

Minutes of the Housing Select Committee

Wednesday, 12 October 2022 at 7.00 pm

In attendance: Councillors Stephen Penfold (Chair), Will Cooper (Vice-Chair), Natasha Burgess, Suzannah Clarke, Billy Harding, Rosie Parry and Sakina Sheikh

Also joining the meeting virtually: n/a

Also present: Councillor Mark Ingleby (Chair of Overview and Scrutiny), Councillor Brenda Dacres (Deputy Mayor and Cabinet Member for Housing Development and Planning), Councillor Sophie Davis (Cabinet Member for Housing Management and Homelessness), Timothy Andrew (Scrutiny Manager), Fenella Beckman (Director of Housing), Rhona Brown (Head of Private Sector Licensing and Housing Improvement, and Jon Kanareck (Lewisham Homes)

Also present virtually: Margaret Dodwell (Chief Executive, Lewisham Homes) and Ainsley Forbes (Chair of the Board, Lewisham Homes)

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 6 June 2022

- 1.1 Members of the Committee requested updates on matters arising from the minutes of the meeting held on 6 June – as well as the correction of a typo.
- 1.2 **Resolved:** that the Committee would seek a meeting with the Minister for Housing; that a date would be agreed for the Committee to receive the update it requested on exempt accommodation; that officers should provide detailed figures on the building for Lewisham programme; and that subject to the correction of the aforementioned typo – the minutes be agreed as an accurate record.

2. Declarations of interest

- 2.1 Councillor Cooper declared an interest as 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.
- 2.4 Councillor Mark Ingleby declared a non-prejudicial interest in relation to item six as the landlord of a rental property in the borough.

3. Responses from Mayor and Cabinet

3.1 There were none.

4. Lewisham Homes Annual Report

4.1 Following a short introduction from Fenella Beckman (Director of Housing) - Margaret Dodwell (Chief Executive of Lewisham Homes) introduced the report – noting the impact of the coronavirus pandemic as well as Lewisham Homes' continued focus on safety. Margaret highlighted the inadequate performance on some key performance indicators – and action being taken to improve call waiting times.

4.2 Margaret Dodwell, Fenella Beckman, Ainsley Forbes (Chair, Lewisham Homes Board) and John Kanareck (Director of Resident Services, Lewisham Homes) responded to questions from the Committee – the following key points were noted:

- There had been pandemic related challenges in improving performance related to void properties; there had also been some pest control related issues.
- Officers met regularly to assess the performance on managing voids – which had improved void times over the past six months.
- There had been an increase in residents in arrears paying their rent – particularly amongst those who were claiming universal credit.
- Lewisham Homes was working to support people struggling to pay their rent– focusing on supporting tenancy sustainment. Residents were encouraged to seek help early.
- Work was also taking place to support people experiencing fuel poverty.
- The Lewisham Homes Board approved the creation of a hardship fund earlier in the year (of up to £4000 a month). Residents were supported by the welfare benefit team – and subsidised food stores in the borough. The board had also committed to increasing the hardship fund towards the end of the year if the financial position allowed for this.
- Rent collection had been 99% for a number of years – there had been a recent dip to 97% - and there were concerns about the upcoming rental increase, currently subject to Government consultation on a cap, as well as the impact being felt from the 4.1% increase from April 2022.
- There had been a significant increase of the amounts people built up in arrears.
- Collecting rent from temporary accommodation was always a challenge.
- Performance on key measures was mixed – but was strong on compliance measures. There was a keen focus at Lewisham Homes on performance. The recent performance update to the Board could be circulated for information.
- There had been dissatisfaction with repairs and residents feeling that they were not getting through the system in a timely way. However, once operatives made it to residents' homes they were usually satisfied – particularly when the repair was carried out by an in-house team (rather than sub-contractors).

- There were challenges in recruiting operatives to work for the repairs service and people to work in the contact centre.
- There was a shortage of skilled tradespeople in south London. A number of measures were being adopted to recruit and retain staff.
- Turnover of staff was currently 24%, which is historically high. It was the result of a range of factors (including the housing futures review).
- The age profile of the workforce had an impact on the rates of long-term sickness.
- During exit interviews employees raised pay and conditions as a common reason for leaving the organisation – as well as (increasingly) people concerned about the long term future of Lewisham Homes.
- Lewisham Homes was open to flexible working – and was developing career routes for staff to move between different roles. Work was also taking place with local schools to bring local people into the future workforce.
- There had previously been concerns about the age and stability of the housing management system. However, this was being replaced with a Microsoft Dynamics platform in Spring 2023 which would create a platform for modernisation in future phases of the roll out. The existing IT arrangement would shortly be de-supported.
- Lewisham Homes had joined the shared IT service used by the Council.
- There was a productive relationship between Lewisham Homes and trades unions. The frequency of meetings had been increased during the current period of change.
- There were mechanisms in place for Lewisham Homes to apply to be paid rent arrears directly from residents' benefit payments – however – it was recognised that the deductions from universal credit could be quite substantial.
- There had been seven rent evictions since April this year – and 750 notices seeking possession (initiating potential legal proceedings).
- Key performance indicators were set using current performance and benchmarking information – the targets were presented to the Board annually for consideration and agreement. The Council was also involved in the process.
- Retrofit works were not currently carried out on individual void properties due to prohibitive costs and poor value for money. Work was taking place to apply for government grants to deliver this work.
- Further discussions about the affordability of retrofit works would take place with the Council, noting that it was more cost effective to do this on a planned basis.
- Rents for temporary accommodation were treated separately from the rents in the housing revenue account.
- The development of some building schemes had been complicated by changes in building costs and financial modelling.
- There had been some issues letting properties at London affordable rents as opposed to social rents.
- Feedback from the complaints process indicated that there were some issues with gaining access to properties and satisfaction with repairs.

- A 'leaks team' of experienced operatives had been established to improve performance – alongside a 'damp and disrepairs' team to deal with longer term damp and condensation issues.
 - People who didn't get their repair issue dealt with promptly were more likely to be dissatisfied with the repair once it was completed.
- 4.3 In the Committee discussion the following key points were also noted:
- That detailed information about possession proceedings and evictions should be included in future annual reports and the performance pack would include KPIs on rent collection for temporary accommodation properties and not just General Needs.
 - Members were concerned that the recommendations of the Housing Retrofit Task and Finish Group had not been taken on board.
- 4.4 Resolved: that the report be noted and that the Committee's disappointment about the lack of progress on retrofitting of void properties also be noted. It was also agreed that additional information on a number of issues be provided, by either Lewisham Homes or Council officers, as appropriate, as follows –
- The recent performance pack presented to the Lewisham Homes Board.
 - An update on resident satisfaction due at the Lewisham Homes Board in November.
 - The expenditure related to temporary accommodation.
 - Additional information about developments at Elderton Road.
 - Information in the November report to Committee on the data available relating to repairs and resident satisfaction.

5. Service charge policy

- 5.1 Fen Beckman introduced the report – noting the proposed to the paper presented to the Committee and outlining the process for setting service charges. It was noted that the government was due to make a decision on rent increases for next year.
- 5.2 Fen Beckman and John Kanareck responded to questions from the Committee – the following key points were noted:
- The estimated costs for service charges were sent out in April – and a final bill was presented 18 months later. Costs between the two fluctuated for a number of reasons. There were occasionally refunds for services but the intention was to make charges as accurate as possible.
 - There were a number of complaints and challenges to service charges. Due to the quality of the systems being used to record charges the response for individual properties took time. The new housing management system would make this system easier (and would enable an element of self service).
 - Regenter B3 (responsible for the Brockley PFI) were engaged in the process and consulted in the same way as Lewisham Homes.
 - A number of cases were considered by the first tier tribunal for service charge decisions – these related primarily to major works. Given the

current development programme it was possible there would be an increased number of cases being considered by the tribunal in future.

- The intention was to respond to leaseholders regarding service charge queries within 20 days. In the case of complaints the target response time was 10 days. This might be considered as part of the potential future housing management arrangements.
- The process of responding to queries could be complicated and time consuming. Approximately 60-80% of queries were answered within the 20 day period.
- A response would be provided on the extent of the Council's flexibility to move away from the existing formula for raising the service charges for Regenter B3 service charge decisions.

5.3 In Committee discussions the following key point was also noted:

- Members would welcome the inclusion of a target response time for queries raised by leaseholders relating to their service charges.

5.4 A member of the public was invited to address the Committee about the increase in service charges for Regenter B3 – they queried, in particular, the contractual arrangement between the Council and Regenter B3 to raise service charges by the retail price index measure of inflation +1%.

5.5 Fen Beckman and John Kanareck advised the Committee that once the consultation on rent increases closed the Council would consult with residents on the service charge increase for the upcoming year. It was noted that the estimated charge would take into account the increases for salaries, energy and repairs.

5.6 **Resolved:** that the Committee would note the report – it was also agreed that Lewisham Homes (or its successor) should give future consideration to a dispute resolution process for service charge disagreements. In addition – the Committee recommended that a set time frame should be written into the service charge policy for expected responses to leaseholder queries relating to their service charges.

6. Selective licensing update

6.1 Fen Beckman introduced the report – setting out the process for developing and consulting on the three selective licensing schemes that had been proposed – as well as the timeline for discussions with the government and decision by Mayor and Cabinet on implementation.

6.2 Fen Beckman and Rhona Brown (Head of Private Sector Housing and Home Improvement) responded to questions from the Committee – the following key points were noted:

- Officers were aware of the concerns raised by smaller landlords about the perceived increase in administration for renting properties. There was no evidence that there had been any reduction in available properties in boroughs that had introduced licensing schemes before Lewisham – and the private rental market remained a lucrative business for landlords.

- A commitment had been made to consult on the arrangements again in five years' time about the operation of the scheme.
- Some minor changes to the scheme would need to be made to take account of the changes to ward boundaries.
- The fee proposed for the scheme had been calculated based on what the Council had calculated as the running costs. The fee would be revisited at the end of the first period of the operation of the scheme in five years.
- There were no measures in place to prevent landlords from passing the costs of the scheme to their tenants. Other councils that had introduced licensing schemes had not seen a noticeable increase in rents that could be attributed to the scheme.
- Once the scheme was implemented the Council would have a much broader range of options to improve standards in the private rented sector.
- Licensing would give tenants the ability to hold their landlords to account for standards. However, licensing in itself did not give tenants new rights regarding the security of their tenure.
- Any property regulated by the Care Quality Commission could not be classified as a home in multiple occupation.
- Properties not regulated by the Care Quality Commission that met the Housing Act (2004) definition of an HMO would need to be licensed.
- Work was taking place with partners to deal with complaints relating to HMOs.

6.3 **Resolved:** Members welcomed the report and agreed that the report be noted.

7. Select Committee work programme

7.1 The Committee considered the work programme. Members noted the request for an additional meeting of the Committee to focus on repairs by housing associations – as well as the proposal for a discussion with members from other authorities that had changed their housing management arrangements and brought their arms-length management organisation back in-house.

7.2 **Resolved:** that Councillor Sheikh and Councillor Parry would be appointed joint climate emergency champions for the Committee – and that the agenda for the meeting on 17 November be agreed.

Chair:

Date:
