

MINUTES OF THE HOUSING SELECT COMMITTEE

Monday, 4 February 2013 at 7.30pm

PRESENT: Councillors Carl Handley (Chair), Vincent Davis (Vice-Chair), Paul Bell, Amanda De Ryk, Vicky Foxcroft, Ami Ibitson, Darren Johnson, Patsy Foreman, Sam Owolabi-Oluyole and Alan Hall.

APOLOGIES: Councillors Alan Hall and Liam Curran

ALSO PRESENT: Joseph Dunton (Scrutiny Manager), Genevieve Macklin (Head of Strategic Housing), Kevin Sheehan (Executive Director for Customer Services), Madeleine Jeffery (SGM: Housing Strategy and Policy), Louise Spires (Strategy, Policy & Development Manager), Selwyn Thompson (Group Finance Manager, Budget Strategy), Colin Moone (Housing Options and Assessment Manager), Peter Wood (Chair, Deptford 999 Club), Petra Der Man (Principal Lawyer), Mrs Mead (Leaseholder Representative), Gary Cummins (Strategy, Policy & Project Officer), Orville Phillips (Right to Buy Manager Lewisham Homes), Adam Barrett (Lewisham Homes), Mark Humphreys (Group Finance Manager – Customer Services), Alison Harrison (Deptford 999 Club) and Scott Cook (Partnerships and Service Improvement Manager)

1. Minutes of the meeting held on 8 January 2013

- 1.1 **RESOLVED:** That the minutes of the meeting held on 8 January 2013 be signed as an accurate record of the meeting.

2. Declarations of Interest

- 2.1 Councillor Bell declared a non-prejudicial interest as a Lewisham Homes Board Director.

3. In-depth review into low cost home ownership

- 3.1 Louise Spires introduced the report highlighting some key information:
- A wide range of Low Cost Home Ownership products have been available over recent years
 - Since the major policy changes in relation to Right to Buy (RtB) schemes on 1 April 2012, increasing the maximum discount to £75,000, there have only been 12 completed sales as of January 2013
 - According to the 2011 census only 1.24% of homes in Lewisham are owned under a shared ownership arrangement
 - Being able to afford the deposit remains a barrier to many prospective homeowners
 - The Mayor of London announced in September 2012 that the HomeBuy arrangements would be changing as part of his Housing Covenant. This will involve the abolition of the HomeBuy agent which will be replaced with a portal type website linking to each providers marketing websites.
- 3.2 The Chair introduced Mrs Mead, a leaseholder representative from who took questions from members of the committee. The key points to note from her experiences of Right to Buy are:

- Mrs Mead purchased her property in the year 2000 having lived there since she was 18. At the time of purchase the cost of making mortgage repayments was lower than the cost of continuing to rent the property.
- She acknowledged that coping with repairs herself is stressful and she would perhaps have to put further consideration into the decision to buy her home if she was buying again in the current economic climate given that repayments would now be closer to the cost of renting the property.
- Applying for a mortgage was straightforward and she did not have to find a deposit but she acknowledged that this was in 2000 and the process would be much harder now.
- The process of applying to buy her home through RtB was straightforward although she did have some help from her family
- Her RtB contract stipulated that there would be no major works for 5 years after purchase and as her mortgage was relatively low, £22 per month, she was able to put some money aside to help pay for any works in the future.
- As a regular attendee at leaseholder meetings she is now finding that the high cost of repairs is becoming more of an issue for leaseholders given the current economic climate.
- When she purchased her home the council advised her to also pay into an insurance scheme to help cover the costs of any future repairs.

3.3 In response to general questions on low cost home ownership from committee members to officers present the committee were advised:

- Much of the work of devising and administering Low Cost Home Ownership products is not carried out by the Council.
- The simplicity of the product is an important factor in making it desirable to residents
- Banks are cautious and reluctant to lend despite significant council "write downs" on the value of properties
- A scheme that will offer residents a cash incentive to purchase their own home privately is going before Mayor and Cabinet
- The Council do have a mortgage rescue scheme which is open to all residents

3.4 In response to questions on Right to Buy from committee members to officers present the committee were advised:

- There are currently a high number of applications for the RtB scheme but few of these make it to completion which may be as a result of the current economic climate.
- It is thought that some residents are waiting for Decent Homes work to be completed before investigating RtB.
- Officers will confirm whether 100% (minus fees) of proceeds from a RtB sale were retained by the Council
- Officers will provide a breakdown of the properties sold by bed size
- Officers will put easy to read information on Right to Buy on the Lewisham website
- Officers will confirm the number of council homes sold through RtB in 2001 / 2002

3.5 In response to questions on Shared Ownership / Shared Equity Options from committee members to officers present the committee were advised:

- The new Greater London Authority (GLA) website was not available in time for this meeting and officers are unaware of their plans in regards to future promotion of shared equity schemes

- Officers make easy to read information on Shared Equity and Right to Buy options available on the Lewisham website
 - It is possible to gradually increase the ownership share up to 100% ownership of a property under current shared ownership options
 - Housing Associations hold residents liable for 100% of repair costs despite them not owning 100% of property
 - Officers were unaware of a situation where a Housing Association bought back a property from a tenant who had purchased it under a shared equity option.
- 3.6 In response to questions on Self Build options from committee members to officers present the committee were advised:
- The council have identified the Church Grove site as a suitable site for a self build development
 - Self build is very labour intensive option for Council officers as it involves working closely the group involved.
 - The council would only be able support a small number of self build projects
- 3.7 In response to questions on Community Land Trusts (CLTs) from committee members to officers present the committee were advised:
- CLTs would need to approach the Council with an offer to set up a Community Land Trust
 - The idea of a CLT is to make land available for building – it would not necessarily have to be a self-build development
- 3.8 In response to questions to Orville Phillips, Right to Buy Manager - Lewisham Homes the committee were advised:
- Accessing a mortgage is a barrier for many potential leaseholders
 - Mortgage lenders are reluctant to lend and regard many properties as over valued
- 3.9 **Resolved:** That the committee would be supplied with the following information:
- whether 100% (minus fees) of proceeds from a RtB sale were retained by the Council
 - a breakdown of the properties sold by bed size
 - the number of council homes sold through RtB in 2001 / 2002

The committee recommends that officers make easy to read information on Shared Equity and Right to Buy options available on the Lewisham website.

4. Revenue and budget savings proposals 2013/16

- 4.1 This item was taken after item 6 at the meeting.
- 4.2 Selwyn Thompson introduced the report, commented on the challenging financial outlook for local authorities as a result of the financial settlement announced by the government in December 2012. The council will need to save a total of £53.5m over the next two years.
- 4.3 Genevieve Macklin introduced the two proposals relevant to the remit of the Committee. The key points to note were that:
- of the savings outlined in CUS 41 (Review of the Regulatory Services across the Strategic Housing and Environment divisions within Customer Services to better

align functions, remove duplication and delayer management) only a portion of these were related to enforcement activities in housing and these would be achieved by de-layering of management.

- CUS 42 (rental income on approximately 180 properties in the Milford Towers Estate leased to a commercial partner until its demolition in December 2015 as part of the regeneration of the Catford Centre) is an innovative proposal which allows the council to take increase revenue without cutting services.

4.4 In response to questions from members on savings proposal CUS 41 the committee were advised:

- this proposal would involve the removal of one managerial post in Environmental Health residential but these responsibilities would be picked up by another manager

- Setting up a discretionary licensing scheme would involve significant up front investment but officers are monitoring the work that is ongoing in Newham

4.5 In response to questions on CUS 42 the committee were advised:

- Lewisham Homes do not currently have the necessary experience in attracting non social renting tenants as they do not let any properties at non-social rents.

- Lewisham Council are unable to charge a higher rent for these properties due to existing Council policy around affordable rents.

- These properties are currently outside the Housing Revenue Account (HRA) as they are part of the Catford Regeneration Programme however this proposal allows the rent received to be channelled back to the HRA.

- Any of the existing Milford Towers flats that are suitable for use as Temporary Accommodation will be used for this purpose.

- Lewisham will get paid the value of the social rent for these properties and the agent will be charging prospective tenants just below the market rent.

4.6 **RESOLVED:** The committee noted the savings proposed in CUS 41 and CUS 42. That the Committee agreed to refer the following comments regarding CUS 42 to the meeting of the Public Accounts Committee to be held on 7 February 2013:

The committee would like to request that before this proposal proceeds they need to be advised of the difference between the social rent being paid to the council and the proposed market rent being charged by the commercial partner.

5. Use of temporary accommodation for homeless households

5.1 Colin Moone introduced the report. The key points to note were:

- Households go into temporary accommodation (TA) while investigations are ongoing to determine whether the Council have a statutory duty to house that household or when the Council have accepted the duty to house a household for whom suitable permanent or stable accommodation has not yet been found.

- Types of TA include bed and breakfasts (B&B), hostels, private sector housing, registered social landlord housing and council homes.

- The report notes that there has been an increase in street homelessness (rough sleeping) in the borough.

- The Council are undergoing a capital improvement programme that will involve improvement works for 12 of the 25 hostels in the borough.

5.2 The Chair introduced Peter Wood and Alison Harrison from the Deptford 999 Club to the Committee and they provided a short introduction to the work that the Deptford 999 Club does in the borough. Key points to note were:

- The 999 Club see mainly individuals as most families go straight to the Council's Housing Options Centre (HOC)
- Clients are usually referred to the Council's Single Homeless Individuals Project (SHIP) for help in the first instance
- The night shelter can hold up to 25 individuals and is currently running at full capacity

5.3 In response to questions from the committee officers advised that:

- The Council have a rough sleeping strategy which involves collaboration with a number of different agencies including social services
- Due to the high number of people presenting as homeless in the borough the Council act only in line with Section 188 of the Housing Act (1996)
- The Council has a growing list of around 7500 households waiting to be re-housed in social housing with only around 1500 households being housed each year.
- The usage of B&B in Lewisham for households in temporary accommodation is lower than in other London Boroughs
- The council are looking at increasing bed spaces in existing accommodation and reducing the need for households to share facilities
- There is a multi-agency protocol in place for pro-actively helping rough sleepers in adverse weather conditions. However the target time period for removal from TA will only be extended if necessary.
- A hostel diversion scheme is in place and the development of Love Lewisham Lets may help expand access to social housing in the borough.
- Officers will advise HOC and SHIP staff of the role of Councillors to stop situations where officers are advising residents to call Councillors directly to appeal a case

5.4 In response to questions from the committee Peter Wood and Alison Harrison advised that:

- SHIP do investigate the social issues often associated with rough sleeping such as drinking and drug use.
- The Deptford 999 Club are currently experiencing financial pressures
- A lot of the rough sleepers in Lewisham would not be classed as vulnerable – they are single young men
- The 999 Club have previously approached the Polish Embassy for support in helping Polish nationals who are homeless in Lewisham.
- There are organisations working locally to support those of Central and Eastern European origin that wish to be voluntarily repatriated but many of these individuals do not wish to return.

5.5 It was also agreed that details of upcoming local assembly meetings would be supplied to Peter Wood by the scrutiny manager so they can discuss any potential support on offer.

5.6 **RESOLVED:** That the report be noted; that officers will advise HOC and SHIP staff of the role of Councillors to stop situations where officers are advising residents to call Councillors directly to appeal a case; and that details of upcoming local assembly meetings would be supplied to Peter Wood by the scrutiny manager.

6. Key housing issues report

6.1 Madeline Jeffrey introduced the report. The key points to note were:

- The Leaseholder Valuation Tribunal (LVT) appeal involving 23 Brockley leaseholders has been resolved so that on-costs for leaseholders have been reduced from 26% to 24% whilst management costs remain at 10%.
- The council are now looking at the impact on bills for residents and will refund money where necessary

6.2 In response to questions from members the committee were advised:

- Housing Officers are working with colleagues in legal to explore options to claw back some of the costs associated with this action from the Brockley Private Finance Initiative.
- Final bills including reductions based on the findings of the upper tribunal will now be sent to residents.
- Officers will advise the committee on how much Council have saved through the class action and how much has been spent on legal fees to achieve this saving.

6.4 **RESOLVED:** That the report be noted; and officers to advise the committee on how much Council have saved through the class action and how much has been spent on legal fees to achieve this saving.

7. Select Committee work programme

7.1 The Chair agreed to suspend Standing Orders as the meeting had lasted longer than 2.5 hours.

7.2 Joseph Dunton informed the committee that invites to the oral evidence session have been sent to the following individuals:

- Ted Stevens – Chair of the National Self Builders Association
- Dave Smith – Chair of the East London Community Land Trust
- A representative from L&Q or the GLA to discuss new arrangements for the Shared Equity Scheme

7.3 Councillor Davis proposed that Kareem and Dave Dayes from the Rural Urban Synthesis Society (RUSS) be invited to discuss self build and community land trusts. Legal advice was taken from Petra Der Man with regard to RUSS's ongoing participation in negotiations with the Council in regard to the Church Grove site and the perception of unequal access for one set of bidders if RUSS were invited to attend the committee meeting. This advice was accepted by the committee.

7.4 Councillor Handley suggested that further representation from a leaseholder representative who had purchased their property through Right to Buy be sought for March meeting.

7.5 **RESOLVED:** That the work programme is noted; legal advice regarding invites to the oral evidence session to the low cost home ownership review is noted; and a further leaseholder representative to discuss Right to Buy be invited to the next meeting.

8. Referrals to Mayor and Cabinet

8.1 There were no referrals to Mayor and Cabinet but there was a referral to the Public Accounts committee as detailed in paragraph 4.6 of these minutes.

The meeting ended at 10.15 pm

Chair: _____

Date: _____