

# MINUTES OF THE HOUSING SELECT COMMITTEE

Thursday, 17 November 2022 at 7.00 pm

IN ATTENDANCE: Councillors Stephen Penfold (Chair), Will Cooper (Vice-Chair), Natasha Burgess, Suzannah Clarke, Billy Harding and Rosie Parry

ALSO JOINING THE MEETING VIRTUALLY: Councillors Ese Erheriene (Vice-Chair of Overview & Scrutiny)

APOLOGIES: Councillor Sakina Sheikh

ALSO PRESENT: Timothy Andrew (Scrutiny Manager), Nidhi Patil (Scrutiny Manager), Fenella Beckman (Director of Housing Services), Jennifer Daothong (Executive Director for Housing, Regeneration and Public Realm), Margaret Dodwell (Chief Executive, Lewisham Homes), Ellie Eghtedar (Head of Housing Needs and Refugee Services), Paul Leo (Housing Programme Director) and Councillor Sophie Davis (Cabinet Member for Housing Management and Homelessness)

ALSO PRESENT VIRTUALLY: Katharine Nidd (Head of Strategic Finance, Planning and Commercial), Patrick Dubeck (Director of Inclusive Regeneration), Sarah Willcox-Jones (Director of Repairs, Lewisham Homes), Sam Jones (MEL Research)

NB: Those Councillors listed as joining virtually were not in attendance for the purposes of the meeting being quorate, any decisions taken or to satisfy the requirements of s85 Local Government Act 1972

## **1 Minutes of the meeting held on 12 October 2022**

1.1. RESOLVED: that the minutes of the last meeting be agreed as a true record.

## **2 Declarations of interest**

2.1 Councillor Cooper declared an interest as a service manager for Community Advice Works- which provides advice and advocacy for people regarding housing matters in Lewisham.

2.2 Councillor Penfold declared an interest as an employee of the Lewisham Refugee and Migrant Network- which provides advice to refugees and migrants in Lewisham.

2.3 Councillor Harding declared an interest as an employee of Centre Point- a youth homelessness charity- which manages property in Lewisham.

## **3 Responses from Mayor and Cabinet**

3.1. There were none.

The Chair informed the committee that the items on the agenda would be considered in the following order- Lewisham Homes Repairs Update, Future of Housing managed by Lewisham Homes, Budget Reductions Report, Accommodation Procurement Strategy.

#### **4 Budget reductions report**

Katharine Nidd (Head of Financial Strategy, Planning & Commercial) introduced the report. The following key points were noted:

- 4.1. Some of the context for the report had changed slightly as it was written before the Autumn statement that came out on 17<sup>th</sup> of November 2022.
- 4.2. The Medium-Term Financial Strategy (MTFS) that came out in July 2022, signalled that cuts of circa £14 million were needed for 23/24, out of which cuts of £3.6 million were identified in prior years leaving a gap of circa £10 million for next year. The savings proposals in this report were for this gap of £10 million.
- 4.3. Since the Local Government Finance Settlement had not been confirmed yet, there was a risk that the MTFS savings target estimate may increase.
- 4.4. Table 5.8 in the Mayor & Cabinet report listed the savings proposals that required member decisions. Table 5.13 listed the savings proposals that required officer decisions as per the scheme of delegation in the Council's constitution.
- 4.5. A member of the public was invited to address the Committee. They queried whether the tax rise and the plans to reduce the cap on Local Government spending would affect the residents in Lewisham Homes and if it would affect the services that Lewisham Homes and Lewisham Council provide. The response summarised that the Council would inevitably have to make cuts in order to set a balanced budget for next year, but it was currently going through that process now so more details could not be set out yet.

Jennifer Daothong (Executive Director for Housing, Regeneration & Public realm) introduced the savings proposal HRPR\_SAV\_01. The following key points were noted:

- 4.6. HRPR\_SAV\_01 proposal focused on the Temporary Accommodation (TA) Cost Reduction.
- 4.7. There was an invest to save element to this proposal that required the funding of a dedicated project team who would work alongside the service to oversee a wide-ranging programme of interventions aimed at reducing overall spend on TA.
- 4.8. Over a period of 3 years, net savings of a million pounds a year was expected. This would go some way to reducing the impact TA had on the general fund budgets.

Jennifer Daothong and Katharine Nidd responded to questions from the Committee – the following key points were noted:

- 4.9. The Committee was keen to ensure that the lower cost of TA did not mean lower quality. The proposal recommended that the cost reduction would be achieved by reducing the number of people in nightly paid TA, using data to better understand the needs of the households in TA and by securing longer term placements at lower costs. This would not mean compromising the quality of TA provided.

- 4.10. The overall aim of the proposal was to ensure that households spent less time in TA and that households were not moved in-between TA placements multiple times. This was to ensure that households felt more settled and had more clarity about their situation in the longer term.
- 4.11. The level of outstanding debt set against the Housing service was remarkably low for a council run housing service signalling that the rent collection rate was very good. Although there was still room for improvement in the rates of collection for TA managed by Lewisham Homes. The Council was working together with Lewisham Homes to understand how to improve that.
- 4.12. The proposal that tenants pay for their own utilities would not be rolled out to all households in TA instantaneously. This scheme would be trialed as a pilot first and then rolled out more widely if possible. It was noted that these savings were identified for later years to try and minimise the risk of this coinciding with the current cost of living crisis.
- 4.13. The housing service had been restructured recently to tailor the service to be able to deal with the challenges arising from homelessness prevention. There was a need to explore additional routes to tenancy sustainability and the new dedicated project team would help identify some of those pathways.
- 4.14. The proposal to reduce spend on storage would be achieved through identifying and closing the storage accounts of households that were no longer supported by the council's housing service.
- 4.15. A second member of the public was invited to address the Committee. In light of the autumn statement, they queried how the potential rise of council tax by 5% would affect local people. The full detail of what would happen to council tax was not yet available as the council would not be making any decisions until it had received the funding from central government which would not happen at least until December 2022.

RESOLVED: That the report be noted.

*Following consideration of the Accommodation Procurement Strategy, it was noted that whilst the Committee had not challenged any of the recommendations in this report, it had concerns as to whether these savings could be achieved.*

## **5 Lewisham Homes repairs update**

Margaret Dodwell (Chief Executive of Lewisham Homes) and Sarah Willcox-Jones (Director of Repairs at Lewisham Homes) introduced the report. The following key points were noted:

- 5.1. Lewisham Homes had appointed a dedicated Director of Repairs which underlined their commitment to delivering efficient repair services.
- 5.2. In January 2022, Councillor Penfold had expressed his dissatisfaction with the level of money that was being paid to solicitors for costs. Lewisham Homes had since increased the size of their Legal Disrepair team.
- 5.3. Work was being done on the implementation of a customer experience application called Localz. The introduction of the Localz app would help to identify where repairs had not gone well. This would allow the team to proactively contact residents and improve the repairs service while reducing the number of calls to the contact centres.

- 5.4. Lewisham Homes recognised and accepted the need to reduce its reliance on sub-contractors. They recently recruited 4 operatives and were actively looking to recruit 6 more. Staff were also working with Lewisham College to look at options for apprenticeships and were training staff who wanted to join the repairs team.
- 5.5. Residents found it difficult to contact Lewisham Homes, so ease of access was still an issue. People were waiting for unacceptably long times to get in touch with the contact centre. Although 6 new starters had been recruited in the contact centre, it was noted that the turnover was really high.
- 5.6. Lewisham Homes was still averaging around 5000 repairs per month and the aim was to have no more than 3500 repairs at any given time. They were approximately 1000 repair jobs over where they needed to be and were taking a project team approach to clearing the backlog of repairs. This was expected to be completed by mid-January 2023 subject to the recruitment of 10 temporary operatives.

The Committee asked a number of questions about the status of repairs in Lewisham Homes and the following key points were noted:

- 5.7. The Committee was concerned about the high turnover in the contact centres and low retention rates. Lewisham Homes still had a 100% work from office approach for contact centres which was not helpful with staff retention as other places offered a 60-40 split between work from home and work from the office. Due to reliance on old IT systems this 60-40 split couldn't be provided by Lewisham Homes. There was hope that the introduction of Localz app would help the contact centre as it would take a proactive approach in picking up dissatisfaction with repairs, in turn reducing the calls to the contact centre.
- 5.8. An exit interview process did exist in Lewisham Homes, but it was not mandatory. Most of the exit interviews had revealed that very old IT systems and the level of use of sub-contractors which meant longer time in getting answers for the residents, led to dissatisfaction amongst the contact centre staff.
- 5.9. The Localz app had been tried and tested by other housing associations. Lewisham Homes took references from Fairhive Housing, one of the early adopters of Localz. Localz had 3 elements to it- a text element (which residents could access without smartphone), a web portal element (which was only available to residents with smartphones) and a survey element which was a satisfaction survey sent to all residents after the repair service.
- 5.10. There was a lack of trust amongst residents in Lewisham Homes' online reporting system. Lewisham Homes acknowledged that the online portal was still clunky and that they were working on a longer-term solution following the introduction of the new housing management system.
- 5.11. Lewisham Homes had organised estate days and open days for repairs, but follow-through had been an issue for some residents' whose issues could not be resolved on the day. There was no access to proper IT on the estate days / repairs open days which had been a key issue. In the future, Lewisham Homes would better pre-plan for such events in advance to ensure public confidence in these outreach events was not lost.
- 5.12. The Committee had concerns about how the repairs in the current backlog of repairs were being prioritised. Prioritising was being done in a number of

ways such as looking at the age of repair, type of repair (particularly focusing on leaks, damp & mould) and resident vulnerability.

- 5.13. A recent inquest report concluded that the tragic toddler death in Rochdale was caused by the mould affecting his airway. Following this news, Lewisham Homes briefed all its repair staff on the importance of responding with empathy and pace. Lewisham Homes has a damp & mould register and is reviewing all outstanding damp & mould cases to proactively tackle cases at pace. As of 26<sup>th</sup> of November, Lewisham Homes would carry out damp & mould repair works on Saturdays in addition to during the week. Operatives were happy with this overtime possibility as it was an opportunity for them to earn additional income in this cost-of-living crisis.
- 5.14. There had been a significant increase in disrepair cases across the social housing sector. In January 2022, Lewisham Homes had 224 legal cases and out of their disrepair budget spend of £1 million, 75% was spent on compensation and legal fees. At the time of this meeting, Lewisham Homes had 267 live legal cases which was an increase from January 2022. The Committee asked for further information on how many legal cases were being brought against Lewisham Homes every week and how much money from their disrepair budget was being spent on legal fees and compensation.
- 5.15. Property MOTs were still being undertaken by Lewisham Homes but in a more targeted way rather than as a blanket offer for all residents.
- 5.16. It was suggested that the use of smart meters might help households to decide how much and when they could use their heating. Lewisham Homes had linked with Switchee to provide smart logging thermostats to help identify condensation, damp, or mould risk. Lewisham Homes were also signposting residents to South East London Community Energy for guidance and advice around their heating options.

**RESOLVED:**

- that the report be noted along with the fact that the Committee still had very serious concerns about Lewisham Homes' repairs;
- that Lewisham Homes attend the Committee's meeting in March 2023 to provide a further update on repairs;
- that Lewisham Homes provide the Committee with further information on how many legal cases were being brought against them every week and how much money from their disrepair budget was being spent on legal fees and compensation.

## **6 Future of Housing Managed by Lewisham Homes**

Jennifer Daothong (Executive Director for Housing, Regeneration & Public realm) introduced the report, and it was noted that:

- 6.1. This was a pre-decision scrutiny report in advance of the paper being taken to Mayor & Cabinet in December 2022 that would seek approval, noting the outcome of resident engagement, to bring the management of homes currently managed by Lewisham Homes back in-house to the Council.

Paul Leo (Housing Programme Director) delivered a presentation following the introduction of the report. The following key points were noted:

- 6.2. Engagement activities took place in every ward across the borough with housing stock between August 2022 to early October 2022.
- 6.3. 71% (tenants and leaseholders) supported the proposal to bring housing management services into direct management by Lewisham Council while 6% disagreed and 23% didn't state a preference.
- 6.4. The response rate for the consultation was 21% which was a good rate in this sector. For comparison, Haringey had a 7% response rate, Hackney 18%, and Brent 20% to a similar consultation when they were deciding whether to bring their ALMOs in-house.
- 6.5. Geographic variance in the response to the consultation was very minor and the consultation had a very good representation of the demographics.
- 6.6. The key priorities for residents supporting the proposal to bring the ALMO in-house were repairs being carried out promptly and right first time and improvements to home, whereas for leaseholders it was providing value for money, calls and correspondence being responded to promptly and the communal spaces being well-maintained.

Jennifer Daothong and Paul Leo responded to questions from the Committee – the following key points were noted:

- 6.7. Anecdotal data and interactions with residents at the engagement exercises suggested that the people who were against the ALMO being bought in-house didn't think that bringing it back would make the service any better.
- 6.8. In terms of the governance structure, it was noted that the Council wanted to work very closely with Lewisham Homes as they currently held the expertise of engaging with their residents. Work would be done to build on what already existed, but this was also an opportunity to involve even more residents.
- 6.9. Councillor Sophie Davis noted that the officers in the housing team had put in a lot of effort in carrying out the engagement exercises and wanted to put her appreciation on record.
- 6.10. The Committee met with officers and councillors from Haringey Council as Haringey had also been through this process of bringing their ALMO in-house. It was felt that it was usually better for the transition process to be done quickly. Lewisham Council would be transferring the services back piecemeal rather than all at once as it recognised the balance required between the need for pace and the need for ensuring continuity of service.

RESOLVED:

- that the report be noted.

**The Committee voted to suspend standing orders.**

## **7 Accommodation procurement strategy**

Fenella Beckman (Director of Housing Services) introduced the report. The following key points were noted:

- 7.1. The Accommodation Procurement Strategy had been refreshed in light of significant changes in demand since the last Procurement Strategy and Location Priority Policy refresh in 2015. Since 2015, there were now an additional 1000 households in Temporary Accommodation (TA).
- 7.2. The cost of the private rented sector rent coupled with the reduced supply of accommodation meant that the Council faced significant challenges in

moving people out of TA at the same rate that they were moving them in. This was one of the reasons why the number of households in TA had increased. By end of October 2022, the Council had around 2740 households in TA.

- 7.3. The increase in number of households in TA and the increase in lengths of stay meant increasing costs. Provision of TA was the highest spend of the council's housing division and was now a budget pressure for the council. The council's housing division was forecast to spend £50 million on TA this financial year which was an increase of £18 million to what was spent 2 years ago.
- 7.4. To achieve a reduction in the TA procurement costs, the council would need to access more affordable accommodation. Therefore, one of the main changes in this strategy was a proposal to increase procurement of affordable accommodation outside of where the council currently procures from.
- 7.5. It was recognised by officers that there were challenges around resettling households into new areas, so the proposal was to pilot this approach with new applicants who did not have a location priority. It would be ensured that no one was forced to move outside of Lewisham if they had an overriding need to live in Lewisham. All relevant factors such as size of family, number of children, children who were in key school years and so on would be considered while making every offer of accommodation.

Fenella Beckman and Ellie Eghtedar (Head of Housing Needs & Refugee Services) responded to questions from the Committee – the following key points were noted:

- 7.6. Assessment for determining the location of accommodation for families/households was based on the location priority policy which had 3 categories, households that had to be placed within Lewisham, households that had to be placed within Greater London or households that had no location priority.
- 7.7. Households that had a location priority to be in Lewisham usually had an overriding need to stay within the borough. There were a lot of factors that were considered to determine the overriding need such as- families who had children at a critical school age, exceptional circumstances such as support needs, long standing arrangements to provide or receive care in the borough, specialist treatment that could not be transferred to other hospitals and so on.
- 7.8. Location of employment was not considered to be an overriding need to be within the borough, but exceptional circumstances were considered on a case by cases basis. For example, a case where an out-of-borough placement would result in working unsociable hours or in the loss of employment.
- 7.9. The Committee asked to see the location priority policy in detail.
- 7.10. Since the strategy recommended to increase the procurement of properties outside of London, the committee enquired as to how many households would be placed into TAs outside of London. Drawing from the fact that the council accepted roughly 200 households into TAs every year, the rough estimate was that this would mean around 45 households would be placed in TAs outside of London.
- 7.11. It was noted that there was a shortage of accessible and adapted properties across London. Officers in the council's housing team were working with colleagues in the planning & social care team to ensure that

the proper process was followed for residents who needed adapted properties.

- 7.12. For the assessment of whether a family had an overriding need to live in the borough, the critical school years for children were considered to be GCSEs or A-levels or a year below those two exam levels.
- 7.13. A member of the public was invited to address the Committee who queried whether the figures on temporary accommodation placements within relevant priority bands could be shared, along with the plans for the eventual resettlement of those households in TA.
- 7.14. Out of the total TA placements, 59% (that was 1643 households) were placed within Lewisham, 38% (that was 1037 households) were placed within Greater London and 3% (that was 94 households) were placed outside of London. Out of the 38% households placed within Greater London, majority of households were placed in Croydon, Bromley, and Greenwich. Out of the 3% households placed outside of London, majority of households were placed in Harlow (Essex), Bracknell, and Medway (Kent).
- 7.15. The Council had been an active member of Capital Letters, but less property offers had been received from them over the last year than expected.

RESOLVED: That

- the Committee's concerns about moving young children to a distance where they couldn't continue at the same school be noted, as this had an impact on the mental health of the young children, although the committee recognised the significant pressures on the housing service;
- the location priority policy be shared with the Committee;
- information be provided to the Committee on which London Local Authorities were members of Capital Letters;
- the report be noted.

## **8 Select Committee work programme**

The Committee considered the work programme. The following was noted:

- 8.1. For the 'Housing retrofit- Housing partners' agenda item on the next meeting in January 2023, the Committee would invite Phoenix, Pinnacle and Lewisham Homes.
- 8.2. For the 'Repairs update- Housing providers' agenda item on the meeting in March 2023, the Committee would invite Housing associations such as L&Q and Clarion.
- 8.3. Further information on exempt accommodation was requested by the committee.

RESOLVED: That

- the agenda for the next meeting in January 2023 be agreed;
- A repairs update from Housing Providers be added as an agenda item for the March 2023 meeting;
- A Lewisham Homes Repairs update be added as an agenda item for the March 2023 meeting.



The meeting ended at 10.15 pm

Chair:

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Date:

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