

London Borough of Islington

Housing Scrutiny Committee - 30 January 2018

Minutes of the meeting of the Housing Scrutiny Committee held at Committee Room 4, Town Hall, Upper Street, N1 2UD on 30 January 2018 at 7.30 pm.

Present: **Councillors:** O'Sullivan (Chair), Spall (Vice-Chair), Diner, Gallagher, Gantly and Hamitouche.

Resident Observer: Dean Donaghey

Also Present: **Councillor:** Diarmaid Ward

Councillor Michael O'Sullivan in the Chair

334 APOLOGIES FOR ABSENCE (Item A1)

Apologies for absence were received from Rose-Marie McDonald and Councillors Doolan and Erdogan.

335 DECLARATION OF SUBSTITUTE MEMBERS (Item A2)

None.

336 DECLARATIONS OF INTERESTS (Item A3)

None.

337 MINUTES OF PREVIOUS MEETING (Item A4)

RESOLVED:

That the minutes of the meeting of the Committee held on 11 December 2017 be confirmed as a correct record and the Chair be authorised to sign them.

338 CHAIR'S REPORT (Item A5)

The Chair noted that the Grenfell Inquiry was ongoing and the Housing Scrutiny Committee would consider relevant matters from the Inquiry as they arose.

The Chair noted that the Department for Communities and Local Government had been renamed the Ministry of Housing, Communities and Local Government and commented on the challenges facing the Ministry, including the need for tenants to be better represented at a national level through the establishment of a tenants' voice organisation.

339 ORDER OF BUSINESS (Item A6)

The Chair advised that Item B2, The Council's New Build Programme Mini-Review, would be considered before Item B1, Housing Association Scrutiny.

340 PUBLIC QUESTIONS (Item A7)

The Chair set out the procedure for public questions and the filming of meetings.

341 THE COUNCIL'S NEW BUILD PROGRAMME MINI-REVIEW: WITNESS EVIDENCE AND CONCLUSIONS (Item B2)

a) Presentation on Camden's New Build Programme

The Committee received a presentation from Kate Cornwall-Jones and Steve Beard, officers of the London Borough of Camden, on Camden's New Build Programme.

The following main points were noted in the discussion:

- Camden's New Build Scheme was described as a 'Community Investment Programme'. The scheme delivered community improvements alongside social housing, and had invested over £1 billion in the borough through HRA and government funding.
- Camden's scheme worked in a similar way to Islington's, in that the council developed a proportion of private housing for general sale, which subsidised the development of social housing and community investments.
- Camden's scheme focused on small sites which private developers may not consider viable propositions. This allowed the borough to maximise the amount of new housing being delivered.
- Camden's scheme had delivered 870 new units, with a further 2,000 planned. Over 500 of those delivered were for social rent.
- Camden Council's planning policies required 50% affordable housing, which was typically split into 60% social rent and 40% intermediate housing. However, this was subject to viability.
- Camden sought to address housing inequality through its new build scheme, and had established 'Camden Living', which provided affordable rental properties for key workers and those on middle incomes. Camden did not prioritise shared ownership as due to London property prices this option was not affordable to those on low and middle incomes.
- Camden had developed studio accommodation as a means of alleviating homelessness.
- Camden Council had doubled the density of the Agar Grove estate by redeveloping the majority of the estate. Although there had initially been opposition to the proposals, the scheme was now progressing with the support of residents. The first phase of properties to be developed would be 100% social housing, and the final scheme would have over 50% social housing.
- Camden was developing properties to high environmental standards. Some properties did not have radiators and were instead built to the Passivhaus standard, in which homes were highly insulated and heated through the circulation of air. This had environmental benefits and would also help to alleviate fuel poverty. It was advised that this system was very efficient and Camden Council had received

comments from some residents that their properties were too warm, rather than too cold.

- The Committee was supportive of developing homes to the Passivhaus standard. Camden officers commented that passivhaus homes were very efficient and suggested that the standard should be used more widely.
- Camden officers emphasised the importance of community engagement. Camden had employed local residents to provide peer to peer engagement on new housing schemes. These residents had a strong presence on the estate and were well placed to engage with the local community.
- Camden's properties were designed according to the London Design Guide, with some aspects exceeding those standards.
- Camden built homes to the lifetime homes standard, 10% of properties were wheelchair adaptable.
- Camden did not 'pepper pot' social and private housing. It was commented that one 52-unit scheme was a mixed social and private development, however this had been problematic as social and private tenants had different expectations. For example, private tenants expected a concierge service and high quality finishes, which would not be viable if provided in social housing. Although Camden developed mixed social and private blocks, the social and private elements were generally separated by floors or stairwells with different entrances. Camden officers emphasised the importance of the entrances looking the same.
- Following the evacuation of the Chalcots Estate, Camden Council had appointed a director of resident safety. Camden was reviewing the safety of all of its housing stock, reviewing the materials used in new build developments, and was making changes as appropriate.
- Camden was now designing properties above standards set out in building regulations as regulatory changes were anticipated.
- The most significant challenge to Camden's new build scheme was the cost of development. Costs had increased following the EU referendum and it was expected that costs would increase further after Brexit. Sales values had also plateaued since the referendum. The 1% annual rent reduction and HRA borrowing cap were also limiting the finances available to the scheme.
- Following changing social attitudes to redevelopment, Camden was now taking a more cautious approach to the demolition of properties.
- Camden was lobbying for permission to combine right to buy receipts with GLA grant monies to fund the delivery of new housing. At present this was not permitted by the government.
- Following a question on community engagement, it was advised that Camden residents had previously raised a variety of objections to new council housing developments. These included the loss of open space, the loss of employment space, or an insufficient amount of new affordable housing. Camden had since made scheme-specific commitments on new developments to address local concerns, for example that there would not be an overall loss of green space, or no overall loss of units. However, it was commented that sometimes it was not possible to achieve the target of 50% affordable housing on every scheme if it was also intended for the scheme to fund a major community investment. For example, it was not always viable to provide 50% affordable housing if a new school was also to be financed through the sale of private housing through the scheme.
- Camden officers commented that the key to community engagement was transparency and working collaboratively with the local community. It was important to consult all stakeholders, not only those who were the most vocal.
- Camden had a local lettings policy and new units were allocated to those in the local area first.

Housing Scrutiny Committee - 30 January 2018

- New council housing developments were subject to right to buy; however, Camden had lost few of their new units through right to buy.
- Camden's definition of "affordable" housing was social rent levels. Camden operated a rent cap dependent on bedroom levels; social rent on a one-bedroom property was approximately £110 a week, exclusive of service charges.
- It was clarified that local authorities only received approximately 30% of funds from right to buy sales and this funding could not be combined with other forms of 'public subsidy', such as GLA grant funding, to develop new housing. The Committee asked if Camden Council was campaigning with other local authorities to relax restrictions related to right to buy funding and the HRA borrowing cap. In response it was suggested that a sector-wide joined up approach may yield better results, however officers were not optimistic about the government agreeing to significant changes.
- The Committee noted concerns about private housing contributing to the gentrification of estates. It was noted that the average sale value of Camden's new build properties was around £650,000.
- The Committee considered environmental aspects of new build housing. Some Camden houses and schools made use of rainwater recycling for flushing toilets.
- The Committee commented on the importance of building key worker housing, and suggested that the development of new schools could be tied to the development of new housing for teachers.
- Following a question from a member of the public, it was commented that Camden had carried out major refurbishment of some estates affected by damp, but this work was not carried out by the new build team. Significant work to reduce damp would likely be carried out alongside other major refurbishment work, such as the replacement of windows and heating systems.
- Following a question from a member of the public, Camden officers advised that there was no clear evidence that separating social and private units by doorway was affecting community cohesion. Although new developments were built with different internal finishes, all were built to a high standard.
- Following a question from a member of the public, it was advised that residents relocated as a result of the HS2 rail development did not have to pay any rent increase unless they had moved to a bigger property. It was commented that Islington had a similar relocation policy.

The Committee thanked Kate Cornwall-Jones and Steve Beard for their attendance.

b) Briefing note on information requested at the previous meeting

The Committee raised concerns that the process through which housing associations bid for development sites artificially inflated the cost of schemes and therefore decreased the viability of social housing. A member commented that if the council was to significantly increase the amount of affordable housing developed in the borough, then a joined up and strategic approach to working with Housing Associations was required. It was suggested that robust conversations about housing association ambitions and aspirations was needed.

It was considered vital for new developments to deliver as much affordable housing as possible. It was suggested that local planning authorities should have greater powers to control the development of affordable housing.

c) Conclusions of the Mini-Review

It was agreed that the Chair would consider conclusions of the review and report them to the next meeting for agreement.

342

HOUSING ASSOCIATION SCRUTINY - THE GUINNESS PARTNERSHIP (Item B1)

The Committee received a presentation from Nahide Cook, Regional Manager, and Jon Milburn, Group Development Director, on Guinness' work as a landlord in the borough.

The following main points were noted in the discussion:

- The Guinness Partnership managed 633 properties in Islington. Following the Grenfell Tower fire, flats on Hungerford Road and Percival Street had been found to have flammable cladding, and as a result the organisation was working closely with the council's Emergency Planning team. Guinness commented on the importance of being honest with residents and communicating risks to them regularly. Vulnerable residents had been offered person centred fire safety assessments, and escape routes were checked daily. Fire wardens were on site 24 hours a day and carried out observations every 15 minutes. The organisation had carried out repairs to all fire doors in the blocks, regardless of tenure. Fire alarms at Hungerford Road had also been linked to The Bridge School, which was located below the flats. Details of vulnerable residents were located in a locked fire-proof safe which the Fire Brigade could access in an emergency.
- There had been relatively few cases of anti-social behaviour associated with Guinness properties in the borough.
- Guinness believed that there was further scope for more joint working with Islington Council, particularly in helping to minimise litter and fly tipping around Guinness properties.
- It was commented that Guinness was keen to develop social housing in the borough, however was concerned by the seemly slow planning process in Islington. It was commented that Guinness had received planning permission for 500 houses in Milton Keynes within six months, however a 25 unit scheme in Islington had taken 30 months so far and had still not received approval. The scheme would deliver 9 social rented units and three shared ownership units, as well as nursery space. It was suggested that such delays influenced the organisation's investment decisions.
- Resident satisfaction was behind target; however data was only available at a national level. The level of resident satisfaction was comparable to many other national housing associations, and Guinness recognised that there was work to be done to improve services for tenants.
- Five Guinness properties had been let in Islington over the past year; two had been allocated to those on the Council housing register, three had been let via internal transfer.
- Guinness processed voids in 16 days, significantly below the 27.5-day target.
- Arrears in Islington were slightly higher than expected, 3.65% as opposed to the 3.5% target. Arrears had increased since the introduction of universal credit and welfare reform.
- All Islington properties had received a gas safety check in the previous year.
- Guinness let properties at affordable rents, which was a maximum of 65% of market rental value.
- Nationally, Guinness completed 84.2% of repairs on time. Guinness considered this to be satisfactory. Repairs were completed by one contractor in London. A new contractor had been appointed last year, and although there had been some initial performance issues, indicators suggested that the service was improving. It was explained that the organisation had an in-house provider in the North and South of England and it was hoped that this in-house service could be offered in London in future.

Housing Scrutiny Committee - 30 January 2018

- Guinness achieved a surplus of £96million in the previous year, however it was commented that this was an extraordinary year in which Guinness' finances were boosted by property sales in London and Brighton. Guinness had budgeted for a surplus of £53million in 2017/18, however this would not be achieved as around £6million had been spent on fire safety improvements. In 2018/19 the organisation would seek to achieve a 30% operating surplus, which was comparable to other national housing associations. Following a question from the Committee, it was emphasised that this surplus was re-invested back into providing housing services.
- The Committee expressed concern that Guinness did not pay the London living wage.
- Investment in Guinness properties was prioritised in accordance with safety, stock condition, and resident feedback. The organisation spent £70million on maintenance each year.
- The organisation had not sold any properties in Islington in recent years. Although there were no immediate plans to sell properties in Islington, this could not be ruled out.
- Arrears had increased following the introduction of welfare reform, and around 20% of tenants on universal credit were now in arrears. The organisation was targeting communications at affected residents, and had not yet evicted any tenants as a result of those arrears. The organisation was also helping residents to apply for relevant benefits and a hardship fund was available in certain circumstances.
- The Committee expressed concern that 20% of universal credit tenants being in arrears was not sustainable. A member suggested that the organisation should guarantee that it will not evict any tenants if they are in hardship as a result of welfare reform, and suggested that further work with local authorities may provide vulnerable people with more targeted support. Guinness had revised its business plan to account for higher debt levels.
- It was commented that many Guinness residents in arrears were not in receipt of all of the benefits they were entitled to, and the organisation was therefore proactively contacting residents to signpost them to local services. It was emphasised that Guinness was keen to work with residents experiencing financial hardship; staff had worked overtime to provide advice to residents on evenings and weekends.
- A member commented that local ward councillors had been in contact with residents at Percival Street who were worried about fire safety. It was commented that the performance information provided did not correlate to the experiences of residents, and there was problematic damp and mould in some Guinness' properties. The Guinness representatives advised that the damp and mould issues would be investigated further.
- A member commented that Guinness rental levels were comparatively higher than Islington Council properties, and classifying 65% of market rate as affordable was roughly double the target rent level for the borough. Guinness agreed that classifying 80% of market rate as "affordable" was not appropriate for London, and clarified that the rental level of some schemes was less than 65%; the organisation was developing housing in Brixton which would be rented for around 50% of market rent. It was commented that the organisation tried to keep rental levels within the Local Housing Allowance cap.
- Following a question, it was commented that data on vulnerable residents was compiled from self-referrals and referrals from relevant agencies. The organisation did not have the resources to assess the needs of every resident, however referrals were made to relevant support organisations as appropriate.

Housing Scrutiny Committee - 30 January 2018

- A member of the public asked if Guinness would publish fire risk assessments for all of its properties, as Islington Council had. In response, it was advised that this was not possible as Guinness managed 66,000 properties nationwide.

The Committee thanked Nahide Cook and Jon Milburn for their attendance.

343 HOUSING COMMUNICATIONS SCRUTINY REVIEW: DRAFT RECOMMENDATIONS (Item B3)

Members commented that Housing Communications was a broad topic and the Committee may wish to further review communication matters in future.

RESOLVED:

That the draft recommendations be approved.

344 FIRE SAFETY SCRUTINY REVIEW: FINAL REPORT (Item B4)

The Committee noted concerns about the fire safety of roofs raised in the housing press, and commented that the council should keep this matter under review. It was agreed to add a paragraph to the scrutiny report to this effect.

RESOLVED:

That the report be agreed and submitted to the Executive, subject to an additional paragraph on the fire safety of roofs.

345 WORK PROGRAMME (Item B5)

The Committee noted that an additional meeting to scrutinise the performance of Partners for Improvement in Islington would be held on 6th February 2018.

The meeting ended at 9.30 pm

CHAIR