



Future of housing managed by Lewisham Homes

Housing Select Committee

6 June 2022

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Note: this presentation is focussed on the core landlord services, the report also refers to other areas which will not require the same level of consultation and defined processes

The approach outlined in the report and presentation is subject to HCS input, M&C decision and consultation with tenants.

Background

- ALMOs introduced by Labour Government in 2000 as part of options to finance the Decent Homes programme (other options were transfer of stock or private finance initiatives).
- Lewisham Homes part of final round of ALMOs, was created in 2007. Achieved 'good' rating, additional investment £100 million in homes.
- Since 2010 there has been no separate investment pot available to ALMOs. The number of ALMOs has been reducing; in London decisions have been made to return 16 ALMOs to directly run services, and 4, including Lewisham, remain. Nationally there are 24 ALMOs of which 3 are having services brought in house.

Current Position

- A new 10 year management agreement was agreed with Lewisham Homes in 2017. Council can give 6 months' notice to end the agreement after 5 years, now extended by mutual consent to 6 years, which means notice can be given in December 2022.
- A high level review of possible options focussed on two issues in particular.
- New social housing regulations and legislation being introduced will emphasise the responsibilities of the Council as landlord and involve additional expense.
- Financial position as need for substantial investment in homes over next 30 years.

New regulatory and legislative regime (1)

- Social Housing Regulation Bill to be introduced this parliament.
 - Safety, wellbeing and opinions of residents is paramount
 - Responsibility of landlords to demonstrate engagement and management performance
- Greater role for the Regulator of Social Housing (RSH).
- RSH preparing new Consumer Standard backed by new Code of Practice
 - Regular and targeted inspections
 - Non-compliance could lead to unlimited fines

New regulatory and legislative regime (2)

- Complaint handling by Housing Ombudsman
 - “Democratic filter” no longer exists
 - Strengthened powers to take action against landlords that are slow to respond to complaints
 - Publication of quarterly reports with details of landlords that fail to handle complaints properly
- New Decent Homes Standard to include energy and efficiency standards
- Fire Safety Act 2021 to come into force extending scope of fire risk assessments

Housing Challenges

- Satisfaction ratings fell during pandemic – national trend
 - Time to answer phone and complete repairs and issues of damp in homes
- Stock condition survey shows needs for significant investment over next 30 years.
 - E.g. Large Panel System blocks lifecycle
- Construction sector challenges – e.g. build cost inflation
- Housing Revenue Account (HRA) spend will need to be prioritised to ensure homes remain safe and meet new Decent Homes Standard

High Level Review

(report section 6)

OPTION	RECOMMENDATION
No change	Full appraisal
Manage service directly (in-house)	Full appraisal
Transfer stock to existing provider	Discount
Lewisham Home becomes an RP and receives stock	Discount
Transfer stock to new resident led association	Discount
Establish PFI to access private funding for improvements	Discount

Are these the right options; are there others?

Proposed criteria for assessing options

(report section 7)

- Tenant and leaseholder empowerment
- Quality of homes
- Contribution to Council's priorities and values
- Value for money
- Accountability and governance

*Do you have any observations on these
criteria;
Are any of particular importance?*

Engagement with tenants and leaseholders (1)

(report section 8)

- Government guidance and Housing Act require consultation and ‘test of opinion’ with tenants before change of management (*more details in appendix 2*)
- The exercise should be:
 - No less rigorous than at the establishment of the ALMO
 - Tenants should be fully engaged including with the project group
 - Be overseen by a specialist external organisation
 - Recommended to have a separate independent tenant advisor

Engagement with tenants and leaseholders (2)

(report section 8)

- Opportunity to learn more about priorities of tenants and leaseholders. Planned to include:
 - Appoint External Organisation to oversee process
 - Appoint Independent Tenant Advisor
 - Appoint tenant & leaseholder steering group (membership to be confirmed)
 - Test consultation approach with steering group
 - Opportunity to engage more widely on future service improvement questions (learning from other similar exercises)
- In person, online and postal elements with roadshow and helpline
 - Targeted door knocking to ensure contact with seldom heard and under-represented groups
 - Could take place during August/September with results by November

Next Stages: to be confirmed

- Report to Mayor and Cabinet in July.
- Consultation with tenants and leaseholders in August/September to include 'test of opinion' on housing management.
- Complete Appraisal of Options as agreed by M&C.
- Report to M&C on outcomes of Appraisal and consultation in November 2022.
- Could give notice to Lewisham Homes under management agreement in December 2022.

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