

| Mayor and Cabinet | | | |
|--------------------------|--|-----------------|-----------------|
| Report Title | Comments of the Housing Select Committee on Housing Challenges and Opportunities | | |
| Key Decision | No | Item No. | |
| Ward | All | | |
| Contributors | Housing Select Committee | | |
| Class | Part 1 | Date | 18 January 2012 |

1. Summary

- 1.1 This report informs the Mayor and Cabinet of the comments and views of the Housing Select Committee, arising from discussions held on the officer report on *Housing Challenges and Opportunities*, considered at its meeting on 10 January 2012.

2. Recommendation

- 2.1 The Mayor is recommended to note the views of the Housing Select Committee as set out in section three of the report and agree that the Executive Director for Customer Services be asked to respond to the referral.

3. Housing Select Committee views

- 3.1 On 10 January, the Housing Select Committee considered a report (a) outlining upcoming housing challenges and opportunities and (b) setting out the level of investment required in existing council owned housing and the significant shortfall in housing supply that Lewisham is currently experiencing and expected to continue to experience going forward.
- 3.2 The Committee noted that the Mayor would be asked, on 18 January 2012, to agree that a full technical and legal appraisal be undertaken on how these policy challenges might be addressed and agree to provide one-off funding of £0.5m from corporate resources to finance the appraisal.
- 3.3 The Committee would like to make the following comments:

Scrutiny involvement

- 3.4 Given the scale, importance and corporate/cross-cutting nature of any decisions concerning the options that will become available through the new self financing regime, the Committee would like pre-decision scrutiny to occur at every stage of the process; and the full overview and scrutiny committee to be involved as necessary, taking into account the capacity and limited remit of the Housing Select Committee.

Timing of the appraisal and variables

- 3.5 The Committee is concerned about the timing of the full technical and legal appraisal, given the number of variables still to be pinned down and suggests that consideration is given to carrying out more internal research before external expertise is sought.

The scope of the appraisal

(a) The options

- 3.6 The Committee would like to recommend that:
- The Council does not consider any form of PFI in the delivery of decent homes or new build as part of the appraisal.
 - The Council does not consider transferring ownership of the stock through a large scale stock transfer (LSVT) to an existing Housing Association / RSL as part of the appraisal.

(b) The pension fund

- 3.7 The Committee would like further consideration to be given to the use of the Council's pension fund as a source of investment finance, including the possibility of linking with other London boroughs or pursuing national collaboration via the Local Government Group.

(c) Additional information

- 3.8 As part of the appraisal the Committee would like each option being considered to include assurances around protecting (a) social rents and (b) security of tenure; and confirmation that the Council will have 100% of nominations to any new vehicle that might be created and access to accommodation for the purposes of housing homeless applicants.
- 3.9 The Committee recommends that options for homeless hostels, temporary accommodation and low cost home ownership, including options for self-build, are included within the scope of the appraisal.
- 3.10 The Committee recommends that the appraisal includes projections for the number of new builds that each option could potentially support over the 30 year business plan period and an assessment of the Council land available for new builds.
- 3.11 In terms of options involving the transfer of stock to another organisation, absolute clarity on what the Council would transfer is required; and the consequential cost to the Council in terms of loss of assets, impact on other council services and ability to borrow (as the Council will no longer be able to borrow against the stock) needs to be quantified. With regard to the co-operative model option, consideration needs to be given as to how protection against demutualisation can be guaranteed.

The budget for the appraisal

- 3.12 In light of the Committee's recommendations concerning the reduction in options to be appraised and the need for more internal research prior to the appraisal commencing, the Committee hopes that the use of internal expertise can be maximised and the use of external expertise minimised; and consequently, the budget for the appraisal reconsidered and reduced.

4. Financial Implications

- 4.1 There are no financial implications arising out of this report per se; but there are financial implications arising from carrying out the actions proposed by the Committee.

5. Legal Implications

- 5.1 The Constitution provides for Select Committees to refer reports to the Mayor and Cabinet, who are obliged to consider the report and the proposed response from the relevant Executive Director; and report back to the Committee within two months (not including recess).

BACKGROUND PAPERS

Housing Challenges and opportunities – Officer Report to Housing Select Committee (10.01.12)

If you have any queries on this report, please contact Charlotte Dale, Scrutiny Manager (0208 3149534), or Kevin Flaherty, Head of Business & Committee (0208 3149327).