

Economic Regeneration, Housing and the Arts Policy and Accountability Committee Minutes

Tuesday 13 June 2017

PRESENT

Committee members: Councillors Adam Connell, Alan De'Ath (Chair) and Harry Phibbs

Other Councillors: Andrew Jones and Lisa Homan

Officers: Kathleen Corbett, Labab Lubab and Jane Martin

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Daryl Brown, owing to her attending another Council meeting, and Councillor Lucy Ivimy.

2. DECLARATIONS OF INTEREST

Councillor Adam Connell explained that he lived in a Shared Ownership property in the borough. Councillor Alan De'Ath explained that he was on the Council's HomeBuy register. Councillors Connell and De'Ath did not feel that their interests precluded them from taking part in the discussion as the report on Low Cost Home Ownership was for the committee's information rather than for a decision and the whole of the meeting was open to the public.

3. MINUTES

The minutes of the meeting held on 26 April were agreed to be accurate.

Councillor Connell explained that he had requested that the figure for how many children in the borough were affected by the benefit cap be shared with

him, which had not yet happened. The Clerk agreed to remind officers of the request.

4. ELECTION OF VICE-CHAIR

Councillor Lucy Ivimy was elected as Vice-Chair for the 2017-18 Municipal Year.

5. LOW COST HOME OWNERSHIP UPDATE

Labab Lubab, Partnership and Strategy Manager, explained that Low Cost Home Ownership was intended for those who were not eligible for Social Housing, but could not afford market prices.

A variety of products were offered to help residents onto the housing ladder, including: Intermediate Rent, which was a lower than market rent and allowed people to save for a deposit on a property; Shared Ownership, where people bought a proportion of a property and then paid rent on the remaining portion, and; Council Shared Equity, when a portion of the property was sold to a resident with the remainder being owned by the council, which did not charge rent on its portion.

There were 9,000 people on the HomeBuy register, of whom approximately 80% were actively looking for Low Cost Home Ownership properties in the borough. The Council had used information from the register to develop affordability bands to ensure that a broad range of households could access properties; the three bands were those households with a gross annual income of up to £29,000, those with incomes up to £43,550, and those with incomes up to £50,550. Developers were asked to make a third of their Low Cost Home Ownership Properties affordable to people in each of the bands. This meant that Low Cost Home Ownership in Hammersmith and Fulham more affordable than in other areas where Low Cost Home Ownership was provided for households with annual gross incomes of £90,000, which was the limit in the London Plan.

The number of properties available each year varied significantly, depending on the number of larger developments approaching completion. The HomeBuy service controlled the allocation of properties and this allowed the Council to ensure that they were offered to those with the greatest need and to whom the properties were truly affordable. As well as a front desk at 145 King Street, the service held regular engagement events and would be reintroducing an annual open day to publicise schemes and homes available.

Councillor Jones, Cabinet Member for Economic Development and Regeneration, explained that a significant proportion of the properties which would be available over the next few years would be sold at 80% of their value using the Council Shared Equity scheme which had been favoured by the previous administration. He explained that the present administration aimed to provide truly affordable homes and felt that the affordability bands would help to do this; however, the Council would be prioritising the provision of homes at Social Rents as these would help those in the greatest need. He

said that there were also real problems with an uncompetitive mortgage market for shared ownership properties which meant that it was often not a good value way of getting onto the housing ladder.

Councillor Phibbs agreed that providing sufficient affordable housing in London was difficult. He asked whether, when someone bought a share of a property, they paid a proportionate amount of the service charge, or if they paid the full service charge. Labab Lubab explained that service charges, for things like cleaning and gardening etc were paid by the resident of the property. Any major works costs would be split proportionately. Mr Lubab explained that before a resident was allocated a property the HomeBuy service would ensure that they were able to afford all of their housing costs, including service charges. Kath Corbett suggested that if the Council were to try to split the service charge they might encounter legal difficulties. Councillor Phibbs said that he understood that in Wandsworth those living in Shared Ownership properties only paid a proportion of the service charge. Labab Lubab agreed to speak to colleagues in Wandsworth to understand the benefits and operation of the scheme.

Councillor Phibbs noted that there was a significant variation in the number of sales each year and noted that a lack of supply was a problem. Labab Lubab explained that sales were dependent on new properties being built as part of development schemes. He said that the council tried to use planning negotiations, and its affordability bands, to ensure that the limited supply was targeted to meet the needs of residents.

Councillor Phibbs asked about the relationship between affordable home ownership and a Council tenant's Right to Buy their home. Labab Lubab explained that affordable home ownership schemes could be more affordable to residents as they could buy a share of a property whereas, even with the maximum discount applied, most tenants would be unable to buy their council home. Councillor Phibbs asked whether a Right to Buy Part Scheme had been considered. Councillor Homan explained that the Council needed to retain its social housing stock and so had not introduced a right to buy part scheme which offered limited benefits to residents. She said that tenants who wished to buy a property, but could not afford to buy their home, were able to buy a shared ownership property which both allowed them to get on the housing ladder and the council to keep its social housing stock for those in need. Councillor Jones added that for many tenants a part right to buy scheme would not be useful as competitive mortgages were not available, for example, to those living in tower blocks. Councillor Phibbs noted that right to buy receipts were supposed to be used to replace housing or else be given up to the government; he understood that Hammersmith and Fulham had not been sending money back to government and said that houses sold must therefore be being replaced. Councillor Homan said that the receipts were indeed used to replace properties, however, the replacements were often not equivalent to the homes which had been sold. She also said that it could take years for a new property to be ready for occupation, during which time the social housing stock would be reduced.

Councillor Phibbs noted that at the Factory Quarter development tenants had been offered a small share of their homes in return for taking on additional maintenance responsibilities. He asked whether this had been done elsewhere. Labab Lubab agreed to look into the scheme and see if it benefitted residents.

Councillor Phibbs asked whether any further detail on the government's scheme to allow tenants the right to buy their housing association properties had been made available. Labab Lubab explained that the scheme was being trialled in five pilot areas and that details of the main scheme was expected to be made available in 2018.

Councillor Connell asked whether the London Living Rent scheme would be used in the borough as this was intended to allow residents the opportunity to save and buy their own home. Labab Lubab explained that the scheme might work for better off residents moving into one or two bed flats but that most residents would face affordability problems with the scheme owing to high rents in the borough.

Councillor Connell asked what was done to ensure that those on the HomeBuy register were still interested on affordable home ownership in the borough. Labab Lubab explained that a new IT system was to be introduced which would make it easier to manage the list and remove those who were inactive. Around 80% of those currently on the register were looking for affordable homes in the borough but an annual refresh of the list would be introduced. The new system would also allow users to change their details more easily.

Councillor Phibbs asked if those expressing an interest in properties knew how likely they were to be allocated a home. Labab Lubab said that the council's allocation scheme could guide residents, however, as the procedure was based on who expressed an interest an accurate prediction of whether an allocation would be made to a resident could not be given until later in the process. Priority was given in the following order: 1) Armed Services (and Ex Armed Services) personnel living (or previously living as an adult) for twelve consecutive months in the borough 2. Social tenants in either council housing or Private Registered Provider housing. 3. Police officers living or working in the borough 4. Homeless Working Households in Temporary Accommodation 5. Customers with physical disability using a wheelchair 6. Households living for twelve consecutive months in the borough 7. Households working for twelve consecutive months in the borough 8. Households living or working in the borough with an income within the relevant thresholds.

The Chair said that often too short a period of time was given for people to express an interest in a property. Labab Lubab agreed that short periods of time were given for people to express an interest, however, he highlighted that expressing an interest would not commit people to buying a property; no penalties would be applied until after contracts had been exchanged. Councillor Homan suggested that the information sent to residents be passed through the reading group for their comments.

The Chair asked whether the engagement events were good value, noting the number of people attending them. Labab Lubab said that the events were thought to be worthwhile, especially as the cost of the events was only the officer time to attend them as all venues used were free.

The Chair noted that some properties had a very high savings requirement and asked why this was. Labab Lubab said the properties which were being sold would require a high level of savings as the proportion which would need to be bought might be quite large.

Councillor Connell asked what the minimum percentage of a property sold under Council Shared Equity Scheme was. Labab Lubab explained that as little as 16% of properties had been sold, the affordability bands were used to ensure that this scheme was available to residents. An incremental 'staircasing' scheme was planned to allow residents to buy more of the property from the Council.

6. HOUSING SERVICES PERFORMANCE DATA

Councillor Homan explained that the council had focussed on improving performance by increasing resident involvement. She noted that this work had led to a significant fall in the number of repairs complaints which had been escalated to her as the Cabinet Member for Housing and that improvements had been made across the department. The Council's intention was to give people a good impression throughout their time as residents; recently a group of tenants had reviewed the process for new tenants and the information they were given which would ensure that residents first impression was a good one.

Kath Corbett explained that officers reviewed a wide range of performance indicators to ensure that the service was performing well. Jane Martin said that contractors also had performance indicators and that those for Mitie had recently been reviewed; these and improved contract management would lead to improvements in Mitie's service to residents.

The Chair said that whilst performance indicators were a useful tool, it was important that residents' experiences were used to improve services, especially in more complex cases. Jane Martin said that more difficult repairs were an issue which she would be looking at in detail over the coming months as there were still unacceptable delays in some cases.

Councillor Phibbs said that he felt that performance indicators ought to be published on the transparency section of the Council's website.

Councillor Phibbs asked whether there was a mechanism by which the council decided to stop repairing lifts and instead replace them and whether it would provide better value for money to replace lifts more quickly. Councillor Homan said that there was a large lift replacement programme which was ongoing, however, the programme was limited by budgetary constraints, the need to ensure value for money and effective project management and the need to sometimes decant residents whilst a lift was taken out of action.

Councillor Phibbs noted that the void time was significantly worse in the South of the Borough than in the North and asked why this was. Kath Corbett started by explaining that the number of void properties was quite low, and so the impact of the delays was smaller than it might otherwise have been. She also explained that properties void because of major works were not included in the figures. Jane Martin said that the letting of properties on the West Kensington and Gibbs Green Estate was taking longer as it was being used as temporary accommodation. Councillor Homan explained that she monitored void times closely. Councillor De'Ath asked that a briefing note on void times and the main reasons for delays was sent to members of the PAC.

Councillor Connell asked what the financial impact of having void properties was. Kath Corbett explained that the impact was small because of the low numbers of voids, but that delays did cost the council both through lost rent and because the property could be used to move people out of expensive temporary accommodation.

Councillor Phibbs asked whether a joint inspection was carried out when a tenant was moving out. Jane Martin said that a joint inspection would take place if the tenant gave the Council notice that they were leaving. Councillor Phibbs asked what the number referring to Anti-Social Behaviour cases meant. Jane Martin explained that each report of Anti-Social Behaviour was a case, even if multiple cases were perpetrated by one person. Councillor Homan said that unfortunately it was very difficult to evict a resident for Anti-Social Behaviour; she said that she met with Housing Officers and the Community Safety Team regularly to ensure that progress was being made on difficult cases.

Councillor Connell commended officers work to keep the number of families in Bed and Breakfast Accommodation at zero. He asked referred to the indicator called '% of lettings to households making a community contribution' and asked what defined a community contribution. Kath Corbett explained that a wide range of activities were included, but that all were making a difference in the community.

Councillor Connell said that the rent collection achieved at 99.09% was very good. He asked how the 'Properties Recovered – Fraud' target had been set. Kath Corbett explained that this had been a target based on previous performance.

Councillor Connell said that he felt the tolerance for Caretaking Quality Inspections was too great. Kath Corbett said that a number of changes had been made to the Pinnacle contract and that deep cleans were ongoing across the borough which would hopefully improve the score. A resident said that Robert Gentry House had been deep-cleaned and that she did not feel that this had been good enough. The weeding of a communal yard area was also not up to the standard she felt was necessary.

Councillor Connell said that he was pleased that the Council had received many more raves than rants, meaning that generally residents were happy with the service they were getting.

7. DATE OF THE NEXT MEETING AND WORK PROGRAMME

Councillor Phibbs requested that an item on planning policies restricting the conversion of sites, such as Ravenscourt Hospital, from being converted to housing. Councillor Connell advised that the site at Ravenscourt Hospital was likely to be covered by national policy as it was so large. The Clerk agreed to look into whether a report, as requested by Councillor Phibbs, could be added to the PAC work programme.

Meeting started: 7.00 pm
Meeting ended: 8.25 pm

Chair

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