

# MINUTES OF THE HOUSING SELECT COMMITTEE

Tuesday, 26 January 2016 at 7.30 pm

PRESENT: Councillors Carl Handley (Chair), Peter Bernards (Vice-Chair), Amanda De Ryk, Liz Johnston-Franklin, Maja Hilton, Simon Hooks, Olurotimi Ogunbadewa and Jonathan Slater

APOLOGIES: Councillors John Coughlin and Susan Wise

ALSO PRESENT: Councillor Paul Bell (Chair Planning Committee C), Jeff Endean (Housing Programmes and Strategy Team Manager), Mark Humphreys (Group Finance Manager, Customer Services), Madeleine Jeffery (Private Sector Housing Agency Manager), Tracy Jones (Operations Manager) (Regenter B3), Maxeene MacFarlane (Contract Manager) (Pinnacle PSG), Genevieve Macklin (Head of Strategic Housing), Nina Morris (Lettings and Support Services Manager), Kevin Sheehan (Executive Director for Customer Services), Sandra Simpson (Leasehold Manager) (Pinnacle) and Simone van Elk (Scrutiny Manager).

## 1. Minutes of the meeting held on 1 December 2015

- 1.1 This item was discussed as the final item on the agenda.
- 1.2 That the Minutes part 1 be agreed subject to the addition under item 9 Select Committee work programme of an information item on Houses in Multiple Occupation and the use of article 4 directions on the Committee's work programme for March.

## 2. Declarations of interest

- 2.1 No interests were declared.

## 3. Brockley PFI - Mid-year Review

- 3.1 Tracy Jones (Operations Manager, RB3) introduced the report. The following key points were noted:
  - The figures in paragraph 8.1 of the report contained some errors, so a new paper was distributed during the meeting.
  - The PFI project monitors 26 key performance indicators. For 19 of these, data is gathered monthly and for the remaining 7, data is gathered annually.
  - There have been 20 complaints made between September 2015 and February 2016. In the same period last year, the number of complaints was 24, which means there was a 25% reduction in complaints.
  - RB3 hosts a debt advice surgery run by Project 170 in its offices. Residents affected by welfare reform are sign posted to these surgeries as well as other support.
  - The target for void management is 28 days and during the first 6 months of this year the voids averaged 20.3 days.
- 3.2 Tracy Jones, Maxeene MacFarlane (Contract Manager, Pinnacle PSG), Sandra Simpson (Leasehold manager, Pinnacle PSG) and Genevieve Macklin (Head of Strategic Housing, Lewisham Council) answered a number of questions. The following key points were noted:
  - In the last year, 14 to 15 cases of suspected fraud had been identified.
  - As part of the Brockley PFI's lifecycle project, a survey is being carried out of the buildings to identify those where replacements are needed because elements of the

buildings have come to the end of their natural life. Some of these proposed replacements would take place in a conservation area.

- All employees of the PFI project receive training on the safeguarding of vulnerable residents including those with mental health problems. The organisation has links to the Council's adult social care so people can be referred there. The PFI project is also arranging a meeting with employees from the South London and Maudsley NHS Foundation Trust and the Council's mental health team. Residents are also sign posted to community organisations for support where appropriate.
- There are some cases where leaseholders have difficulties paying their leaseholder charges. There can sometimes be disagreements with the costs of certain items of repair or maintenance. After 2 years of working through disagreements about the charges levied, the PFI project is now taking more drastic action where some residents are being taken to court. Some leaseholders have completely refused to engage with the leaseholder management team about the payment of charges. Two cases have been brought before the Leaseholder Valuation Tribunal and in both cases the ruling was that the leaseholders should pay the charge.
- Of the total of 505 leaseholders, there have been disputes listed with 175 of the leaseholders. Sometimes listing non-payment as an official dispute is the only avenue available to leaseholders if they feel they've been overcharged. No cases against leaseholders about the charges levied has been won by a leaseholder yet.
- When a resident chooses to exercise their Right to Buy, the Council is responsible and does provide any documentation about planned major works to the solicitor of the resident. It is the duty of the solicitor to properly inform their client about possible future costs. Existing leaseholders receive lots of notifications about major works that are planned and their estimated costs. There is rigorous guidance about the amount and type of notifications leaseholders should receive in advance of a major works project starting and Lewisham Council is following that guidance. Leaseholders are not exempt from charges for major works that are undertaken when they have just purchased a property. There is a level of charge they are still required to pay. The Council could consider extending the interest free repayment period for leaseholders.
- The Brockley PFI contract has a leaseholders' forum which meets three times a year. Every leaseholder in the scheme is invited to attend the forum and can suggest any item to be discussed. At the last forum, 40 leaseholders attended.
- Inspections of the buildings to establish whether maintenance is necessary are done by employees of the PFI project but residents are also invited to come along to each inspection round. Officers from Lewisham Council also inspect every estate at least once. An Independent Certifier was enlisted to monitor the quality of major construction works but as the PFI project no longer doing extensive refurbishments, they are no longer being used. A new contract for an Independent Certifier would be let as and when required.
- There have been teething problems when Lewisham Homes took over the IT system that monitors rent collections. The connections between the IT systems of Lewisham Homes, Lewisham Council and Brockley PFI have been difficult to set up.

3.3 The Committee made a number of comments. The following key points were noted:

- Sometimes, leaseholders can be surprised about a charge for maintenance or repair because they haven't considered these potential costs when buying a property. As there is an increase in the number of people wanting to exercise Right to Buy, there may be an increase in leaseholders being surprised by the charges levied against them.
- The Committee commented that local ward councillors could be invited to attend any leaseholder forum meetings.

3.4 **RESOLVED:** that the Committee noted the report.

#### 4. Lewisham Homes Management Agreement Update

4.1 This item was discussed after item 8 (Select Committee work programme).

4.2 Jeff Endean (Programme Manager Housing Matters) introduced the report. The following key points were noted:

- The management agreement was established in 2007 and was due to expire in 2017.
- Lewisham Homes has successfully increased the range and scope of services it provides on behalf of the Council in the recent years. Ground maintenance is an example of such a service.
- Lewisham Homes is planning on forming a new developments sub-committee to manage their new build programme. This would increase capacity to manage their building programme.
- A plan for Lewisham Homes to form a charitable subsidiary is being developed. This plan would outline the risks and benefits to changing the structure of Lewisham Homes. The Committee would be provided with more detail at their next Committee meeting.

4.3 Jeff Endean, Andrew Potter (Chief Executive Lewisham Homes) and Adam Barrett (Director of Resources Lewisham Homes) introduced the report. The following key points were noted:

- The 10 year length of the contract allows Lewisham Homes to offer more stability when recruiting new staff. The contract would contain a no fault termination clause that would allow the Council to withdraw from the contract before the 10 years of the contract had passed.
- The management agreement would allow the Council and Lewisham Homes to retain some financial flexibility as the budget for Lewisham Homes is set annually so open to regular review and possible changes. Lewisham Homes performs an annual review of their performance including their budget.
- The Lewisham Homes business plan is reviewed annually. This includes a review of the key performance indicators which involves measuring customer satisfaction.

4.4 **RESOLVED:** that the Committee noted the report, and that the Lewisham Homes Management Agreement report would return to the 9 March Committee meeting with more details on a plan to establish a charitable subsidiary.

#### 5. Allocations Policy

5.1 This item was moved forward on the agenda to be discussed directly after agenda item 3 (Brockley PFI – mid-year review).

5.2 Genevieve Macklin introduced the report to the Committee. The following key points were noted:

- The allocations policy was last reviewed in 2012. Since 2012 the waiting list for social housing has increased by 23%. Issues around the availability of housing have intensified. There has been a reduction in the annual number of available lets. There are also issues around the funding of new housing supply.
- The Council is committed to using all available tools to alleviate problems with the lack of available housing, and the allocations policy is one of the tools the Council can use.
- One of the proposed changes is that the requirement for a local connection is increased from 2 years to 5 years. Exemptions for those who served in the armed forces will remain. This change would not apply retrospectively.

- The criteria for when the Council would need to consider a young person living with their family as requiring their own bedroom would change from 18 years to 21 years.
- People on the waiting list would no longer be offered a property at the point where they would be in 4 weeks of rent arrears. People would still be allowed to bid for properties but would only be allowed to move after the arrears had been cleared. This is a simplification of the current policy.
- All residents who are currently on the housing register would be consulted before any changes to the allocations policy could be implemented. Implementation of the changes would not occur until the autumn.

5.3 A member of the public made a representation to the Committee. The following key points were noted:

- Greenwich Council had changed the criteria for its local connection in its allocations policy and had been challenged in the courts.
- Local Authorities should not be able to use their local discretion to exclude people from the housing waiting list who have been determined to fulfil the priority criteria.
- Greater detail should be provided in the report to clarify which rules would apply to which cases, as different rules apply to homeless people and other people on the housing register which makes the allocations policy a complicated matter.
- An equality impact assessment should be provided to enable full consideration of the issues before a decision is made.

5.4 Nina Morris (Lettings and Support Services Manager) commented. The following key points were noted:

- The local connection requirement of having lived or worked in the borough for 5 instead of 2 years applies to people on the housing register under section 6 of the Housing Act. However, different rules apply to people who have applied for housing under 7 of the Housing Act which the Council has a duty to house because they are or are at immediate risk of becoming homeless. For homeless applicants, the requirements for a local connection are that they have lived in the borough for 6 months out of the last year or 3 out of the last 5 years.
- There is also an exemption in place for people who are employed in the borough, so they can still fulfil the criteria for having a local connection.
- The council has taken legal advice on the proposed changes to the allocation policy which indicated that under these changes the Council would still fulfil its legal requirements.

5.5 Genevieve Macklin, Madeleine Jeffery (Private Sector Housing Agency Manager) and Nina Morris answered questions from the Committee. The following key points were noted:

- The changes to the definition of need for a bedroom would apply to all new and existing housing applications where people, who are already part of a household, so for instance children growing up in a family that lives in social housing. Different rules regarding the definition of need for a bedroom apply to people that apply to be on the waiting list that are single.
- If people reject three consecutive offers for housing, the proposed policy would be that they are suspended from the waiting list for a year and unable to bid for properties. After a year, their circumstances would be reviewed to see if they would still fulfil the criteria to be placed on the housing register and whether they're priority status had changed. Data is being collated on how many people reject three offers of housing.
- If someone is on the housing register under a homelessness application, they are subject to a limited offers rule of 'one offer only'.

- The Council operates a combined register, so the list of approx. 9,000 people waiting for social housing includes the approximately 1,700 residents currently in temporary accommodation.
- In some circumstances people can be living in temporary accommodation that is subsequently offered as a permanent residence. This can happen when people are for instance offered temporary accommodation in Lewisham Homes residencies, and only if the accommodation is suitable.
- The rent arrears rules only apply to people who currently have rent arrears of 4 weeks or more, but would be applied to every application on the waiting list.
- The majority of temporary accommodation is provided in bed & breakfasts accommodation, which cannot become permanent.
- The Right to Move quota would be calculated based on the Council's Annual Lettings Plan. The Annual Lettings Plan is used by the Council to estimate how many yearly lets are likely to be available. A percentage of the available lets each month is selected to be used to fulfil the Right to Move quota. Housing moves across London are counted towards this quota.

#### 5.6 The Committee made the following comments:

- It should be clarified in the report whether any of the proposed changes apply to people who are on the housing register under section 6 of the Housing Act, section 7 of the Housing Act or whether the changes would apply to both.
- It should be clarified in the report whether the limited offers rule of one offer (paragraphs 6.9 and 6.10) and the limited offers rule of three offers (paragraphs 6.18 and 6.19), applies people who are on the housing register under section 6 of the Housing Act, section 7 of the Housing Act or whether the changes would apply to both.
- It should be clarified in the report that the rent arrears rules (paragraphs 6.16 and 6.17) only refer to people that have current rent arrears, and not to people who have ever had rent arrears that have since been cleared.
- It should be clarified under the section for bedroom standard (paragraphs 6.20 to 6.22) that any proposed changes allow exemptions for people with medical and/or special needs.
- It should be highlighted in the report that there is the possibility that temporary accommodation provided outside the borough can become permanent if it is fit for purpose so people are aware of this possibility.

#### 5.7 **RESOLVED:** that the Committee noted the report, and that officers would provide the clarifications requested in paragraph 5.5 to the report when presented to Mayor and Cabinet for a decision.

## 6. Key Housing Issues

#### 6.1 Jeff Endean introduced the report. The following key points were noted:

- Housing benefit will be capped at the rate of Local Housing Allowance (LHA) for new tenants. Social rent is usually below LHA; however some affordable rents could be above the LHA level.
- The Housing and Planning Bill contains a proposal to make it compulsory for social landlords to charge social housing tenants whose household income is over £40,000 per annum (£30,000 out of London) 80% of market rents, and those whose household income is over £50,000 (£40,000 out of London) up to market rents. This is known as the 'pay to stay' scheme. £40,000 is not a significant income to be able pay market rate rents in London.
- The Council has set out its yearly voids to central government. This will likely be used to determine the amount to Council should pay for its high value voids, as opposed to a

system where high value property would have become void before payment is due. The bill to Council would be based on the number of voids DCLG thinks you ought to have in a year as opposed to the number of voids the Council actually has.

- The Council has received extra funding for its rogue landlord taskforce. In addition, the Department for Communities and Local Government (DCLG) has awarded the Council £200,000 of funding for the provision of temporary accommodation.

6.2 Jeff Endean and Genevieve Macklin answered a number of questions from the Committee. The following key points were noted:

- The Council tends to use the voids created in its regeneration schemes to offer temporary accommodation to homeless households.
- It is not yet clear whether the 'pay to stay' scheme would be tapered or whether there would be a cliff edge between people earning £39,999 and people earning £40,000 a year.

6.3 The Committee made the following comment:

- The Committee and all Councillors should receive an update on the progression of the Council's New Homes Programme a couple of times a year. The main purpose would be to enable Councillors to answer questions from their residents about in which locations the new Council housing was being built and how many units. A map would be useful.

6.4 **RESOLVED:** that the Committee noted the report.

## 7. Lewisham Homes mid-year review

7.1 This item was moved forward on the agenda to be discussed directly after agenda item 8 (Select Committee work programme) and agenda item 4 (Lewisham Homes Management Agreement Update).

7.2 Adam Barrett introduced the report. The following key points were noted:

- The report outlines the progress Lewisham Homes has made against their business plan.
- Targets for customer satisfaction are set out in business plan and are being monitored under the key performance indicators. The longer term target for customer satisfaction is 85%, which is outlined in the business plan. All staff of Lewisham Homes are asked to sign up to a commitment to deliver excellent services. Lewisham Homes has run 'a big conversation programme', where every manager in the organisation has spent a day calling residents to carry out a satisfaction survey.

7.3 Adam Barrett, Andrew Potter and Genevieve Macklin answered questions from the Committee. The following key points were noted:

- Lewisham Homes has links with staff with the South London and Maudsley NHS Foundation Trust. Staff receive considerable mandatory training on dealing with vulnerable residents and on safe guarding residents. Residents with suspected mental health conditions are sign posted to other organisation that can provide support. Lewisham Homes is also aware that people with mental health problems are more likely to fall into rent arrears, so has worked with the Council's welfare team when tenants are at risk of falling into arrears.

- The Decent Homes programme consisted of central government funding to upgrade homes to a decent homes standard. The programme had to be implemented quickly as the grant could otherwise have been removed.
- Some leaseholders have been concerned about the charges levied, and some tenants overall experienced some problems with the contractors. Lewisham Homes provides a leaseholders forum, but there are also mechanism to engage with the organisation via its website. Lewisham Homes has about 5,000 leaseholders.
- Disagreements with leaseholders about charges for maintenance or major works tend to revolve around the question: 'who gets to decide that maintenance or major work is needed and by what date?'. Lewisham Homes hires surveyors to identify what is needed in terms of maintenance and what is needed immediately. Some maintenance is obviously needed, such as replacing windows that are broken. Environmental improvements and hard landscaping tend to be more difficult to definitively establish.
- Big buildings works such as the Building Homes for the Future Programme are done by contractors, and the Decent Homes Programme has now been completed. However, there will still be situations where individual homes need their kitchens or bathrooms replaced. For those circumstances Lewisham is developing an in-house service. It is hoped this would lead to better customer satisfaction.
- There are always some residents that somehow fall through the gaps in terms of paying their rent. Some even deliberately not pay. Lewisham Homes provides support to people with difficulty paying their rents to reduce the number of potential evictions.
- Voids between April and November have moved from an average of 71 days in 2013-14 to 45 days in 2014-15. Voids do not just delay access to housing for residents, but they also mean Lewisham Homes loses out on rent it could otherwise charge. Lewisham Homes uses a definition of voids that includes the times properties are empty due to major works, while some social housing providers exclude those from their averages for voids.
- Across the country, there is a demand for sheltered accommodation but existing provision often doesn't meet the current requirements. Residents tend to feel some provision is out-dated, so it's difficult to let such properties creating long periods of voids. Some accommodation is also planned for redevelopment so empty properties are not being let while residents are moving out over time. This also creates lengthy voids. The Council is formulating a plan of action for the sheltered accommodation schemes across the borough. Part of this work consists of assessing whether the accommodation is suitable according to current standards.
- Some voids are longer because of structural issues with the property. It can take an average of around 30 days to complete minor works in properties that have become void. Lewisham Homes is working to get this average down to 22 days.
- Half of the income team at Lewisham Homes works on welfare reform and its impacts on residents. When people's circumstances change, this can create an issue, especially when the new payment has to be backdated to the moment the change took place. Lewisham Homes works very closely with the Council's welfare team. Bills do get adjusted if a mistake has been made, or officers would explain what has happened to the tenant faced with an unexpected bill where no mistake has been made.
- Lewisham Homes and the Council agreed a loan to Lewisham Homes of £22m for which interest has to be paid. Lewisham Homes used this loan to purchase properties which are used to alleviate the need for temporary accommodation across the borough. If the loan would not be repaid in time, the ownership of the properties would revert to the Council. Once the loan runs out, there can be a conversation about the Council should enter into another loan.

#### 7.4 The Committee made a number of comments:

- The average length of voids means that some properties must stand empty for much more than 45 days.

- There are concerns that some resident are suddenly presented with substantial bills due to backdated changes in their welfare.
- Leaseholder satisfaction has dropped to 35%. The Committee wanted to information about the number of leaseholders whose properties are undergoing major works, both as a percentage and as an absolute number. They requested this information for properties that are undergoing major works as well as special works.

7.5 **RESOLVED:** that the Committee noted the report, that the Committee be provided with the information on numbers of leaseholders whose properties are undergoing works as in paragraph 7.4 above, that the Committee be provided with information on the number and type of temporary accommodation that is provided with the Council's loan to Lewisham Homes, and that a report on the Council's plans for sheltered accommodation is added to next year's work programme.

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

8.1 Simone van Elk (Scrutiny Manager) introduced the report. The Committee discussed the work programme and decided that:

- The following items would be on the agenda for the 9 March meeting:
  - New Homes programme
  - Lewisham Homes Management Agreement
  - Annual lettings plan
  - Affordability review – final report and recommendations
  - Key Housing Issues
  - Rehousing the homeless by charity groups
  - Houses in Multiple Occupation and Article 4 directions as an information item
- The following items should be considered in the next municipal year:
  - Housing & Health to be considered at the April meeting
  - Lewisham's Housing Strategy – Update on action plan
  - Communal heating systems review – Update on recommendations

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

9.1 There were none.

The meeting ended at 9.55 pm