has done nothing to improve the physical standards of property to let, as housing benefit levels are higher than market rents and are therefore claimants are attractive tenants to the private landlords; there is no pressure to raise standards in order to attract the higher rent levels. The problems with the private rented sector are similar to those in

Lewisham, but for the prevalence in Liverpool of long term empty dwellings (7,500), their Housing Market Renewal programme having been over-ambitious.

The City council established a major programme of private sector housing enforcement five years ago. They initially estimated they had 1,600 HMOs; after 5 years' work, they have licensed 900 of them and consider there are very few unlicensed HMOs left. The most recent data for enforcement action shows 22 actions in the last year; 95% of enforcement action is complied with and most of the real rogue landlords have now been "cleared out".

The City Council has 33 enforcement officers in the Environmental health residential team. The programme started with a major programme of proactive door knocking, to survey property conditions and health issues, using 12 data sets from the indices of multiple deprivation to rank neighbourhoods (super output areas) the worst housing stock was identified a low level of tenant awareness of their housing rights and low expectations and a resignation to poor conditions was observed.

The City council's programme is led by Environmental Health; as in Newham and Lewisham, the Planning Enforcement team play a much smaller part in the private rented sector regulation. Strong partnership was built between Environmental health and NHS health providers, who together studied HHSRS data and the link to Public Health Outcomes framework and Clinical Commissioning Outcome Indicators, to prioritise those hazards that cost the health service the most in term of treatment (cardio-vascular disease linked to excess cold, respiratory disease linked to damp and mould etc) to identify the specific types of housing investment that would result in savings to the health service.

As a result, from 2009 the NHS Primary Care Trust approved funding for the 5 year "Healthy Homes Project"; in the first 18 months of the programme, £3.29 of health funding was invested in private rented housing through the project. The programme continues and there is a budget of £1.3m for 2014/15. Much of this fund has been spent on works in default to bring about improvements in the physical standards relating to health outcomes. They commissioned an consultant to take the Building Research Establishment/Warwick University Housing Health Cost Calculator to input Liverpool data into this well developed model; this exercise demonstrated that their investment in improving poor private rented housing has an overall return on investment to the public purse of £3 savings for every £1 invested. It also captured the significant private sector leverage in housing improvement and the scale of the "trickle down" in the local economy from the construction sector.

The Healthy Homes Project also involves the co-location of housing advisers with health professionals in doctors surgeries and hospitals, undertaking a comprehensive single assessment process, targeting investment in prevention through tackling poor housing, rather than spending on treating the ill health that it causes. Data scanning is also undertaken on all patients with

conditions with links to poor housing conditions; those patients are automatically sent letters inviting them to take up housing advice.

Other features that contributed to the City Council's success include:

- "know your landlord" web pages on the Council's web site giving factual information about local landlords, their accreditations and any prosecutions
- Confidential phone line to report rogue landlords: continues to be used on average once a day
- Strong publicity for all successful prosecutions
- Use of Works in Default for the 5% of cases that do not comply

In summary, independent evaluation by the BRE of the savings from the first year of the programme shows:

- ❖ 861 HHSRS inspections removing 725 Cat1 hazards
- ❖ Private sector investment £1.37M
- ❖ Total project cost £1.07M (Inspection cost £300K)
- ❖ Ongoing NHS savings £440K (£4.4M over 10 years)
- ❖ Wider Society savings £1.1M (£11M over 10 years)

Total anticipated savings by HHP: £55 Million

### **Appendix III – License Conditions under the Housing Act 2004**

A licence may include such conditions as the local housing authority consider appropriate for regulating all or any of the following—

- (a) the management, use and occupation of the house concerned, and
- (b) its condition and contents.
- (2) those conditions may, in particular, include (so far as appropriate in the circumstances)—
  - (a) conditions imposing restrictions or prohibitions on the use or occupation of particular parts of the house by persons occupying it;
  - (b) conditions requiring the taking of reasonable and practicable steps to prevent or reduce anti-social behaviour by persons occupying or visiting the house;
  - (c) conditions requiring facilities and equipment to be made available in the house for the purpose of meeting standards prescribed under section 65;
  - (d) conditions requiring such facilities and equipment to be kept in repair and proper working order;
  - (e) conditions requiring, in the case of any works needed in order for any such facilities or equipment to be made available or to meet any such standards, that the works are carried out within such period or periods as may be specified in, or determined under, the licence;
  - (f) conditions requiring the licence holder or the manager of the house to attend training courses in relation to any applicable code of practice approved under section 233.

The most common discretionary license conditions include the requirement for private landlords to:

- take up references for new tenants
- inspect the property condition at least every six months
- ensure adequate refuse disposal arrangements and clearance of any dumped rubbish
- arrange for pest control where necessary
- tenancy conditions to prevent noise nuisance or other ASB in the property
- work with the police and local authority in control of all ASB related to the property, including using threat of eviction

## Appendix IV – Lewisham PRS Stock Condition survey results 2001

Characteristic	Owner occupied	Privately rented	All private sector stock	England
Dwellings <i>Per cent of stock<sup>1</sup></i>	48,410 42%	33,180 29%	81,590 71%	82.0%
Non-decent <i>As a % of each tenure</i>	17,410 36.0%	12,540 37.8%	29,950 36.7%	35.8%

Category 1 Hazard <i>As a % of each tenure</i>	9,830 20.3%	6,090 18.4%	15,920 19.5%	23.5%
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### Non-decency and HMO dwellings

Turning now to the different types of HMOs and comparing their physical standards, 5,480 HMOs failed the decent homes standard. The table below shows the breakdown by non-decency criteria by HMO type.

### Reasons for failure of HMO dwellings as a decent home

HMO Type	Category 1 Hazards	Disrepair	Non-Modern	Thermal comfort failure	Non-decent
HMO	24.5%	12.2%	2.0%	18.4%	34.9%
illegal conversions (Section 257)	32.2%	12.1%	10.5%	5.6%	45.1%
Licensable HMO	13.5%	17.1%	0.0%	18.0%	44.1%
<b>Lewisham</b>	<b>19.5%</b>	<b>10.3%</b>	<b>2.5%</b>	<b>16.3%</b>	<b>36.7%</b>

There are an estimated 13,410 HMOs and of these, 7,880 are houses that are poorly converted to flats, while 4,830 are small (non-mandatory) HMOs. A much smaller number, 700 properties are estimated to be larger Mandatory licensable HMOs of which to date 176 are licensed. Faster progress in identifying the 500+ properties believed to be unlicensed mandatory HMOs would be possible if the inspection programme were intelligence led, off the back of a database of probably HMOs.

Housing Select Committee		
Title	Communal heating review: evidence session	
Contributor	Scrutiny Manager	Item 4
Class	Part 1(open)	17 December 2014

## 1. Purpose

- 1.1 At its meeting on 22 July 2014, the Committee decided to carry out a review into communal heating systems. At its meeting on 1 October, the Committee considered a scoping report for the review and agreed terms of reference.

## 2. Recommendations

The Select Committee is asked to:

- Consider the information provided by witnesses at the meeting on 17 December

## 3. Key lines of inquiry for the review

### 3.1 Review question:

- How can the Council help to ensure the effective deployment of communal heating systems in the borough, where appropriate?

In order to answer this question the Committee has resolved to establish the following:

- An understanding of the issues influencing the development and deployment of heating systems in Lewisham;
- Evidence of the benefits and drawbacks of existing communal heating systems in the borough;
- The factors influencing the effective design and operation of heating systems.

This will focus on the following key areas:

- Design (including predicted costs and energy consumption contrasted with actual costs and energy consumption from case studies)
- Implementation (including problems with construction)
- Monitoring and operation (including running costs)
- Lessons that can be learnt for future developments

### 3.2 Issues outside of the scope of the review:

- Government's carbon reduction targets;
- The Council's climate change targets and planning policy;
- Individual householder issues.

#### **4. Timetable**

The Committee has agreed the following outline timetable for the review:

Evidence sessions on 11 November and 17 December  
To include:

- Officers from two developments with communal heating schemes inside or outside of the borough.
- Officers from the GLA to update on the delivery of the London heat map project.
- Expert witnesses from the energy sector to talk about the opportunities and challenges of communal heating.
- Officers of the Council to provide information and evidence about the Council's planning and building control responsibilities.
- Residents who live in developments with a communal heating systems

#### **5. Recommendations and final report**

- The Committee may choose to consider a final report presenting all the evidence taken and agree recommendations for submission to Mayor and Cabinet.

#### **6. Further implications**

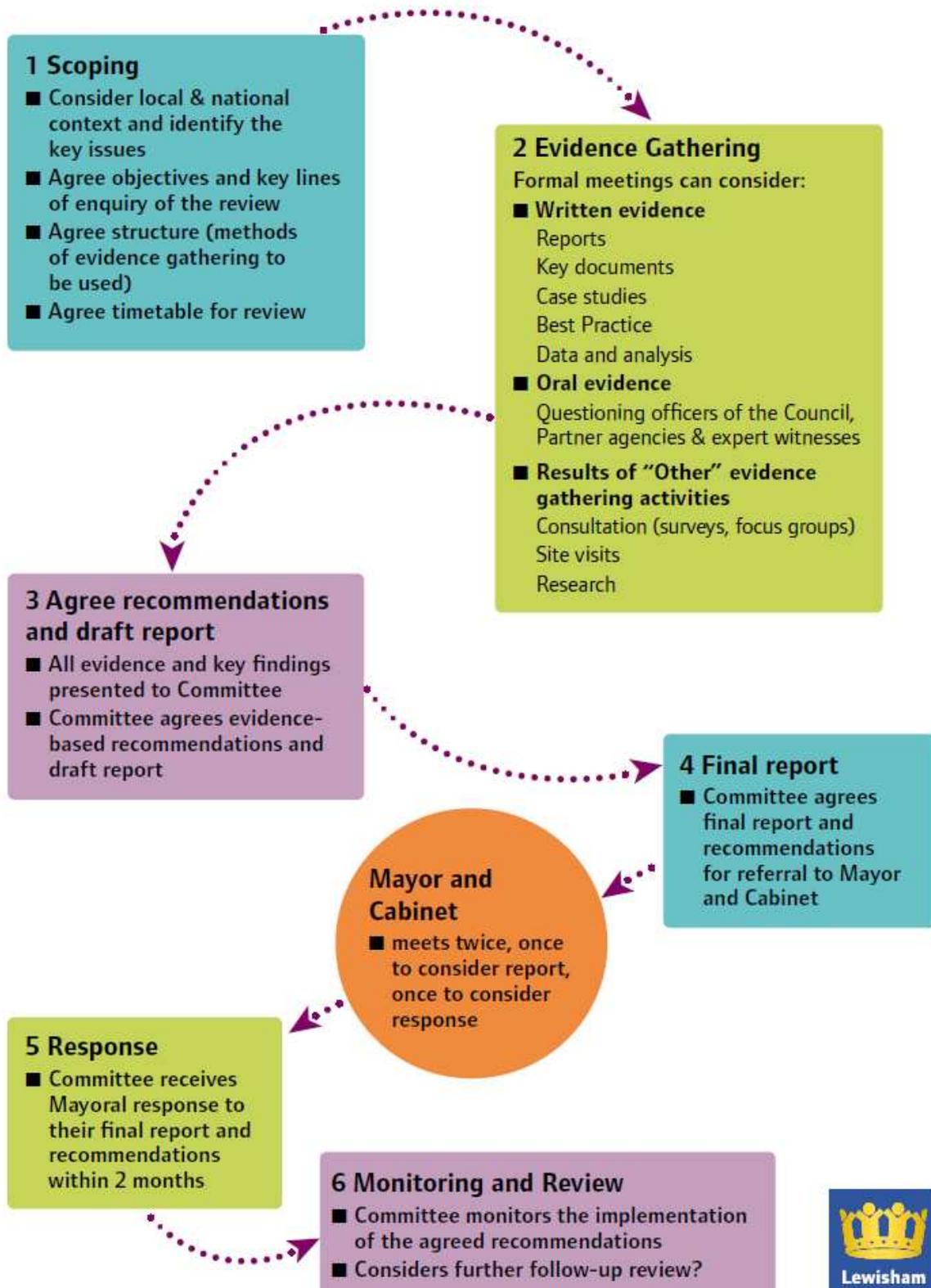
At this stage there are no specific financial, legal, environmental or equalities implications to consider. However, each will be addressed as part of the review. It should be anticipated that there will be implications arising from the Council's obligations to carbon reduction, agreed planning policy and building regulations.

#### **Background Papers**

Housing Select Committee minutes 22/07/14 <http://tinyurl.com/pmykvlz>

For further information please contact Timothy Andrew, Scrutiny Manager on 02083147916.

# How to carry out an in-depth review



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Housing Select Committee			
Title	New Homes, Better Places Phase 3 proposed sites		
Contributor	Head of Strategic Housing	Item	5
Class	Part 1 (Open)	17 December 2014	

## 1. Purpose

- 1.1. The purpose of this report is to inform Housing Select Committee about progress in delivering against the target for the Council to build 500 new homes by 2018, and in particular the proposals for the next phase of the build programme.
- 1.2. Mayor & Cabinet approval will be sought for the proposals set out in this report in January 2015, and so this report also seeks the views of Committee in order for those to be considered as part of the decision making process.

## 2. Recommendations

- 2.1. It is recommended that Housing Select Committee:
  - 2.1.1. Notes the progress made in delivering new Council homes in the borough;
  - 2.1.2. Notes and provides comments on the proposal for the construction of up to 124 new homes on the ten sites identified at section 6, which are intended to form phase three of the programme, in order that those comments can inform decisions about whether to proceed with detailed design and resident consultation on those sites.

## 3. Policy context

- 3.1. Addressing issues relating to the quality and quantity of housing stock in the borough relates directly to the Council's Sustainable Communities Strategy (clean, green and liveable) and to the Council's corporate priorities (Decent Homes for all).

## 4. Background and progress to date

- 4.1. In July 2012 the results of a technical and financial appraisal of the options available to the Council to meet the growing pressure on housing in the borough and London were presented to Mayor and Cabinet. As a result, the "Housing Matters" programme was launched, and had as one of its three objectives the target to build 250 new homes by 2017.
- 4.2. It was agreed that Lewisham Homes would act as the Council's delivery and development agent, project managing the design and construction process. The Council remains as the freeholder, so that the resources to support the programme are decided by the Council, the Council retains decision making authority and enters into contracts.
- 4.3. Construction works are in progress for a small development, of six family homes on a garage site on the Mercator Road estate in Lewisham Central. Although small, the development was intended to act as both a pilot site to develop the best approaches to bringing forward new homes, and also an exemplar site to

demonstrate to residents on future sites the high-quality and resident-centred approach that was to be taken with the new build programme generally. This site therefore forms “phase one” of the “New Homes, Better Places” programme and the delivery of the six homes remains on target to complete as planned in February 2015.

- 4.4. In September 2014 the most recent update relating to the programme was provided to Housing Select Committee and to Mayor and Cabinet. This set out that the site appraisals which found capacity for 74 new homes across four sites, constituting phase two of the programme. Permission was given for officers to develop these plans further and to submit planning applications for all four sites, which has now been done and the homes are therefore at the planning stage. Dependent on the planning process, it is expected that construction of these new homes will commence during summer 2015, taking the total number of new homes under construction at that point to 80.
- 4.5. The next section of this report sets out progress in identifying further opportunities for the construction of new homes including, for the first time, the provision of new homes by converting buildings which are currently used for a different purpose. At present it is expected that the 10 sites set out here could provide for a further 124 new homes. This therefore is the biggest phase of new build to date, and will take the number of new homes under development past 200.
- 4.6. A further report, setting out plans for phase four of the programme – which is expected to be of a similar size to phase three – are expected to be ready for consideration by Committee and by Mayor and Cabinet in spring 2015.
- 4.7. For all of these homes the previously agreed tenure split of 80 per cent social rented and 20 per cent private sale will continue to apply in order for sales proceeds to cross-subsidise the construction of new social housing. Further phases will continue to be brought forward in order to reach the target of 500 new social rented Council homes by 2018.

## **5. Summary of phase three proposal**

- 5.1. An on-going programme of site reviews and capacity studies is underway in order to identify potential locations for the construction of new homes. The results of this process are then used to create phases of development, as set out previously. At present there are two phases underway, and for the foreseeable future it is expected that further phases will come forward very regularly until the target of 500 new Council homes under construction is met.
- 5.2. The proposal set out below therefore represents the sites with the greatest potential for the delivery of new homes at this stage. These sites also include plans for the conversion of existing non-residential assets into social housing.
- 5.3. These conversions are now possible largely because the move of Lewisham Homes from a variety of premises into the Old Town Hall in Catford offers an opportunity to convert the premises they are vacating into residential accommodation, and also means that there is now sufficient scale in the programme to commence the conversion of other similar assets which until now had been less feasible to convert.

- 5.4. The conversions also offer the opportunity to create new residential accommodation more quickly and more cheaply than constructing new homes, which is very important given the scale of the on-going housing pressures the Council faces.
- 5.5. In addition to the conversions, which will offer a total of 26 new homes across five sites, it is also proposed to commence the development of detailed plans and resident consultation for 98 new build homes across a further five sites. These five sites include the site of the two current extra care schemes that Mayor & Cabinet agreed to close once suitable alternative accommodation has been found for existing residents. Plans for these sites are being brought forward now to minimise the amount of time that any of these buildings sit empty, and crucially to ensure that they are returned to a housing use as soon as possible.
- 5.6. As previously in the programme, the sites that have been proposed for new homes have been selected on the basis of the following criteria:
- Where possible sites should have the capacity for at least ten homes;
  - Preference is for underused and or redundant land where new construction can help improve the area;
  - Locations which are popular for both rented and homes for sale
  - Developments which may benefit existing as well as new residents
- 5.7. In the following section, the report outlines the proposals for each of the sites proposed for new build homes or the conversion of existing assets, and appendix A provides more detail about the new build proposals. For clarity, it should be noted that at this stage the number of new homes considered possible is an estimate, and that it might change as a result of the detailed design and resident consultation processes.

## **6. Proposed sites – new build**

### Site one: Eliot Bank, Forest Hill Ward (21 homes)

- 6.1. The proposal is to build 21 two-bed flats placed over six stories on green open space. The site is in a residential setting amongst existing six and seven storey blocks. There will be shared amenity, access and waste facilities and cycle storage and the level of parking provision will be tested as part of the detailed design, planning and resident consultation processes. The site is in close proximity to the development of Featherstone Lodge by Hanover Housing Association, and so flexibility will be built into the construction programme to delay starting on this site to allow for the completion of works at Featherstone Lodge, if this becomes necessary

### Site two: Hillcrest Clubroom, Sydenham Ward (7 homes)

- 6.2. The proposal is to build seven two-bed flats over three stories on the site occupied currently by a single storey building which is poorly used at present. Although the number of homes achievable is low, the site is still being proposed now rather than allowing it to continue to be an unused asset. There will be shared amenity access for waste facilities and bike storage and at this stage no car parking spaces are anticipated.

Site three: Kenton Court, Bellingham Ward (29 homes)

- 6.3. The proposal is to build 29 flats (7 one-bed, 16 two-bed and 6 three-bed) on the site, which is currently occupied by a three storey extra care scheme. In November Mayor & Cabinet agreed to close the extra care scheme because it was in need of significant modernisation and was very poorly suited to the needs of the client group.
- 6.4. Officers continue to support residents to find alternative accommodation, and at present it is expected that the scheme will be completely vacant early in 2015. As a result of the need for extensive modernisation, because of the potential to redevelop the site to provide a range of housing types, including family houses, and because it is possible to develop a scheme at this location that makes better use of the site, it is proposed that the existing building should be demolished rather than refurbished. It is also proposed that this should happen as soon as possible after the existing scheme has been decanted, in order to provide better security to the site and to save time on the construction programme once planning permission has been granted.

Site four: Greystead Road, Forest Hill Ward (30 homes)

- 6.5. The proposal is to build 30 flats (7 one-bed and 23 two-bed) over four stories on a site which currently has garages, hard standing and lawn. The site is within an extensive area of un-built land and is surrounded by existing residential blocks. There is a potential link between this scheme and the expansion of Fairlawn Primary School, which is situated next to the site. This is currently being proposed to take forward as a joint housing and schools project in order to make best use of the Council assets at the location, and potentially to provide efficiencies in design, site surveys and other pre-development costs. It is expected that the housing development will provide shared access, waste facilities and cycle storage and the capacity for a limited number of allocated car parking bays.

Site five: Somerville Court, Telegraph Hill Ward (11 homes)

- 6.6. The proposal is to build 11 flats (5 two-bed and 6 three-bed) on a two storey block currently occupied by an extra care scheme which Mayor & Cabinet agreed to close at the same time as Kenton Court. The site is amongst two and three storey houses, which form part of a wider estate. The proposal relates the new development to the heights of the immediate surroundings and the main access would be from Wellington Close
- 6.7. The same logic that was set out for Kenton Court also applies here, which is that it is proposed to demolish the existing building to make way for a new development that offers a wider range of housing types, which can be purposely designed to modern space standards. It is also proposed that the existing building be demolished as soon as possible after the building is completely vacant, which in this case is expected to be in spring 2015.

Site six: Foreman House, Telegraph Hill Ward (2 homes)

- 6.8. The proposal is to convert disused non-residential space into two flats (1 one-bed and 1 two-bed).

Site seven: Slaithwaite Community Room, Lewisham Central Ward (1 home)

- 6.9. The proposal is to convert a closed community room into a two-bed flat.

Site eight: Sector J Club Room, Telegraph Hill Ward (4 homes)

- 6.10. The proposal is to convert a closed club room into four flats (1 one-bed and 3 two-bed).

Site nine: Honor Oak Housing Office, Telegraph Hill Ward (6 homes)

- 6.11. The proposal is to convert a closed housing office into six flats (1 one-bed, 4 two-bed and 1 three-bed).

Site ten: Pepys Housing Office, Evelyn Ward (13 homes)

- 6.12. The proposal is to convert a closed housing office into 13 flats (5 one-bed and 8 two-bed).

## 7. “New Homes, Better Places” Programme and Timetable

- 7.1. The table below sets out the whole “New Homes, Better Places” programme as it stands at present, alongside target dates for delivery timescales and the programme aim is to exceed this timetable where possible.

Phase	Social Rent Homes	Sale Homes	Total	Target start on site date	Target completion date
Phase 1	6	0	6	Started March 2014	February 2015
Phase 2	62	12	74	June 2015	February 2017
Phase 3	100	24 (maximum)	124	Conversions – Summer 2015 New Build – November 2016	End 2017 (latest)
Total Programme at present	Up to 204 new homes				

- 7.2. As set out previously, officers are continually reviewing sites for their capacity for new housing. It is intended that a further report be brought back for consideration of Committee and of Mayor and Cabinet in Spring 2015, setting out proposals for phase four of the programme that would take it further towards the target of 500 new Council homes by 2018.

## 8. Financial implications

- 8.1. The Council’s 30 year financial model for the Housing Revenue Account currently includes provision for the build of 250 properties at an average cost of £150k each (adjusted annually for inflation) over the first 10 years of the model.
- 8.2. The Phase 3 project is the third to be developed and will be brought forward for approval in Spring 2015. This phase involves up to 124 units and will assume the same average cost per unit used in the modelling for previous phases.

8.3. The financial model shows that the cost of the proposed revised unit target can be contained within the HRA.

## **9. Legal implications**

9.1. The Council has a wide general power of competence under Section 1 of the Localism Act 2011 to do anything that individuals generally may do. The existence of the general power is not limited by the existence of any other power of the Council which (to any extent) overlaps the general power. The Council can therefore rely on this power to carry out housing development, to act in an “enabling” manner with other housing partners and to provide financial assistance to housing partners for the provision of new affordable housing.

9.2. The proposals set out in this report are at an early stage of development. Detailed specific legal implications will be set out in subsequent reports to Mayor & Cabinet/Mayor & Cabinet (Contracts) as appropriate. Section 105 of the Housing Act 1985 provides that the Council must consult with all secure tenants who are likely to be substantially affected by a matter of Housing Management. Section 105 specifies that a matter of Housing Management would include a new programme of maintenance, improvement or demolition or a matter which affects services or amenities provided to secure tenants and that such consultation must inform secure tenants of the proposals and provide them with an opportunity to make their views known to the Council within a specified period. Section 105 further specifies that before making any decisions on the matter the Council must consider any representations from secure tenants arising from the consultation.

9.3. Such consultation must therefore be up to date and relate to the development proposals in question.

9.4. The Localism Act 2011 brought in new powers to enable the Secretary of State to consult local authorities on self financing council housing and following consultation to determine changes to the Housing Revenue Account Subsidy. The Lewisham settlement following the determination made under powers conferred by the Local Government and Housing Act 1989 is set out in the financial implications of this Report and how this New Build Housing Programme will be financed.

9.5. The giving to Lewisham Homes the management of the construction works in relation to the new housing units will not be deemed to be a contract let by a public body for the purposes of the public procurement regime as Lewisham Homes’ principal activities are for the Council who is the sole member and exercises strategic control over its decisions.

9.6. The Equality Act 2010 (the Act) introduced a new public sector equality duty (the equality duty or the duty). It covers the following nine protected characteristics: gender, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

9.7. In summary, the Council must, in the exercise of its functions, have due regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.

- advance equality of opportunity between people who share a protected characteristic and those who do not.
- foster good relations between people who share a protected characteristic and those who do not.

9.8. The duty continues to be a “have regard duty”, and the weight to be attached to it is a matter for the Mayor, bearing in mind the issues of relevance and proportionality. It is not an absolute requirement to eliminate unlawful discrimination, advance equality of opportunity or foster good relations.

9.9. The Equality and Human Rights Commission has recently issued Technical Guidance on the Public Sector Equality Duty and statutory guidance entitled “Equality Act 2010 Services, Public Functions & Associations Statutory Code of Practice”. The Council must have regard to the statutory code in so far as it relates to the duty and attention is drawn to Chapter 11 which deals particularly with the equality duty. The Technical Guidance also covers what public authorities should do to meet the duty. This includes steps that are legally required, as well as recommended actions. The guidance does not have statutory force but nonetheless regard should be had to it, as failure to do so without compelling reason would be of evidential value. The statutory code and the technical guidance can be found at: <http://www.equalityhumanrights.com/legaland-policy/equality-act/equality-act-codes-of-practice-and-technical-guidance/>

9.10. The Equality and Human Rights Commission (EHRC) has previously issued five guides for public authorities in England giving advice on the equality duty:

1. The essential guide to the public sector equality duty
2. Meeting the equality duty in policy and decision-making
3. Engagement and the equality duty
4. Equality objectives and the equality duty
5. Equality information and the equality duty

9.11. The essential guide provides an overview of the equality duty requirement including the general equality duty, the specific duties and who they apply to. It covers what public authorities should do to meet the duty including steps that are legally required, as well as recommended actions. The other four documents provide more detailed guidance on key areas and advice on good practice. Further information and resources are available at:

<http://www.equalityhumanrights.com/advice-and-guidance/public-sector-equalityduty/guidance-on-the-equality-duty/>

## 10. **Equalities implications**

10.1. There are no equalities implications arising directly from the recommendations set out in this report. The provision of new homes will help the Council to address the general shortfall of affordable housing in the borough. There are more than 8,000 households currently on the Council’s waiting list for housing, and less than 1,500 properties become available each year. The New Homes Better Places programme helps to address this issue by directly adding to the Council’s housing stock.

## **11. Environmental implications**

- 11.1. There are no environmental implications arising directly from the recommendations set out in this report. The design stages of all sites under consideration under the New Homes, Better Places programme will address environmental issues through the procurement of design partners and the planning process. The programme has a stated objective of improving places for existing residents as well as the residents who will benefit from the new homes.

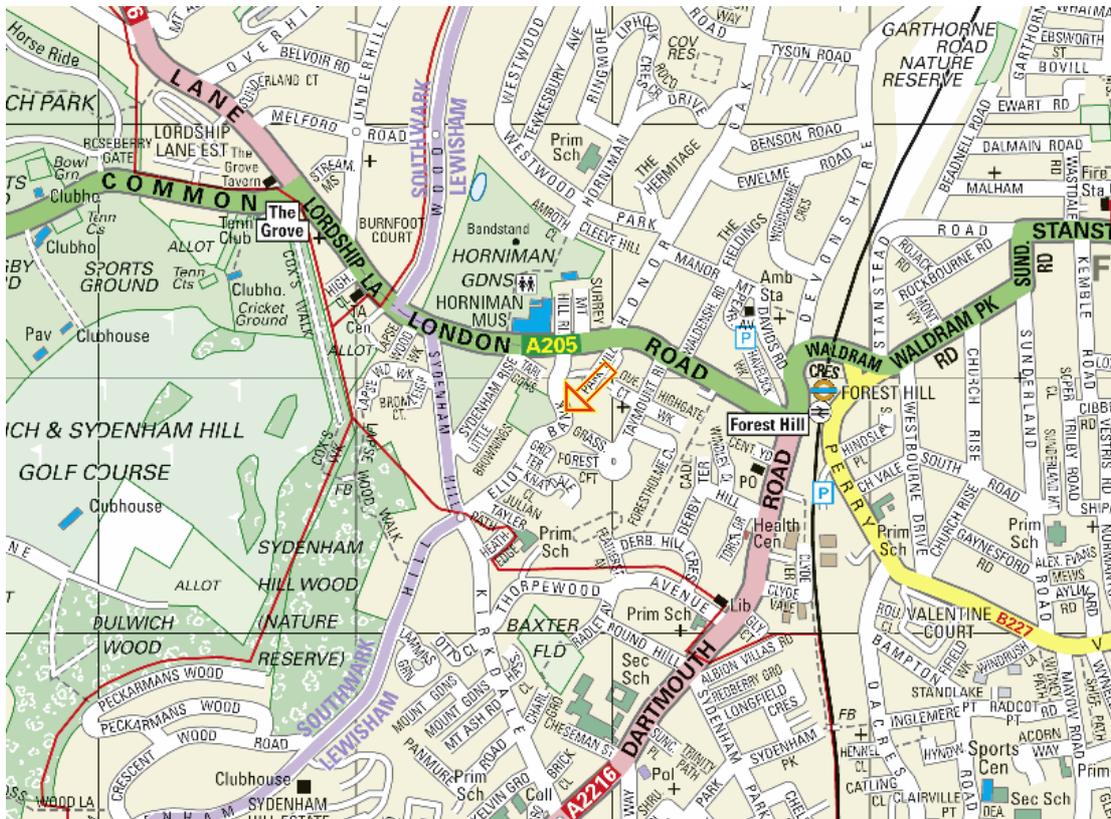
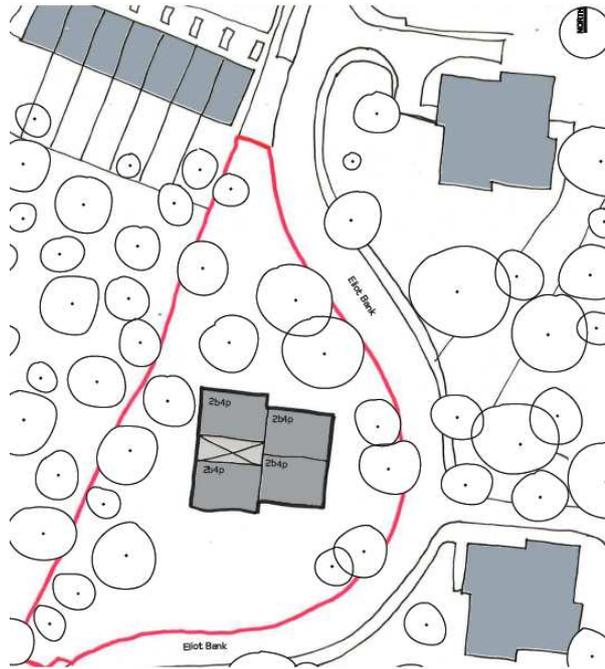
## **12. Crime and disorder implications**

- 12.1. The design of the new homes will incorporate recommendations from the police via the Secured by Design principles.

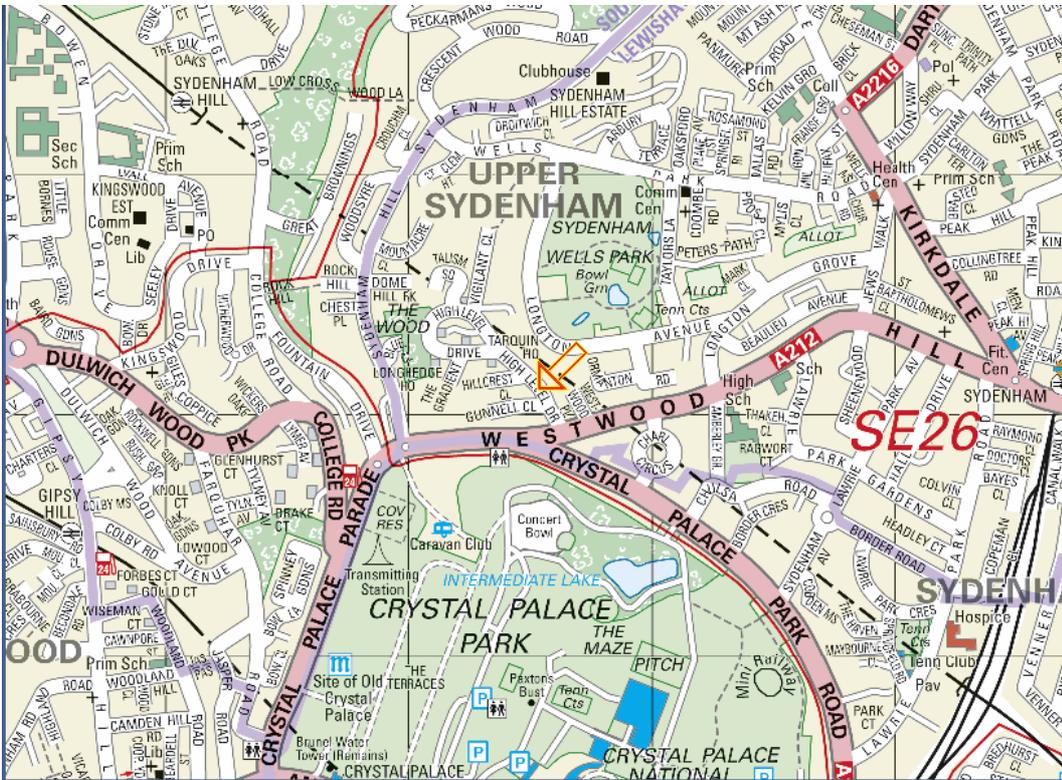
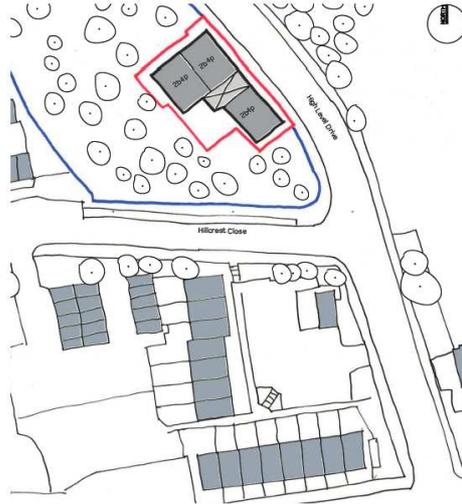
**If you have any queries relating to this report please contact Jeff Endean on ext 46213**

Appendix A: Site drawings and maps

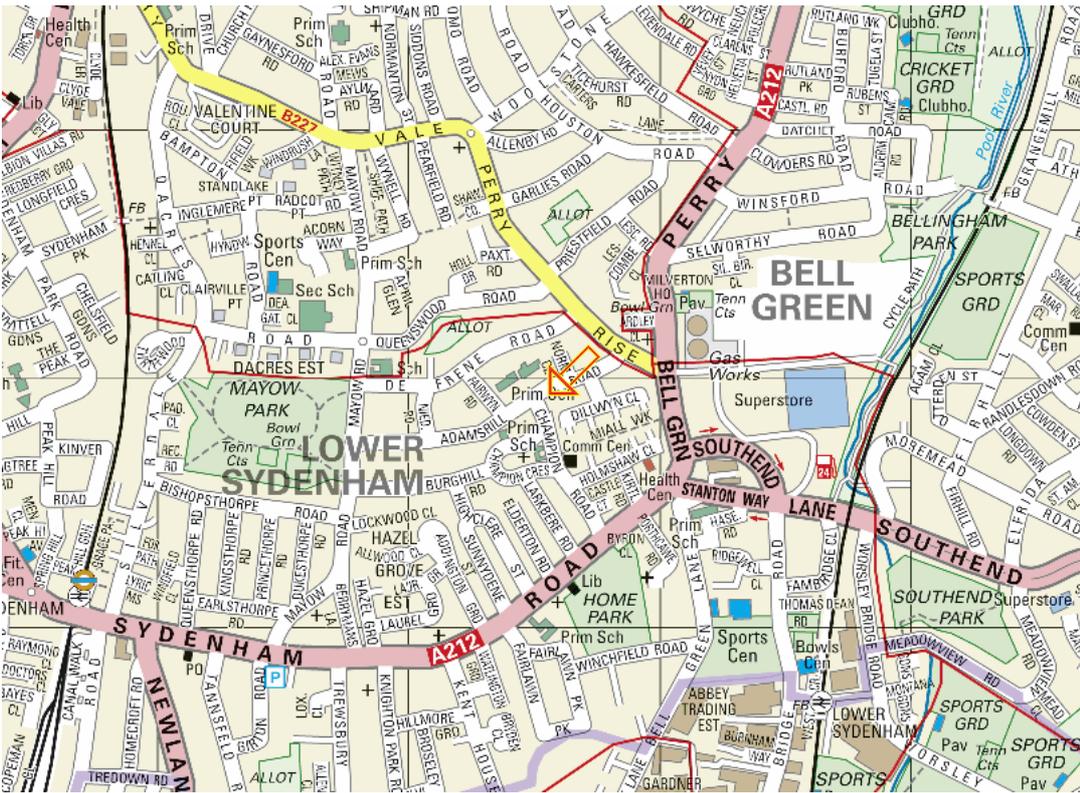
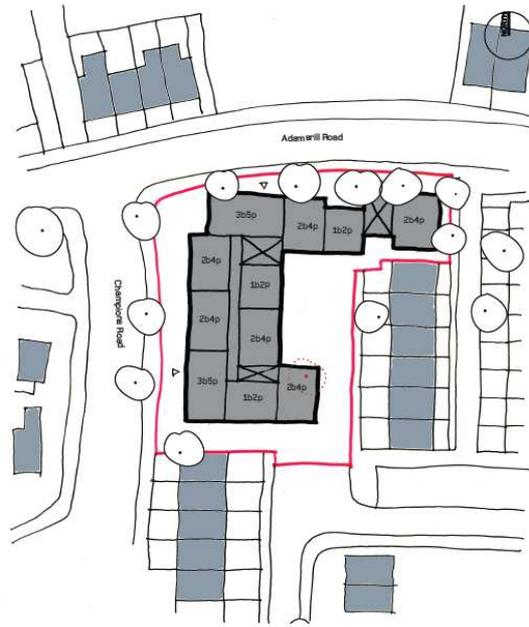
Site 1: Eliot Bank



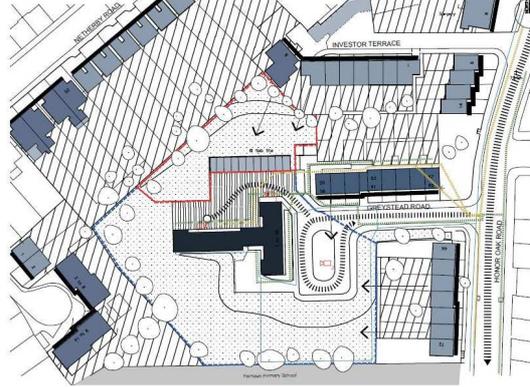
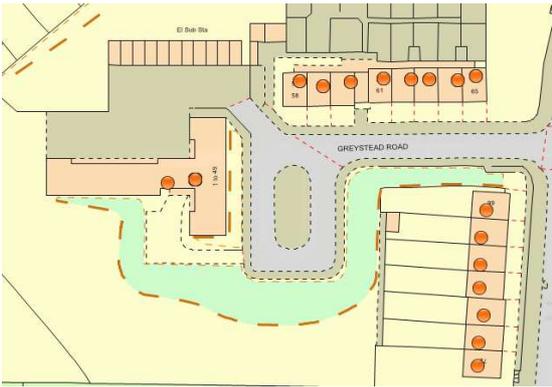
Site 2: Hillcrest Clubroom



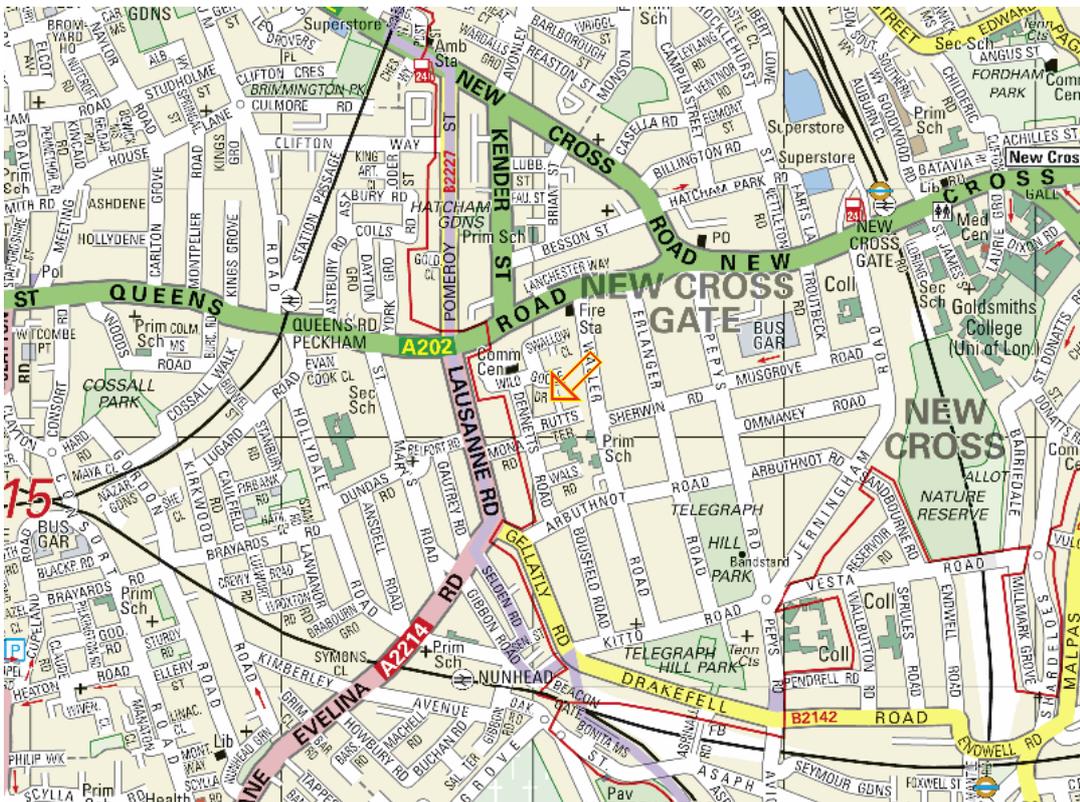
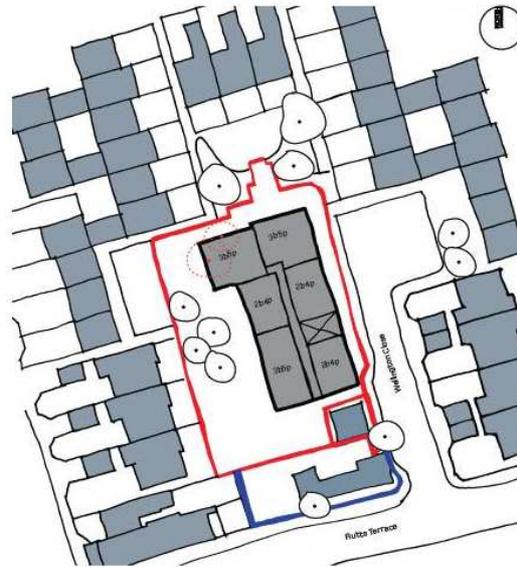
Site 3: Kenton Court



# Site 4: Greystead Road



Site 5: Somerville Court



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Housing Select Committee			
Title	Housing Revenue Account (HRA) – Rent Setting Consultation		
Contributors	Executive Director for Customer Services and Executive Director for Resources and Regeneration	Item	6
Class	Part 1 (open)	17 December 2014	

## 1 Purpose of the report

To inform members of the options being considered for rent increases in and the proposed service charge, garage and heating and hot water charges for Lewisham Council Dwellings in 2015/16, prior to reporting feedback from tenants consultation to Mayor and Cabinet in January 2015.

## 2 Executive summary

- 2.1 As a part of the Council's rent setting process, tenants are asked to provide comments and feedback on proposed rent increases and changes to services charges. Officers met with Brockley PFI tenants on 11 December 2014 and Lewisham Homes tenants on 15 December 2014. Consultation with Excalibur tenants is carried out by post.
- 2.2 Within this report, officers have provided 4 illustrations of potential rent rises for 2015/16. These include following Government Guidance, continuation of rent convergence until all units have reached their formula rent and capped/uncapped increases. Tenants are asked to provide comments and feedback on the illustrations for inclusion in the Mayor & Cabinet budget report to be presented in January/February 2015.
- 2.3 The proposal for service and heating and hot water charge for Lewisham Homes Service in 2015/16 is a decrease of £0.01pw or 0.13%, moving the average charge from £7.72pw to £7.71pw.
- 2.4 The proposal for service and heating and hot water charge for Regenter B3 in 2015/16 is an increase an average increase of 1.9%, moving the average charge from £5.13pw to £5.23pw.
- 2.5 Details of the proposals mentioned in 2.3 and 2.4 above are set out in the reports attached as appendix 1 and appendix 2. These reports are also submitted to tenants as a part of the consultation process.
- 2.6 Efficiencies/Savings of £346k are being proposed for 2015/16 as outlined in section 5. These savings would be available to off-set any rental loss due to a constrained uplift or for reinvestment into stock or services.
- 2.7 No proposals have been received to increase the current levy for Tenants' Fund which will remain at 13p per week.
- 2.8 Garage rents are proposed to rise in line with RPI inflation @ September 2014 which is 2.30%. This represents an increase of £0.26pw and would raise the

average charge from £11.32pw to £11.58pw. The proposed increase will raise an additional £30k of revenue income.

### **3 Policy context**

- 3.1 The proposals in this report support the priorities of 'Shaping our Future' – Lewisham's Sustainable Community Strategy (2008 -20), specifically 'Clean, green and liveable - where people live in high quality housing and can care for and enjoy their environment' and supports the Council's corporate priority regarding 'Decent Homes for all'.

### **4. Background**

- 4.1 Following the introduction of the self-financing system for the housing revenue account (HRA) in 2012, the Council is responsible for ensuring that the costs of managing, maintaining, improving and developing its social housing stock can be met from rents collected and other income.
- 4.2 The self-financing system allows the Council to develop plans over a longer term, unlike the previous annual housing subsidy system. This has enabled the Council to consider longer term options of how its stock is managed and developed.
- 4.3 To assist in assessing the various management and development options, a financial model has been developed. Within this, there are assumptions about future costs, for example for lifecycle repairs, capital investment, new build and so on. Most significantly of all it is based on an assumption that rents would rise in line with the Government's 'Convergence Formula' until all units have converged to its 'target' or formula rent using an annual uplift of  $RPI + 0.5\% + £2pw$ , and increase by  $RPI + 0.5\%$  p.a. thereafter.
- 4.4 The intention of the Convergence Formula was to ensure that tenants in accommodation of a similar size in a similar location would pay similar rents, To date, the Council has set rents in accordance with this formula.
- 4.5 However, in October 2013, Government consulted with Local Authorities on the implementation of a new social rent policy, proposing to move from annual increases of  $RPI + 0.5\%$  to  $CPI + 1\%$ . This policy was confirmed by Government in May 2014 as its preferred method for rent increases for a 10 year period from 2015/16.
- 4.6 The Government also assumed that the majority, if not all, Local Authority stock would or should be at its formula level as there had 'been more than enough time' to have moved rents to this level. This is despite the fact that prior to the new policy announcement, Government had confirmed 2015/16 as the convergence date. As set out in the report, the Council is not obliged to follow this policy, but if it chooses not to do so there could be significant financial and service implications.

### **5. Proposal for rent increases**

- 5.1 Officers have provided 4 illustrations of potential rent rises for 2015/16. These include following Government Guidance, continuation of rent convergence until all units have reached their formula rent and capped/uncapped increases. Tenants are

asked to provide comments and feedback on the illustrations for inclusion in the Mayor & Cabinet budget report to be presented in January/February 2015.

- 5.2 Three of the rent increase illustrations show a potential shortfall against the rent income assumption in the current HRA financial model. If the Council follows the Government Guidance for increases of CPI+1%, and the discontinuance of rent convergence, over the remaining life of the HRA financial model shows a deficit of £24.6m against the rental income assumptions. This will need to be made up by additional saving or efficiencies which would affect services to residents. It would also mean that approximately 30% of tenants would not reach convergence, i.e. there would be a high proportion of tenants paying differing rents for similar properties.
- 5.3 The authority can raise rents by more or less than that indicated by the Government's formula calculation. However, it is important to understand that if rent is increased by less than the Formula amount then the Council suffers the full cost of the lost rent which would have a significant impact on the Council's investment plans. It should also be remembered that if rent is increased by more than the Formula amount, and the resulting average rent is higher than the amount Government has indicated it is willing to cover via Housing Benefit, the Council will receive only part of the financial benefit of the extra rent raised because of the way the housing benefit system operates in such circumstances.
- 5.4 The 2015-16 financial year would have been the final year of the rent restructuring programme, which used a formula increase of RPI + 0.5% + £2. to raise individual rents to its 'formula value'. However, DCLG issued a consultation paper in October 2013 regarding implementing a new policy of rent increase in line with CPI + 1% for a period of 10 years from 2015/16 and removed of the £2 convergence element. The DCLG confirmed, In May 2014, that, after considering the consultation responses, this was its preferred method of rent rises to be applied from 2015/16.
- 5.5 The government has confirmed that the 2015/16 formula and limit rent calculations (used for HB purposes) will also be increased in line with this new policy at CPI + 1%.

#### 2015/16 Rent Rise – Technical Calculation

- 5.6 The forecast increase in actual tenants rents, using the rent policy guidance of limiting actual increases to CPI @ September 2014 of 1.20% + 1.0% is 2.20%, which equates to an average rise of £2.10pw. However, this would leave the HRA with a shortfall in rent of £693k against the business plan assumptions. In addition, the loss over the remaining life of the plan, assuming increases only in line with CPI + 1% would be £26.3m.
- 5.7 The table below provides an illustration of various rent increases and its impact on moving units to its formula or target level and the shortfall in income compared to the business planning assumptions for the HRA. It should be noted that illustration A assumes that convergence will not continue, whilst illustration's B to D will continue with convergence.
- 5.8 Whilst no recommended increase is being made, tenants are asked for their opinion on the increase to be applied, for consideration by the Mayor & Cabinet. The

current average rent for the London borough of Lewisham is £95.91 based on stock in the HRA as at 1<sup>st</sup> April 2014.

<b>Illustration</b> CPI 1.2% RPI 2.3%	<b>A</b> CPI + 1%	<b>B</b> RPI + 0.5% + £2	<b>C</b> Overall 3% increase capped to £10pw	<b>D</b> Overall 3% Increase not capped
*Limit Rent	£98.92	£98.92	£98.92	£98.92
Continue Convergence	No	Yes	Yes	Yes
Rent Rise £	£2.10	£2.51	£2.77	£2.87
Rent Rise %	2.20%	2.61%	2.88%	3.00%
New Average rent	£98.01	£98.42	£98.68	£98.78
Units On Formula	10,264	13,031	14,079	14,241
Units not on Formula	4,266	1,499	451	289
Highest Rise £	£3.92	£6.61	£10.00	£20.92
Highest rise %	2.20%	6.49%	18.50%	13.71%
Lowest Rise £	£1.19	£1.44	£1.44	£1.44
Lowest rise %	2.20%	2.20%	2.20%	2.20%
Rent rise value	£1,583,970	£1,894,761	£2,089,886	£2,170,690
Additional rent	-	£310,791	£505,916	£586,720
Shortfall against business plan	-£613k	-£302k	-£107k	-
Long-term shortfall	£24.6m	£0.90m	£0.107m	-
Convergence (Yr's)	-	8	5	-

- 5.9 It has been estimated that the average Limit Rent, which is the amount of rent that would be covered by Housing benefit, will be £98.92pw for 2015/16, based on the stock in the HRA as at 1<sup>st</sup> April 2014.
- 5.10 The rent rise table shown in section 5.8 above, illustrates how much each option will generate from the proposed increase. For example a rise in line with the previous convergence formula will generate £1.89m in additional rental income. A rent rise lower than this is likely to result in additional lost resources in the HRA. For example a rent rise of CPI plus 1% would generate £1.58m in additional rental income, a reduction of £311k or £0.41 per dwelling per week.

- 5.11 The current illustrated proposals all show a reduction against the assumptions in the current HRA financial model, with less resources available to the HRA business plan. It would therefore be likely that additional savings would be required to make up for any lost resources. Tenants are asked to provide comments and feedback on the illustrations for inclusion in the Mayor & Cabinet budget report to be presented in January/February 2015
- 5.12 A rent rise higher than the Limit Rent calculation will result in additional recharges to the HRA via the HB subsidy limitation charges. For example an increase of 1% or £1 above the calculated average will generate some additional income, all of which will be lost through additional limitation recharges and therefore result in no benefit to the HRA.

## 6 Efficiencies & Savings Proposals for 2015/16

- 6.1 The HRA strategy and self-financing assessments are continually updated and developed with the view to ensuring resources are available to meet costs and investment needs and are funded for 2015/16 and future years.
- 6.2 Savings and efficiencies delivered in the 2015/16 budget can be re-invested to off-set constrained rent rises or to help bridge any investment gap identified. As a prudent measure the original financial model was developed with no savings identified. Subsequently, discussions have taken place regarding appropriate savings and 'target' management and maintenance costs per unit. The savings and growth below are part of the process to reduce costs to enable reinvestment in priority areas. The package of savings proposed by way of this report can mostly be delivered through efficiencies in back office services.

### HRA Efficiencies/Savings & Growth proposals 2015/16

Item	Area	Proposals 2015/16 £'000
	<b>Savings/Efficiencies</b>	
1.	*Lewisham Homes Fee	-284
2.	Nil Inflation Increase for Repairs & Maintenance	-413
3.	Nil Inflation Increase for Energy Costs (now on 3 year fixed contract)	-304
4.	Nil Inflation on Internal Support Costs	-46
	<b>Savings/Efficiencies total</b>	<b>-763</b>
	<b>Increased costs/income reduction</b>	
5.	Reduction in Income on Communal Heating Systems	141
6.	Increased Property Insurance Costs	110
7.	Reduction in income forecast for tenants & leasehold service charges	166
	<b>Total increase in costs/income reduction</b>	<b>417</b>
	<b>Net effect of proposals</b>	<b>-346</b>

\* Already included in business plan

- 6.3 As can be seen from the above table, savings/efficiencies proposals result in a saving of £346k for 2015/16. If achieved, they could be used for investment needs currently identified by the HRA Business Plan, or to off-set reductions in the proposed rent increase.
- 6.3 Lewisham Homes have prepared a separate paper on the increase in Tenants and Leaseholders service Charges, which is to be considered elsewhere on the agenda.
- 6.4 An update of the HRA Strategy, Savings Proposals, proposed rent & service charge increases and comments from consultation with tenant representatives will be reported to Mayor & Cabinet as part of the HRA Rents and budget strategy report. Mayor & Cabinet will make the final budget decisions in the new year.
- 6.5 The following is a commentary on the savings and efficiencies listed in the table above.

### **Savings/Efficiencies**

#### **Item 1 Lewisham Homes management fee**

The initial fee proposal for 2015/16 after allowing an inflationary increase of 1% on salaries and 2.5% on running costs is £18,957m. However a reduction of £284k for stock loss through right to buy sales' and regeneration schemes is also being made and will reduce the 2015/16 proposed fee to £18.673m.

The net effect, if the saving is taken, will be a management fee of £18.673m in 2015/16, against the fee for 2014/15 of £18.676m. This reflects an overall increase of 1.52% in the fee per property managed compared to 2014/15.

Savings of £284k can be achieved through efficiencies with no impact on service provision.

#### **Item 2 No Inflationary increase to Repairs & Maintenance budgets**

It has been proposed by Lewisham Homes that the forecast inflationary increase to the Repairs & Maintenance budget of 2.5% is removed, producing a saving or cost reduction of £413k.

This proposal will have an impact on Lewisham Homes trading account and M&E budgets. However, the Repairs Trading Account, operated by Lewisham Homes, made surpluses in both 2012/13 and 2013/14 respectively and is forecast to do so again in 2015/16. It is felt that this proposal can be accommodated without any impact on service provision, or reduction in repairs undertaken, due to improvements in efficiency.

#### **Item 4 Nil Inflation on Internal Support Costs**

No inflationary increase has been included for Internal support costs. This is due to cost efficiencies in the general fund being passed down to the HRA. Savings of £46k can be achieved with no impact on service provision.

## **Item 5          Reduction in Income on Communal Heating Systems**

Lewisham Homes are proposing a reduction in the communal heating & hot water charge £1.87pw (18.93%). This will move the current charge down from £9.88pw to £8.01pw

The decrease is due to regular meter readings from the current supplier which has reduced the number of bills based on estimated readings. Consumption rates have also slightly decreased which has an effect on the 3 year average usage calculation.

## **Item 6          Increased Property Insurance Costs**

The recharge to the HRA for property insurance will increase due to the recent revaluation of the stock and other council property effecting the charges received from the insurance brokers. The current forecast is for an increase in recharges of £110k.

## **Item 7          Reduction in tenants & leaseholders service charge income**

The HRA financial model makes assessments regarding inflationary increases to both costs and income on annual basis. These need to be adjusted once firm proposals and inflationary data has been received.

It has been assessed that, following the proposals to reduce the average service charge levied to both tenants and leaseholders by Lewisham Homes, a shortfall of £166k against the model income assumptions for these areas is likely to arise.

## **7          Service Charges & Garage Rents**

- 7.1      The agreed policy on Service Charges are that charges should reflect full cost recovery for the type of service undertaken.
- 7.2      The proposal for service and heating and hot water charge for Lewisham Homes Service in 2015/16 is a decrease of £0.01pw or 0.13%, moving the average charge from £7.72pw to £7.71pw.
- 7.3      The proposal for service and heating and hot water charge for Regenter B3 in 2015/16 is an increase an average increase of 1.9%, moving the average charge from £5.13pw to £5.23pw.

### **Garage Rents**

- 7.4      Garage rents are proposed to rise in line with RPI inflation @ September 2014 which is 2.30%. This represents an increase of £0.26pw and would raise the average charge from £11.32pw to £11.58pw. The proposed increase would raise an additional £30k of revenue income.

## **8          Tenants' Levy**

- 8.1      As part of the budget and rent setting proposals for 2005/6 a sum of £0.13p per week was 'unpooled' from rent as a tenants service charge in respect of the

Lewisham Tenants' Fund. There has been no increase in this levy since its introduction, following consultation with Housing Panels.

8.2 There have been no proposals put forward by the tenants fund committee to increase the amount of the 2015/16 Levy.

8.3 The tenants' fund has provided the panels with a consultation report regarding the accounts of the fund and budget proposals for 2015/16.

## **9 Consultation**

### **9.1 Consultation under tenants' compact**

Consultation will take place in line with the tenants' compact arrangements. Since these arrangements provide an opportunity to engage tenants in a discussion on rent rises, it is proposed to continue to involve tenant representatives through the Housing Panels in December/January and feed back any views to Mayor & Cabinet.

### **9.2 Housing Select Committee**

It is proposed that Housing Select Committee will consider the proposals on 17 December 2014 prior to the report to Mayor & Cabinet on 14 January 2015

## **10 Financial implications**

10.1 The estimated financial implications are contained in each section of the report. In summary these are:

- 4 rent increase illustrations have been provided for consideration by residents.

- Tenant service charges are proposed to decrease by 0.13%, which is an average decrease of £0.01pw for Lewisham Homes tenants and increase by 1.9% which equates to £0.10pw for Regenter B3 tenants.

- Garage charges are proposed to increase by 2.30% which is an average of £0.26pw.

- There are no proposal to increase the tenants fund levy which will remain at £0.13pw.

10.2 The Council is currently undertaking a full assessment of both long and short-term requirements against resources available, including assumptions on future liabilities, programmes, savings and other requirements in-order to confirm the resource need and identify potential gaps in funding.

## **11 Legal implications**

11.1 Section 24 of the Housing Act 1985 provides that a local housing authority may make such reasonable charges as they determine for the tenancy or occupation of their houses. The Authority must review rents from time to time and make such changes as circumstances require. Within this there is discretion to look at any

reasonable option. The consequences of each option must be fully explained so that Members are fully informed of the implications.

- 11.2 Section 76 of the Local Government and Housing Act 1989 provides that local housing authorities are under a duty to prevent a debit balance in the HRA. Rents must therefore be set to avoid such a debit.
- 11.3 Section 103 of the Housing Act 1985 sets out the terms under which secure tenancies may be varied. This requires –
- the Council to serve a Notice of Variation at least 4 weeks before the effective date;
  - the provision of sufficient information to explain the variation;
  - an opportunity for the tenant to serve a Notice to Quit terminating their tenancy.
- 11.4 The timetable for the consideration of the 2014/15 rent levels provides an adequate period to ensure that legislative requirements are met.
- 11.5 Part III of Schedule 4 of the Local Government and Housing Act 1989 provides that where benefits or amenities arising out of the exercise of a Housing Authority's functions, are provided for persons housed by the authority, but are shared by the community as a whole, the authority shall make such contribution to their HRA from their other revenue accounts to properly reflect the community's share of the benefits or amenities.
- 11.6 Where as an outcome of the rent setting process, there are to be significant changes in housing management practice or policy, further consultation may be required with the tenants affected in accordance with section 105 of the Housing Act 1985.
- 11.7 The Equality Act 2010 (the Act) introduced a new public sector equality duty (the equality duty or the duty). It covers the following nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 11.8 In summary, the Council must, in the exercise of its functions, have due regard to the need to:
- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the act.
  - advance equality of opportunity between people who share a protected characteristic and those who do not.
  - foster good relations between people who share a protected characteristic and those who do not.
- 11.9 The duty continues to be a "have regard duty", and the weight to be attached to it is a matter for the Mayor, bearing in mind the issues of relevance and proportionality. It is not an absolute requirement to eliminate unlawful discrimination, advance equality of opportunity or foster good relations.

11.10 The Equality and Human Rights Commission has recently issued Technical Guidance on the Public Sector Equality Duty and statutory guidance entitled “Equality Act 2010 Services, Public Functions & Associations Statutory Code of Practice”. The Council must have regard to the statutory code in so far as it relates to the duty and attention is drawn to Chapter 11 which deals particularly with the equality duty. The Technical Guidance also covers what public authorities should do to meet the duty. This includes steps that are legally required, as well as recommended actions. The guidance does not have statutory force but nonetheless regard should be had to it, as failure to do so without compelling reason would be of evidential value. The statutory code and the technical guidance can be found at: <http://www.equalityhumanrights.com/legal-and-policy/equality-act/equality-act-codes-of-practice-and-technical-guidance/>

11.11 The Equality and Human Rights Commission (EHRC) has previously issued five guides for public authorities in England giving advice on the equality duty:

1. The essential guide to the public sector equality duty
2. Meeting the equality duty in policy and decision-making
3. Engagement and the equality duty
4. Equality objectives and the equality duty
5. Equality information and the equality duty.

11.12 The essential guide provides an overview of the equality duty requirements including the general equality duty, the specific duties and who they apply to. It covers what public authorities should do to meet the duty including steps that are legally required, as well as recommended actions. The other four documents provide more detailed guidance on key areas and advice on good practice. Further information and resources are available at: <http://www.equalityhumanrights.com/advice-and-guidance/public-sector-equality-duty/guidance-on-the-equality-duty/>

## **12 Crime and disorder**

There are no specific implications.

## **13 Environmental implications**

There are no specific implications.

## **14 Equality implications**

14.1 Council tenants include a higher than average proportion of elderly people and black and ethnic minorities. Many tenants are unemployed or on low income. The service has specific provision for more vulnerable groups within the community. A significant proportion of new allocations are made to families and women with young children.

14.2 In undertaking consultation and examining potential options, the equalities impact for different groups of people will be considered, particularly black and ethnic minorities, women, disabled people and young people.

## **15 Conclusion**

- 15.1 Whilst the HRA budget model assumes rent rises in accordance with the Government rent restructuring formula, all four options set out above are still under consideration.
- 15.2 The Council's budget setting timetable enables tenants comments to be included in the budget report being presented to Mayor and Cabinet on 14 January 2015.

**If you require any more information about this report please contact Mark Humphreys on 0208 314 8379 ( e-mail [mark.humphreys@lewisham.gov.uk](mailto:mark.humphreys@lewisham.gov.uk))**

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Meeting	<b>Executive Management Team</b>		Item No.	<b>6</b>
Report Title	<b>Leasehold and Tenant Charges 2015/16</b>			
Report Of	<b>Director of Resources – Adam Barrett</b>			
Class	<b>Decision</b>	Date	<b>17<sup>th</sup> November 2014</b>	

### 1. Purpose of the Report

- 1.1 This report sets out proposals to change existing service charges for residents in 2015/16.

### 2. Recommendations

That EMT:

- 2.1 Agree and recommend to the Council service charges for 2015/16 before submission to the Area Panel on the 15<sup>th</sup> December 2014.
- 2.2 Notes the average decrease in the current tenanted service charges of £0.01 which equates to -0.13% i.e. from £7.72 to £7.71 per week and the leasehold service charges decrease of £0.09 which equates to -0.65% i.e. from £13.89 to £13.80 per week.
- 2.3 Notes the RPI for September 2014 is 2.3%.
- 2.4 Note that Lewisham's service charges remain below the average benchmark charges for London Boroughs.

### 3. Background of the Report

- 3.1 One of Lewisham Homes core objectives is sustainability and this includes ensuring that there is a focus on providing services to residents that are affordable without compromising quality. This has been achieved by a decrease in the average proposed charge for tenants by -0.13%.
- 3.2 Lewisham Homes proposed 2015/16 average service charges for tenants, at £7.71, remains below the London average of £9.19 for 2013/14.
- 3.3 The Council's Housing Revenue Account is a ring fenced account. The account can only contain those charges directly related to the management of the Council's housing stock. By implication leaseholders must be charged the true cost of maintaining their properties, where the provision of their lease allows. This prevents tenants subsidising the cost to leaseholders, who have purchased their properties.

Implications approved		
Report approved by Director		
Report approved by CEO		

#### 4 Tenant and Leasehold service charges 2015/16

The table below sets out the proposed changes between the current 2014/15 average charges and the 2015/16 proposed charges.

**Table 1**

Existing Service	Tenant (T)/Leaseholders (LH)	Estimate (per week charge)		Change		
		2014/15	2015/16			
		£	£		£	%
Caretaking	T & LH	5.93	5.93	no change	0.00	0.00%
Ground Maintenance	T & LH	0.97	0.97	no change	0.00	0.00%
Anti-Social Behaviour	LH	0.31	0.38	increase	0.07	22.58%
Customer Services	LH	0.05	0.06	increase	0.01	20.00%
Resident Involvement	LH	0.42	0.43	increase	0.01	2.38%
Repairs and Maintenance - Building	LH	1.56	1.56	no change	0.00	0.00%
Repairs and Maintenance Technical	LH	1.06	1.06	no change	0.00	0.00%
Lifts	LH	2.65	2.65	no change	0.00	0.00%
Entry Phone	LH	0.36	0.27	decrease	-0.09	25.00%
Block Pest Control	T & LH	1.55	1.63	increase	0.08	5.16%
Ground Rent	LH	0.19	0.19	no change	0.00	0.00%
Sweeping	LH	0.87	0.88	increase	0.01	1.15%
Management	LH	2.47	2.47	no change	0.00	0.00%
Window Cleaning	T & LH	0.06	0.06	no change	0.00	0.00%
Bulky House Hold Waste Collection Service	T & LH	0.48	0.48	no change	0.00	0.00%
Insurance	LH	0.87	0.87	no change	0.00	0.00%
<b>Total excluding energy charges</b>		<b>19.80</b>	<b>19.89</b>		<b>0.09</b>	<b>0.45%</b>
Communal Lighting	T & LH	0.86	1.21	increase	0.35	40.70%
Communal Heating and Hot Water	T & LH	9.88	8.01	decrease	-1.87	18.93%
<b>Total energy charges</b>		<b>10.74</b>	<b>9.22</b>		<b>-1.52</b>	<b>14.15%</b>
<b>Grand Total</b>		<b>30.54</b>	<b>29.11</b>		<b>-1.43</b>	<b>-4.68%</b>

T & LH - Services Charges to Tenant and Leaseholders , LH - Services Charges to Leaseholders only

Implications approved		
Report approved by Director		
Report approved by CEO		

## 5. Analysis of impact due to changes in Service Charges for Tenants

- 5.1 There is an overall decrease of -0.13% for the service charges that tenants receive, from £7.72 to £7.71 per week. This decrease is as a result of a decrease in communal hot water and heating of -18.93%. The decrease in communal hot water and heating is due to a consistent drop in energy usage and stable purchase price over the last 3 years. The decrease in energy usage has been due to the relatively mild winters that we have had.
- 5.2 Communal lighting and block pest control charges have increased by 40% and 5% respectively. The increase in communal lighting charge is due to higher energy prices. Block pest control has increased as there are more infestation treatments on the 2015-16 programme.
- 5.3 Caretaking and ground maintenance charges remain unchanged.
- 5.4 Table 2, below sets out the impact of the changes for current services for Tenants. The average decrease is -0.13% with 70% receiving an increase of 1.99% which is below inflation at 2.3% (September RPI)
- 5.5 Approximately about 143 properties will not be receiving any service charge in 2015-16 as they have been demolished as part of the Heathside and Lethbridge regeneration programme.

**Table 2**

<b>Bands of Decrease/Increase</b>	<b>Number of Tenants</b>	<b>% of Total</b>	<b>Average decrease /increase</b>	<b>Income 15/16</b>
<b>Dec - 3.00 plus</b>	598	4.46%	-26.12%	£ 352,759.16
<b>Dec - £2.01 to £3.00</b>	439	3.28%	-18.67%	£ 231,847.81
<b>Dec - £1.01 to £2.00</b>	1126	8.40%	-11.66%	£ 617,798.39
<b>Dec - 0 to 1.00</b>	1502	11.21%	-4.30%	£ 654,011.08
<b>Inc - 0 to 1.00</b>	9311	69.50%	1.99%	£3,007,897.39
<b>Inc - £1.01 to £2.00</b>	230	1.72%	16.86%	£ 123,876.57
<b>Inc - £2.01 to £3.00</b>	115	0.86%	23.01%	£ 76,601.06
<b>Inc - 3.00 plus</b>	77	0.57%	167.17%	£ 309,830.20
<b>Grand Total</b>	<b>13,398</b>	<b>100.00%</b>	<b>-0.13%</b>	<b>£5,374,621.67</b>

Implications approved		
Report approved by Director		
Report approved by CEO		

## 6.0 Analysis of Impact due to changes in Service Charges for Leaseholders

- 6.1 Charges for leaseholders have reduced by -0.65%, i.e. from £13.89 to £13.80 per week. This is mainly due to reduction in communal heating and hot water, and entry phone charges. Table 3 below sets out the impact of the changes for leaseholders with 77% receiving an increase of 1.54%.

**Table 3**

<b>Bands of Decrease/Increase</b>	<b>Number in Band</b>	<b>% of Total</b>	<b>Average decrease/increase</b>	<b>Income 15/16</b>
<b>Dec - 3.00 plus</b>	86	<b>1.83%</b>	<b>-31.00%</b>	£ 62,152.02
<b>Dec - £2.01 to £3.00</b>	59	<b>1.25%</b>	<b>-11.58%</b>	£ 56,383.53
<b>Dec - £1.01 to £2.00</b>	325	<b>6.91%</b>	<b>-8.05%</b>	£ 269,553.46
<b>Dec - 0 to 1.00</b>	528	<b>11.22%</b>	<b>-2.02%</b>	£ 439,337.97
<b>Inc - 0 to 1.00</b>	3624	<b>77.02%</b>	<b>1.54%</b>	£ 2,465,628.55
<b>Inc - £1.01 to £2.00</b>	66	<b>1.40%</b>	<b>7.73%</b>	£ 66,692.59
<b>Inc - £2.01 to £3.00</b>	16	<b>0.34%</b>	<b>13.37%</b>	£ 15,960.92
<b>Inc - 3.00 plus</b>	1	<b>0.02%</b>	<b>901.85%</b>	£ 431.97
<b>Grand Total</b>	<b>4705</b>	<b>100.00%</b>	<b>-0.65%</b>	<b>£ 3,376,141.01</b>

- 6.2 On a conclusive note the overall impact of a rate decrease for both tenants and leaseholders will not mirror each other as there are more charges purely specific to leaseholders see Table 1.

Implications approved		
Report approved by Director		
Report approved by CEO		

## 7. Tenant Service Charge Benchmarking

- 7.1 The benchmarking data for 2014/15 is not currently available. As a result, the data for 2013/14 has been used to benchmark the service charge.
- 7.2 Table 4 below shows that the proposed Lewisham Homes Tenanted charges for 2015/16 are not excessive as they are below the average uninflated, 2013/14, tenanted service charges of £9.19 for London Boroughs.

### Average charges per week for London Boroughs for tenanted Service Charges 2013/14.

**Table 4**

<b>Borough</b>	<b>£</b>
Haringey	17.25
Hackney	12.15
Ealing	11.60
Camden	10.11
Islington	9.78
Brent	9.38
Tower Hamlets	8.63
Barnet	8.04
<b>Lewisham proposed charge 15/16</b>	<b>7.71</b>
Redbridge	7.64
Hillingdon	7.33
Southwark	7.01
Newham	6.79
Harrow	3.78
<b>Average (exclude Lewisham proposed)</b>	<b>9.19</b>

**Source - CIPFA Rent and Service Charge data April 2014**

**If you require further information on this report please contact Adam Barrett on**

**020 8613 7697 or email [adam.barrett@lewishamhomes.org.uk](mailto:adam.barrett@lewishamhomes.org.uk)**

Implications approved		
Report approved by Director		
Report approved by CEO		

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Committee	<b>Brockley Residents Board</b>		Item No	
Report Title	<b>Leasehold and Tenant Charges Consultation</b>			
Contributor	<b>Regenter Brockley Operations Manager</b>			
Class	<b>Decision</b>	Date		

## 1 Summary

- 1.1 The report sets out proposals to increase service charges to ensure full cost recovery in line with Lewisham Council's budget strategy.
- 1.2 The report requests Brockley Residents Board members to consider the proposals to increase service charges based on an uplift of 2.2% for 2015/16 on specific elements. This is based on full cost recovery in line with previous years' proposals.

## 2 Policy Context

- 2.1 The policy context for leasehold and tenant service charges is a mixture of statutory and Council Policy.
- 2.2 The Council's Housing Revenue Account is a ringfenced revenue account. The account is required to contain only those charges directly related to the management of the Council's Housing stock. This requires that leaseholder charges reflect the true cost of maintaining their properties where the provision of their lease allows. This prevents the situation occurring where tenants are subsidising the cost of leaseholders who have purchased their properties.

## 3. Recommendations

- 3.1 The Brockley Residents Board is requested to consider and comment on the proposals contained in this report and the feedback from the residents will be presented to Mayor and Cabinet as part of the wider rent setting report.

## 4. Purpose

- 4.1 The purpose of the report is to:
  - outline the proposals for increases in service charges in line with the contract arrangements for leaseholders and tenants to recover costs incurred for providing these services

## 5. Housing Revenue Account Charges

- 5.1 There are a number of charges made to residents which are not covered through rents. These charges are principally:
- Leasehold Service Charges
  - Tenant Service Charges
- 5.2 A service charge levy is applied to Tenants for caretaking, grounds maintenance, communal lighting, bulk waste collection and window cleaning. Tenants also pay a Tenants Fund Levy which is passed onto the Tenants Fund as a grant.
- 5.3 The key principles that should be considered when setting service charges are that:
- The charge should be fair and be no more or less than the cost of providing the service
  - The charge can be easily explained
  - The charge represents value for money
  - The charging basis allocates costs fairly amongst those receiving the service
  - The charge to all residents living in a block will be the same
- 5.4 The principle of full cost recovery ensures that residents pay for services consumed and minimises any pressures in the Housing Revenue Account in providing these services. This is in line with the current budget strategy.
- 5.5 In the current economic environment it must however be recognised that for some residents this may represent a significant financial strain. Those in receipt of housing benefit will receive housing benefit on increased service charges. Approximately 60% of council tenants are in receipt of housing benefit.

## **6. Analysis of full cost recovery**

- 6.1 The following section provides analysis on the impact on individuals of increasing charges to the level required to ensure full cost recovery. The tables indicate the overall level of increases.

### **Leasehold service charges**

- 6.2 The basis of the leasehold management charge has been reviewed and externally audited this summer to reflect the actual cost of the service. In line with best practice in the sector this is now a fixed cost rather than a variable cost. The management charge is £42.50 for street properties and £105.50 for blocks.

- 6.3 The uplift in leaseholder charges should reflect full cost recovery for the type of service undertaken. It is proposed that any uplift is applied at 2.2% (CPI (September 2014) +1%).
- 6.4 The following table sets out the average weekly increase for the current services provided by Regenter Brockley:

Service	Leasehold No.	Current Weekly Charge	New Weekly	Weekly Increase	% Increase
Caretaking	366	£3.55	£3.63	£0.07	2.20%
Grounds Maintenance	363	£2.00	£2.04	£0.04	2.20%
Lighting	384	£0.74	£0.76	£0.01	2.20%
Bulk Waste	357	£1.21	£1.24	£0.02	2.20%
Window Cleaning	216	£0.09	£0.09	£0.00	0.00%
Resident Involvement	525	£0.24	£0.25	£0.00	0.00%
Customer Services	525	£0.35	£0.36	£0.01	0.00%
Ground Rent	525	£0.19	£0.19	£0.00	0.00%
General Repairs	232	£0.54	£0.55	£0.01	2.20%
Technical Repairs	395	£0.32	£0.33	£0.01	2.20%
Entry Phone	137	£0.05	£0.05	£0.00	0.00%
Lift	234	£0.30	£0.31	£0.01	0.00%
Management Fee	525	£1.65	£1.69	£0.03	0.00%
<b>Total</b>		<b>£11.23</b>	<b>£11.49</b>		

### Tenant service charges

- 6.5 Tenant service charges were separated out from rent (unpooled) in 2003/04, and have been increased by inflation since then. RB3 took over the provision of the caretaking and grounds maintenance services

in 2007/08. Both tenants and leaseholders pay caretaking, grounds maintenance, communal lighting, bulk waste collection and window cleaning service charges.

- 6.6 In addition, tenants pay a contribution of £0.13pw to the Lewisham Tenants Fund. At present there are no plans to increase the Tenants Fund charges.
- 6.7 In order to ensure full cost recovery, tenant's service charges for caretaking, grounds maintenance and other services should be increased in line with the percentage increase applied to leaseholder service charges. Overall, charges are suggested to be increased by an average of £0.10pw which would move the current average weekly charge from £5.13 to £5.23.
- 6.8 The effect of increases in tenant service charges to a level that covers the full cost of providing the service is set out in the table below.

<b>Service</b>	<b>Current Weekly Charge</b>	<b>New Weekly Charge</b>	<b>Weekly Increase</b>	<b>% increase</b>
<b>Current</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>%</b>
Caretaking	2.78	2.84	0.06	2.2%
Grounds	1.30	1.32	0.02	2.2%
Lighting	0.71	0.72	0.01	2.2%
Bulk Waste	0.20	0.20	0.01	2.2%
Window Cleaning	0.02	0.02	0.00	0.0%
Tenants fund	0.13	0.13	0.00	0.0%
<b>Total</b>	<b>5.13</b>	<b>5.23</b>	<b>0.10</b>	<b>1.94%</b>

- 6.13 The RB3 Board is asked for their views on these charges from 2015/16. Results of the consultation will be presented to Mayor and Cabinet for approval in February 2015

## **7. Financial implications**

The main financial implications are set out in the body of the report.

## **8. Legal implications**

- 8.1. Section 24 of the Housing Act 1985 provides that a local housing authority may make such reasonable charges as they determine for the tenancy or occupation of their houses. The Authority must review rents from time to time and make such changes as circumstances require. Within this discretion there is no one lawful option and any reasonable option may be looked at. The consequences of each option must be explained fully so that Members understand the implications of their decisions.

- 8.2 Section 76 of the Local Government and Housing Act 1989 provides that local housing authorities are under a duty to prevent a debit balance in the HRA. Rents must therefore be set to avoid such a debit.
- 8.3 Section 103 of the Housing Act 1985 sets out the terms under which secure tenancies may be varied. This requires –
- the Council to serve a Notice of Variation at least 4 weeks before the effective date;
  - the provision of sufficient information to explain the variation;
  - an opportunity for the tenant to serve a Notice to Quit terminating their tenancy.
- 8.4 The timetable for the consideration of the 2014/15 rent levels provides an adequate period to ensure that legislative requirements are met.
- 8.5 Part III of Schedule 4 of the Local Government and Housing Act 1989 provides that where benefits or amenities arising out of the exercise of a Housing Authority's functions, are provided for persons housed by the authority, but are shared by the community as a whole, the authority shall make such contribution to their HRA from their other revenue accounts to properly reflect the community's share of the benefits or amenities.
- 8.6 Where as an outcome of the rent setting process, there are to be significant changes in housing management practice or policy, further consultation may be required with the tenants affected in accordance with section 105 of the Housing Act 1985.

## **9. Crime and disorder implications**

There are no specific crime and disorder implications in respect of this report paragraph.

## **10. Equalities implications**

The general principle of ensuring that residents pay the same charge for the same service is promoting the principle that services are provided to residents in a fair and equal manner.

## **11. Environmental implications**

There are no specific environmental implications in respect of this report.

## **12. Conclusion**

- 12.1 Revising the level of charges ensures that the charges are fair and residents are paying for the services they use.
- 12.2 The additional resources generated will relieve some of the current pressures within Housing Revenue Account and will contribute to the

funding of the PFI contract which is contained within the authorities  
Housing Revenue Account.

If you require any further information on this report please contact

**Maxeene McFarlane on 0207 635 1208 or**

**[Maxeene.mcfarlane@pinnacle-psg.com](mailto:Maxeene.mcfarlane@pinnacle-psg.com)**

# Agenda Item 7

Housing Select Committee			
Title	Select Committee work programme		
Contributor	Scrutiny Manager	Item	7
Class	Part 1 (open)	17 December 2014	

## 1. Purpose

To advise Members of the proposed work programme for the municipal year 2014/15, and to decide on the agenda items for the next meeting.

## 2. Summary

- 2.1 At the beginning of the new administration, each select committee drew up a draft work programme for submission to the Business Panel for consideration.
- 2.2 The Business Panel considered the proposed work programmes of each of the select committees on 29 July 2014 and agreed a co-ordinated overview and scrutiny work programme. However, the work programme can be reviewed at each Select Committee meeting so that Members are able to include urgent, high priority items and remove items that are no longer a priority.

## 3. Recommendations

3.1 The Committee is asked to:

- note the work plan attached at **Appendix B** and discuss any issues arising from the programme;
- specify the information and analysis required in the report for each item on the agenda for the next meeting, based on desired outcomes, so that officers are clear on what they need to provide;
- review all forthcoming key decisions, attached at **Appendix C**, and consider any items for further scrutiny.

## 4. The work programme

4.1 The work programme for 2014/15 was agreed at the Committee's meeting on 22 July 2014.

4.2 The Committee is asked to consider if any urgent issues have arisen that require scrutiny and if any existing items are no longer a priority and can be removed from the work programme. Before adding additional items, each item should be considered against agreed criteria. The flow chart attached at **Appendix A** may help Members decide if proposed additional items should be added to the work programme. The Committee's work programme needs to be achievable in terms of the amount of meeting time available. If the committee agrees to add additional item(s) because they are urgent and high priority, Members will need to consider

which medium/low priority item(s) should be removed in order to create sufficient capacity for the new item(s).

## 5. The next meeting

5.1 The following reports are scheduled for the meeting on 28 January 2015:

Agenda item	Review type	Link to Corporate Priority	Priority
Invitation to registered providers	Standard review	Decent homes for all	Medium
Lewisham's Housing Strategy 2015-20	Policy development	Decent homes for all	High
Communal heating review: review report	In-depth review	Decent homes for all	High

5.2 The Committee is asked to specify the information and analysis it would like to see in the reports for these items, based on the outcomes the Committee would like to achieve, so that officers are clear on what they need to provide for the next meeting.

## 6. Financial implications

There are no financial implications arising from this report. There will be implications from the items being considered as part of the Committee's work programme, these will need to be considered in due course.

## 7. Legal implications

In accordance with the Council's Constitution, all scrutiny select committees must devise and submit a work programme to the Business Panel at the start of each municipal year.

## 8. Equalities implications

8.1 The Equality Act 2010 brought together all previous equality legislation in England, Scotland and Wales. The Act included a new public sector equality duty, replacing the separate duties relating to race, disability and gender equality. The duty came into force on 6 April 2011. It covers the following nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

8.2 The Council must, in the exercise of its functions, have due regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act
- advance equality of opportunity between people who share a protected characteristic and those who do not.
- foster good relations between people who share a protected characteristic and those who do not.

- 8.3 There may be equalities implications arising from items on the work programme and all activities undertaken by the Select Committee will need to give due consideration to this.

**9. Date of next meeting**

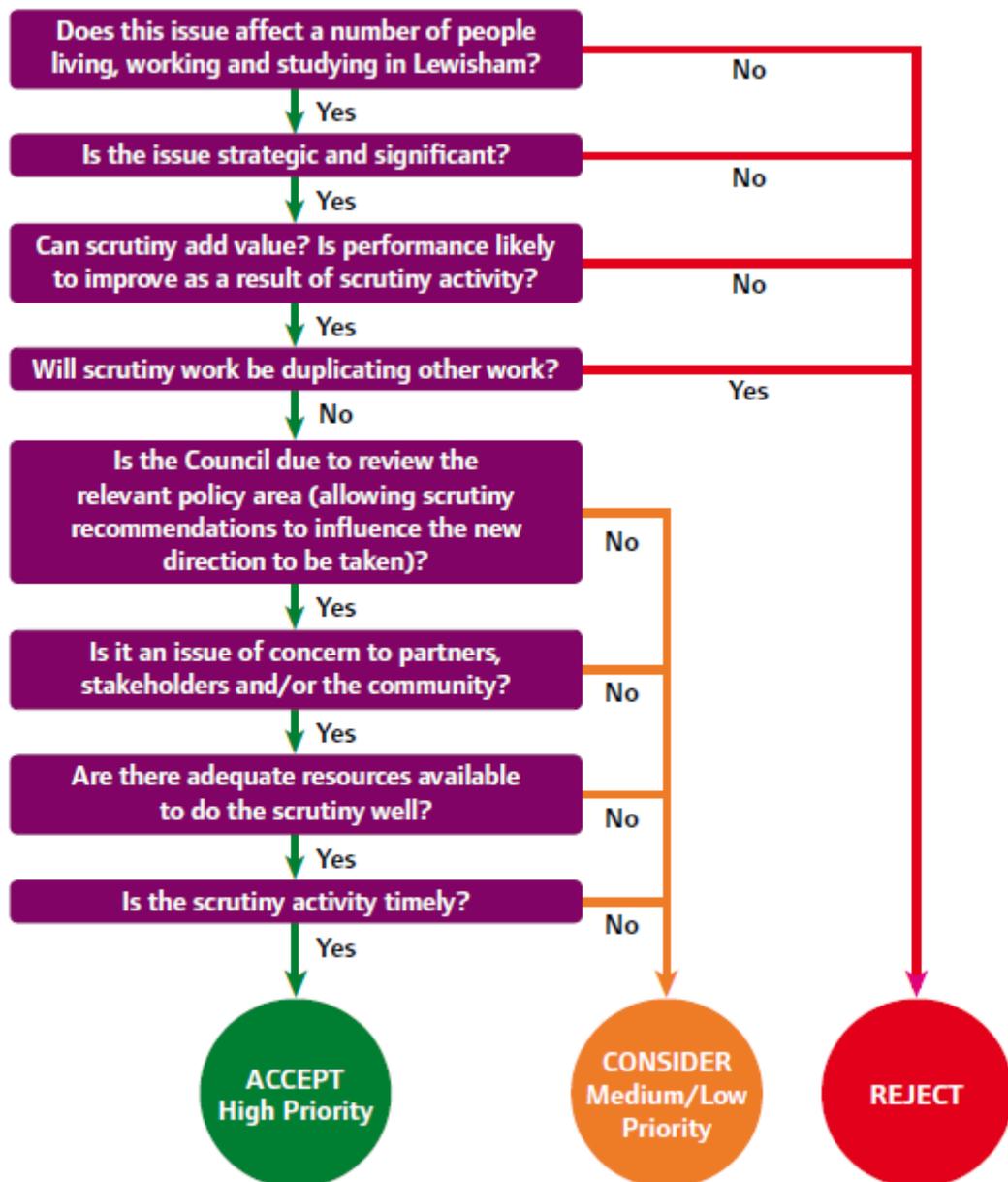
The date of the next meeting is Wednesday 28 January 2015

**Background Documents**

Lewisham Council's Constitution

Centre for Public Scrutiny: the Good Scrutiny Guide

## Scrutiny work programme – prioritisation process



**Housing Select Committee work programme 2014/15**

**Programme of work**

Work item	Type of item	Priority	Strategic priority	Delivery deadline	22-Jul	02-Sep	01-Oct	11-Nov	17-Dec	28-Jan	11-Mar
Lewisham Future Programme	Standard item	High	CP6	-							
Election of the Chair and Vice-Chair	Constitutional req	High	CP6	Jul							
Select Committee work programme	Constitutional req	High	CP6	Jul							
Homelessness applications & performance	Standard item	High	CP6	Jul							
Lewisham Homes annual report & business plan	Performance monitoring	High	CP6	Jul							
New Homes Better Places: phases 2 and 3	Standard item	High	CP6	Mar							
Brockley PFI mid year review	Performance monitoring	Medium	CP6	Nov							
Lewisham Homes mid year review	Performance monitoring	Medium	CP6	Nov							
Communal heating systems review	In-depth review	High	CP6	Mar							
Invitation to registered providers	Standard review	High	CP6	Mar							
Lewisham's Housing Strategy (2015-2020)	Policy development	High	CP6	Jan							
Welfare reform update	Standard item	Medium	CP6	Oct							
Self build update	Standard item	Medium	CP6	Nov							
Private rented sector update/licensing scheme	Standard item	High	CP6	Dec							
Proposed rent and service charge increases	Standard item	High	CP6	Dec							
Annual lettings plan	Standard item	High	CP6	Mar							
Key housing issues	Standard item	Low	CP6	-							

	Item completed
	Item ongoing
	Item outstanding
	Proposed timeframe
	Item added

Meetings		
1)	Tue	22 July
2)	Tue	02 September
3)	Wed	01 October
4)	Tue	11 November
5)	Wed	17 December
6)	Wed	28 January
7)	Wed	11 March

Shaping Our Future: Lewisham's Sustainable Community Strategy 2008-2020		
	Priority	
1	Ambitious and achieving	SCS 1
2	Safer	SCS 2
3	Empowered and responsible	SCS 3
4	Clean, green and liveable	SCS 4
5	Healthy, active and enjoyable	SCS 5
6	Dynamic and prosperous	SCS 6

Corporate Priorities		
	Priority	
1	Community Leadership	CP 1
2	Young people's achievement and involvement	CP 2
3	Clean, green and liveable	CP 3
4	Safety, security and a visible presence	CP 4
5	Strengthening the local economy	CP 5
6	Decent homes for all	CP 6
7	Protection of children	CP 7
8	Caring for adults and older people	CP 8
9	Active, healthy citizens	CP 9
10	Inspiring efficiency, effectiveness and equity	CP 10

## FORWARD PLAN OF KEY DECISIONS

### Forward Plan November 2014 - February 2015

This Forward Plan sets out the key decisions the Council expects to take during the next four months.

Anyone wishing to make representations on a decision should submit them in writing as soon as possible to the relevant contact officer (shown as number (7) in the key overleaf). Any representations made less than 3 days before the meeting should be sent to Kevin Flaherty, the Local Democracy Officer, at the Council Offices or [kevin.flaherty@lewisham.gov.uk](mailto:kevin.flaherty@lewisham.gov.uk). However the deadline will be 4pm on the working day prior to the meeting.

A "key decision"\* means an executive decision which is likely to:

- (a) result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates;
- (b) be significant in terms of its effects on communities living or working in an area comprising two or more wards.

<b>FORWARD PLAN – KEY DECISIONS</b>					
<b>Date included in forward plan</b>	<b>Description of matter under consideration</b>	<b>Date of Decision Decision maker</b>	<b>Responsible Officers / Portfolios</b>	<b>Consultation Details</b>	<b>Background papers / materials</b>
September 2014	<b>Drumbeat 6th Form School: Phase 3 New Build</b>	Tuesday, 04/11/14 Overview and Scrutiny Education Business Panel	Janet Senior, Executive Director for Resources & Regeneration and Councillor Paul Maslin, Cabinet Member for Children and Young People		
September 2014	<b>Procurement of a Corporate Scanning Service Provider</b>	Tuesday, 04/11/14 Overview and Scrutiny Business Panel	Kevin Sheehan, Executive Director for Customer Services and Councillor Kevin Bonavia, Cabinet Member Resources		
May 2014	<b>Kenton Court and Somerville Extra Care Schemes: Update</b>	Wednesday, 12/11/14 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Damien Egan, Cabinet Member Housing		
October 2014	<b>Mid Year Treasury Strategy</b>	Wednesday, 12/11/14 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Kevin Bonavia, Cabinet Member Resources		
October 2014	<b>2015-16 Revenue Budget Savings</b>	Wednesday, 12/11/14 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Kevin Bonavia, Cabinet Member Resources		
October 2014	<b>Proposal to enlarge Sir Francis</b>	Wednesday,	Frankie Sulke, Executive		

<b>FORWARD PLAN – KEY DECISIONS</b>					
<b>Date included in forward plan</b>	<b>Description of matter under consideration</b>	<b>Date of Decision Decision maker</b>	<b>Responsible Officers / Portfolios</b>	<b>Consultation Details</b>	<b>Background papers / materials</b>
	<b>Drake Primary School</b>	12/11/14 Mayor and Cabinet	Director for Children and Young People and Councillor Paul Maslin, Cabinet Member for Children and Young People		
May 2014	<b>Education Contract Awards ICT Specialist Service Provider Framework</b>	Wednesday, 12/11/14 Mayor and Cabinet (Contracts)	Frankie Sulke, Executive Director for Children and Young People and Councillor Paul Maslin, Cabinet Member for Children and Young People		
September 2014	<b>Corporate Energy Contracts</b>	Wednesday, 12/11/14 Mayor and Cabinet (Contracts)	Janet Senior, Executive Director for Resources & Regeneration and Councillor Rachel Onikosi, Cabinet Member Public Realm		
October 2014	<b>Extension on all learning disability supported accommodation contracts</b>	Wednesday, 12/11/14 Mayor and Cabinet (Contracts)	Aileen Buckton, Executive Director for Community Services and Councillor Chris Best, Cabinet Member Health-Well-Being-Older People		
September 2014	<b>Supporting the Voluntary Sector - outcome main grants consultation and approval to open main grants programme for applications</b>	Wednesday, 12/11/14 Mayor and Cabinet (Contracts)	Aileen Buckton, Executive Director for Community Services and Councillor Joan Millbank, Cabinet Member Third Sector & Community		

**FORWARD PLAN – KEY DECISIONS**

<b>Date included in forward plan</b>	<b>Description of matter under consideration</b>	<b>Date of Decision Decision maker</b>	<b>Responsible Officers / Portfolios</b>	<b>Consultation Details</b>	<b>Background papers / materials</b>
October 2014	<b>Contract Award Coopers Lane Primary School 2FE to 3FE</b>	Tuesday, 25/11/14 Overview and Scrutiny Education Business Panel	Frankie Sulke, Executive Director for Children and Young People and Councillor Paul Maslin, Cabinet Member for Children and Young People		
June 2014	<b>Annual Parking Review</b>	Wednesday, 03/12/14 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Rachel Onikosi, Cabinet Member Public Realm		
October 2014	<b>Approval public consultation Lewisham River Corridors Improvement Plan SPD</b>	Wednesday, 03/12/14 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith, Deputy Mayor		
September 2014	<b>Campshill Road Extra Care Scheme</b>	Wednesday, 03/12/14 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Damien Egan, Cabinet Member Housing		
October 2014	<b>Council Tax Reduction Scheme Review</b>	Wednesday, 03/12/14 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Kevin Bonavia, Cabinet Member Resources		
September 2014	<b>Draft Flood Management Strategy</b>	Wednesday, 03/12/14	Janet Senior, Executive Director for Resources &		

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		Mayor and Cabinet	Regeneration and Councillor Alan Smith, Deputy Mayor		
October 2014	<b>Housing Acquisition Programme Update</b>	Wednesday, 03/12/14 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Damien Egan, Cabinet Member Housing		
November 2014	<b>Housing Grounds Maintenance</b>	Wednesday, 03/12/14 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Damien Egan, Cabinet Member Housing		
September 2014	<b>Introduction of a Borough 20mph zone</b>	Wednesday, 03/12/14 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith, Deputy Mayor		
October 2014	<b>Ladywell Playtower</b>	Wednesday, 03/12/14 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith, Deputy Mayor		
October 2014	<b>Prendergast Primary School Permission to spend on enabling works</b>	Wednesday, 03/12/14 Mayor and Cabinet (Contracts)	Frankie Sulke, Executive Director for Children and Young People and Councillor Paul Maslin, Cabinet Member for Children and Young People		

**FORWARD PLAN – KEY DECISIONS**

<b>Date included in forward plan</b>	<b>Description of matter under consideration</b>	<b>Date of Decision Decision maker</b>	<b>Responsible Officers / Portfolios</b>	<b>Consultation Details</b>	<b>Background papers / materials</b>
October 2014	<b>Award of Highways Public Realm Contract Coulgate Street</b>	Wednesday, 03/12/14 Mayor and Cabinet (Contracts)	Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith, Deputy Mayor		
September 2014	<b>Award of Street advertising and Bus Shelter Contract</b>	Wednesday, 03/12/14 Mayor and Cabinet (Contracts)	Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith, Deputy Mayor		
November 2014	<b>Delivery of Dementia Advice and Information Service Contract</b>	Wednesday, 03/12/14 Mayor and Cabinet (Contracts)	Aileen Buckton, Executive Director for Community Services and Councillor Chris Best, Cabinet Member Health-Well-Being-Older People		
October 2014	<b>Extension of contract with Turner &amp; Townsend (Primary Places Programme)</b>	Wednesday, 03/12/14 Mayor and Cabinet (Contracts)	Frankie Sulke, Executive Director for Children and Young People and Councillor Paul Maslin, Cabinet Member for Children and Young People		
August 2014	<b>Extension of Drug and Alcohol contract</b>	Wednesday, 03/12/14 Mayor and Cabinet (Contracts)	Aileen Buckton, Executive Director for Community Services and Councillor Janet Daby, Cabinet Member Community Safety		
November 2014	<b>Extension of all learning Disability Supported</b>	Wednesday, 03/12/14	Aileen Buckton, Executive Director for		

<b>FORWARD PLAN – KEY DECISIONS</b>					
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	<b>Accomodation Contracts</b>	Mayor and Cabinet (Contracts)	Community Services and Councillor Chris Best, Cabinet Member Health-Well-Being-Older People		
August 2014	<b>Award of 3 drug and alcohol contracts:young People, Aftercare, Shared Care</b>	Wednesday, 03/12/14 Mayor and Cabinet (Contracts)	Aileen Buckton, Executive Director for Community Services and Councillor Janet Daby, Cabinet Member Community Safety		
August 2014	<b>Award of Single Violence against Women and Girls Service Contract</b>	Wednesday, 03/12/14 Mayor and Cabinet (Contracts)	Aileen Buckton, Executive Director for Community Services and Councillor Janet Daby, Cabinet Member Community Safety		
September 2014	<b>Learning Contract Provider</b>	Wednesday, 03/12/14 Mayor and Cabinet (Contracts)	Janet Senior, Executive Director for Resources & Regeneration and Councillor Kevin Bonavia, Cabinet Member Resources		
October 2014	<b>Procurement of the School Kitchen Maintenance Contract</b>	Wednesday, 03/12/14 Mayor and Cabinet (Contracts)	Frankie Sulke, Executive Director for Children and Young People and Councillor Paul Maslin, Cabinet Member for Children and Young People		
November 2014	<b>Proposal to enlarge St George's CE Primary School</b>	Wednesday, 03/12/14	Frankie Sulke, Executive Director for Children and		

<b>FORWARD PLAN – KEY DECISIONS</b>					
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		Mayor and Cabinet (Contracts)	Young People and Councillor Paul Maslin, Cabinet Member for Children and Young People		
October 2014	<b>School Minor Capital Works Programme 2013-14</b>	Wednesday, 03/12/14 Mayor and Cabinet (Contracts)	Frankie Sulke, Executive Director for Children and Young People and Councillor Paul Maslin, Cabinet Member for Children and Young People		
October 2014	<b>Annual Complaints Report</b>	Wednesday, 14/01/15 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Joe Dromey, Cabinet Member Policy & Performance		
November 2014	<b>Bakerloo Line Extension Consultation</b>	Wednesday, 14/01/15 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith, Deputy Mayor		
March 2014	<b>Community Infrastructure Levy Adoption version</b>	Wednesday, 14/01/15 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith, Deputy Mayor		
September 2014	<b>Church Grove Custom Build</b>	Wednesday, 14/01/15 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and		

<b>FORWARD PLAN – KEY DECISIONS</b>					
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			Councillor Damien Egan, Cabinet Member Housing		
August 2014	<b>Customer Service centre out of hours switchboard Procurement</b>	Wednesday, 14/01/15 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Damien Egan, Cabinet Member Housing		
September 2014	<b>Deptford Southern Sites Regeneration Project</b>	Wednesday, 14/01/15 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Damien Egan, Cabinet Member Housing		
October 2014	<b>2015-16 Council Tax Base</b>	Wednesday, 14/01/15 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Kevin Bonavia, Cabinet Member Resources		
October 2014	<b>2015/16 NNDR Base Report</b>	Wednesday, 14/01/15 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Kevin Bonavia, Cabinet Member Resources		
October 2014	<b>2015-16 Revenue Budget Savings</b>	Wednesday, 14/01/15 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Kevin Bonavia, Cabinet Member Resources		

<b>FORWARD PLAN – KEY DECISIONS</b>					
<b>Date included in forward plan</b>	<b>Description of matter under consideration</b>	<b>Date of Decision Decision maker</b>	<b>Responsible Officers / Portfolios</b>	<b>Consultation Details</b>	<b>Background papers / materials</b>
October 2014	<b>Highways Asset Management Plan - Corporate Aims, Policy, Investment, Performance and Engagement</b>	Wednesday, 14/01/15 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith, Deputy Mayor		
September 2014	<b>Housing Regeneration</b>	Wednesday, 14/01/15 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Damien Egan, Cabinet Member Housing		
November 2014	<b>Pay Policy Statement</b>	Wednesday, 14/01/15 Mayor and Cabinet	Andreas Ghosh, Head of Personnel & Development and Councillor Kevin Bonavia, Cabinet Member Resources		
March 2014	<b>Planning Obligations SPD Adoption Version</b>	Wednesday, 14/01/15 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith, Deputy Mayor		
March 2014	<b>Review of Blackheath Events Policy 2011</b>	Wednesday, 14/01/15 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Rachel Onikosi, Cabinet Member Public Realm		
September 2014	<b>Strategic Asset Management Plan 2015-2020</b>	Wednesday, 14/01/15 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith,		

<b>FORWARD PLAN – KEY DECISIONS</b>					
<b>Date included in forward plan</b>	<b>Description of matter under consideration</b>	<b>Date of Decision Decision maker</b>	<b>Responsible Officers / Portfolios</b>	<b>Consultation Details</b>	<b>Background papers / materials</b>
			Deputy Mayor		
June 2014	<b>Surrey Canal Triangle - Compulsory Purchase Order Resolution</b>	Wednesday, 14/01/15 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith, Deputy Mayor		
October 2014	<b>Award of Design and Build Contract Phase 1 Grove Park Public Realm Project</b>	Wednesday, 14/01/15 Mayor and Cabinet (Contracts)	Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith, Deputy Mayor		
October 2014	<b>Procurement of the School Catering Contract service</b>	Wednesday, 14/01/15 Mayor and Cabinet (Contracts)	Frankie Sulke, Executive Director for Children and Young People and Councillor Paul Maslin, Cabinet Member for Children and Young People		
November 2014	<b>Prevention and Inclusion Team Contract</b>	Wednesday, 14/01/15 Mayor and Cabinet (Contracts)	Frankie Sulke, Executive Director for Children and Young People and Councillor Paul Maslin, Cabinet Member for Children and Young People		
October 2014	<b>2015-16 Council Tax Base</b>	Wednesday, 21/01/15 Council	Janet Senior, Executive Director for Resources & Regeneration and Councillor Kevin Bonavia, Cabinet Member Resources		

**FORWARD PLAN – KEY DECISIONS**

Date included in forward plan	Description of matter under consideration	Date of Decision Decision maker	Responsible Officers / Portfolios	Consultation Details	Background papers / materials
October 2014	<b>Council Tax Reduction Scheme Review</b>	Wednesday, 21/01/15 Council	Kevin Sheehan, Executive Director for Customer Services and Councillor Kevin Bonavia, Cabinet Member Resources		
October 2014	<b>2015/16 NNDR Base Report</b>	Wednesday, 21/01/15 Council	Janet Senior, Executive Director for Resources & Regeneration and Councillor Alan Smith, Deputy Mayor		
October 2014	<b>Milford Towers Update</b>	Wednesday, 11/02/15 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Damien Egan, Cabinet Member Housing		
October 2014	<b>New Homes Better Places Funding Update</b>	Wednesday, 11/02/15 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Damien Egan, Cabinet Member Housing		
October 2014	<b>Budget 2015-16</b>	Wednesday, 11/02/15 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Kevin Bonavia, Cabinet Member Resources		
October 2014	<b>Rent Setting</b>	Wednesday, 11/02/15 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and		

<b>FORWARD PLAN – KEY DECISIONS</b>					
<b>Date included in forward plan</b>	<b>Description of matter under consideration</b>	<b>Date of Decision Decision maker</b>	<b>Responsible Officers / Portfolios</b>	<b>Consultation Details</b>	<b>Background papers / materials</b>
			Councillor Damien Egan, Cabinet Member Housing		
October 2014	<b>Budget Update 2015-16</b>	Wednesday, 18/02/15 Mayor and Cabinet	Janet Senior, Executive Director for Resources & Regeneration and Councillor Kevin Bonavia, Cabinet Member Resources		
November 2014	<b>2015/16 Budget Report</b>	Wednesday, 25/02/15 Council	Janet Senior, Executive Director for Resources & Regeneration and Councillor Kevin Bonavia, Cabinet Member Resources		
September 2014	<b>Prevention and Inclusion Contract Extension and Commissioning Recommendation</b>	Wednesday, 04/03/15 Mayor and Cabinet (Contracts)	Aileen Buckton, Executive Director for Community Services and Councillor Chris Best, Cabinet Member Health-Well-Being-Older People		
June 2014	<b>Housing Strategy 2015 - 2020</b>	Wednesday, 04/03/15 Mayor and Cabinet	Kevin Sheehan, Executive Director for Customer Services and Councillor Damien Egan, Cabinet Member Housing		
September 2014	<b>Prevention and Inclusion Framework Contract Award</b>	Wednesday, 04/03/15 Mayor and Cabinet (Contracts)	Aileen Buckton, Executive Director for Community Services and Councillor Chris Best, Cabinet Member Health-Well-Being-Older People		

<b>FORWARD PLAN – KEY DECISIONS</b>					
<b>Date included in forward plan</b>	<b>Description of matter under consideration</b>	<b>Date of Decision Decision maker</b>	<b>Responsible Officers / Portfolios</b>	<b>Consultation Details</b>	<b>Background papers / materials</b>
October 2014	<b>School Admissions 2015-16</b>	Wednesday, 25/03/15 Mayor and Cabinet	Frankie Sulke, Executive Director for Children and Young People and Councillor Paul Maslin, Cabinet Member for Children and Young People		