

# MINUTES OF THE HOUSING SELECT COMMITTEE

Thursday 14 December 2017, 7.30pm

Present: Councillors Carl Handley (Chair), Peter Bernards (Vice Chair), Olurotimi Ogunbadewa, John Coughlin, Bill Brown, Sophie McGeevor, Pat Raven and Jonathan Slater.

Apologies: Councillor Britton.

Also present: Nick Porter (Senior Adviser, Local Government Association), Lindsay Mortimer (Brockley Tenants' Co-operative), Genevieve Macklin (Head of Strategic Housing), Jeff Endean (Housing Strategy and Programmes Manager), Rachel Dunn (Housing Policy and Partnerships Manager), Kevin Sheehan (Executive Director for Customer Services), and John Bardens (Scrutiny Manager).

## 1. Minutes of the meeting held on 9 November 2017

Resolved: the Committee agreed the minutes of the last meeting as a true record.

## 2. Declarations of interest

Councillor Slater is a member of the board of Phoenix Community Housing

Councillor Coughlin is a member of the Brockley Tenants' Co-operative

## 3. Responses from Mayor and Cabinet

There were no Mayor and Cabinet responses.

## 4. Models of delivering new housing – evidence session

Jeff Endean (Housing Strategy and Programmes Manager) briefly outlined Lewisham Council's approach to joint venture housing development. The following key points were noted:

- 4.1 The council's joint venture development in Besson Street is a 50/50 equal partnership between Lewisham Council and a private-sector partner.
- 4.2 The approach at Besson Street is to create a new joint venture company in which the council invests its land and secures matching investment from its partner. The development is funded 50/50 between the council and its partner, and the council benefits from 50% ownership of the final development. Both parties to the joint venture will have the right to buy out the other partner or sell out its interest.
- 4.3 The Besson Street development is expected to cost around £75m to build. This is one of the main reasons the council wanted to attract a partner. The joint venture approach allows the council to share the development risk with a partner and to benefit from a portion of the development's profits.

- 4.4 The Besson Street development is expected to provide around £500k a year income.
- 4.5 The development will provide 232 new homes, all of which will be rented. 35% will be let at London “living rent” levels, which are set according to the local median income. The development will also include a GP surgery and office and commercial space.
- 4.6 The allocation of tenancies is expected to work in a similar way to other affordable housing schemes, with priority being given to people who live or work in Lewisham.

Nick Porter (Local Government Association, Senior Policy Adviser, Housing, Planning and Homelessness) provided evidence to the committee. The following key points were noted:

- 4.7 The LGA is supporting a number of councils who are considering direct delivery of housing. The drivers for many councils include: generating revenue to reinvest in other services, adding quality and affordable private rented sector housing, and addressing gaps in the market for key workers.
- 4.8 Councils are exploring many different models, including housing companies and joint ventures. The LGA has been funding options appraisals on direct delivery for a number of councils to assess the local landscape and identify the best route for councils to intervene. The suitability of the model ultimately depends on the individual circumstances of the local authority.
- 4.9 For a number of councils considering setting up housing companies, the LGA has recommended taking more time to consider the best route to direct delivery for that particular area. Joint ventures may be more suitable than housing companies for some areas. Some smaller districts, for example, have not had the critical mass for housing companies.
- 4.10 Some councils do come across barriers to direct delivery. The key barriers councils often face are skills and capacity. There are also barriers around change of land use.
- 4.11 Affordable housing means affordable for that area, but it can be problematic to apply a definition of affordable to a housing market which the Government has acknowledged is broken.
- 4.12 London Living Rent is an interesting idea and the LGA is supportive of linking rents to incomes. This might be challenging to deliver nationally however.

Lindsay Mortimer (Brockley Tenants' Co-op, Manager) provided evidence to the committee. The following key points were noted:

- 4.13 Brockley Tenants' Co-op (BTC) believe that they have a lot to offer in bringing people and communities together. Their mission statement is: "delivering safe, secure, decent and affordable homes for our members".
- 4.14 BTC owns 90 properties and manages 72 for Hexagon Housing Association. They have 5 staff, 3 of which are part-time. All staff are experienced housing professionals. BTC has been in existence for more than 40 years.
- 4.15 BTC try to keep their costs at minimum so that their rents are reasonable. They also help people to find work and access benefits so that they can afford where they live. Tenants are able to come into the BTC office to talk about their issues and BTC staff will offer practical help, with filling out forms, for example.
- 4.16 BTC said that cooperative housing is an excellent model of social housing – there's a lot of ownership involved and members are made aware of their responsibilities to look after their home. If the co-op has to spend money on anti-social behaviour (ASB) issues, fly-tipping, or damaged homes, rents will have to go up. There is currently very little ASB in the BTC community and tenants look after their homes.
- 4.17 BTC also provide a signposting service every Thursday, through which they have supported a number of people. BTC noted that support like this is hard to come by in larger organisations.
- 4.18 BTC believe that they could provide their services on a wider scale in Lewisham and would be interested in working in partnership with Lewisham Council, particularly with new housing developments.
- 4.19 BTC would like to see cooperative housing included in new developments alongside the other types of housing. BTC would be happy to manage housing stock on behalf of Lewisham Council.
- 4.20 BTC noted that the main advantages of their model is that they are not too big to show that they care and not too big to communicate. They said they have the time to go and talk to people, evaluate their needs and try to help them – something which is often harder to deliver with larger organisations. BTC also noted, however, that there are large co-ops which have managed to do this well.
- 4.21 BTC has had two complaints in the last 18 months, both of which related to repairs. There have been no serious complaints, no complaints about disrepair, and no complaints about planned maintenance not being carried out on time. There have also been no complaints from the tenants of the 72 Hexagon properties.

- 4.22 When setting rent levels, BTC benchmark against other organisations, including Lewisham Council. They also work with Hexagon and set their rents at a similar level. Although they were not obliged to, BTC have applied the 1% decrease in social rents. Rent increases are gradual and reasonable and not intended to keep up with the market.
- 4.23 BTC monitor rents weekly and if someone appears to be struggling they will make a personal phone call to see if there's anything they can do to help. They are often able to help people access the right amount of benefits.
- 4.24 BTC does not have a high level of rent arrears. BTC will take people to court if necessary, but has not had to do this for at least 18 months.
- 4.25 All of the BTC team have been on courses to help identify potential mental health issues and regularly work with other support services to help people pay their rent. They also carry out regular tenancy audits.
- 4.26 One of the advantages of managing properties for others is that it allows BTC to expand its services in the community. The more properties BTC manage for others, the more revenue they can put back into providing housing.
- 4.27 One of the disadvantages is that there is potential for disparity between tenants of properties owned by BTC and those owned by others, such as housing associations – for example, if right to buy was to be applied to housing associations. BTC is fully mutual, so tenants of those homes owned by BTC would not have the right to buy.
- 4.28 BTC is always thinking of ways to expand its services. The aim with a property that BTC is currently in the process of purchasing, for example, is to rent it for five years at market rent, under a different company, and to reinvest this income in BTC. After five years the property would return to social rent levels. This is similar to what housing associations are allowed to do.
- 4.29 BTC explained that they have their own policy for allocations and advertise when they have a property. BTC are also currently in discussions with Lewisham Council about a more defined allocations policy with them.
- 4.30 Lewisham Council sees cooperatives as an essential part of the housing mix. The council has to be careful, however, with what it does with the limited land it has.
- 4.31 The committee noted that it is not the case that cooperatives always need council land – BTC have expanded their services by working with other organisations.
- 4.32 The committee noted that as a small organisation BTC appears to more in touch with their tenants than some larger organisations and that this allows them to identify any problems much earlier on.

- 4.33 The committee questioned, however, whether a bigger footprint for BTC would lead to a loss of its personal service.

*Resolved: the committee noted the evidence from the witnesses.*

## **5. Homelessness and temporary accommodation pressures**

Genevieve Macklin (Head of Strategic Housing) introduced the report. The following points were noted:

- 5.1 Lewisham's homelessness trailblazer project aims to trial the use of predictive analytics to prevent homelessness. It involves data-driven identification of households at risk of homelessness and more targeted upstream intervention/prevention work. The council has more than 45 million rows of data to analyse.
- 5.2 The project has received £985k funding from the Department for Communities and Local Government (DCLG) for three years.
- 5.3 As things stand, the council's homelessness prevention work only starts when someone approaches the council with an eviction notice. One of the main aims of the trailblazer project is to identify common traits among those at risk of homelessness to be able to start prevention work much earlier.
- 5.4 Officers also want to change the council's approach to homelessness from one based on process to one based on problem solving with more conversational and motivational interview techniques.
- 5.5 Officers will work to ensure that there is consistent messaging across the borough from all partners on the council's approach to preventing homelessness.
- 5.6 The committee noted its previous in-depth review of mental health and housing and suggested that many of those being evicted and made homeless are people with mental health needs.
- 5.7 The committee noted that more data and intelligence would help with identifying those at risk of homelessness who are experiencing mental ill health.

*Resolved: the committee noted the report.*

## **6. Key housing issues**

Rachel Dunn (Housing Policy and Partnerships Manager) introduced the report. The following points were noted:

- 6.1 The Chair informed the committee that the Sustainable Development Select Committee had written to him, following consideration of an update on fire safety in tall buildings, to express its concern about the lack of information available in relation to some of Lewisham's registered housing providers. The

Sustainable Development Select Committee asked the committee to consider if there are further actions that should be taken to ensure that providers share information.

- 6.2 In response, the committee suggested that officers could write to tenants informing them of the problems the council has had obtaining important fire safety information from their landlord.

*Resolved: the committee noted the report.*

## **7. Select Committee work programme**

John Bardens (Scrutiny Manager) introduced the report. The following was noted:

- 7.1 The Scrutiny Manager informed the committee that arrangements were being made to hold the next meeting of the Housing Select Committee at Phoenix Community Housing. This would include a tour beforehand of the new Extra Care housing at Hazelhurst Court.

*Resolved: the committee noted the work programme.*

## **8. Referrals**

- 6.1 There were no referrals at this meeting

The meeting ended at 21.55pm

Chair: -----

Date:

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