

London Borough of Islington

Housing Scrutiny Committee - 3 March 2020

Minutes of the meeting of the Housing Scrutiny Committee held at Committee Room 1, Town Hall, Upper Street, N1 2UD - Islington Town Hall on 3 March 2020 at 7.30 pm.

Present: **Councillors:** O'Sullivan (Chair), Lukes (Vice-Chair), Debono and Heather.

Observers: Rose-Marie McDonald and Dean Donaghey.

Councillor Michael O'Sullivan in the Chair

153 APOLOGIES FOR ABSENCE (Item 1)

Councillors Gallagher, Hamitouche, Spall and Mackmurdie

154 DECLARATION OF SUBSTITUTE MEMBERS (Item 2)

None

155 DECLARATIONS OF INTERESTS (Item 3)

None

156 MINUTES OF PREVIOUS MEETING (Item 4)

RESOLVED:

That the minutes of the meeting of the Committee held on 20 January be confirmed as a correct record of the proceedings and the Chair be authorised to sign them

157 CHAIR'S REPORT (Item 5)

The Chair stated that a visit had been arranged for Tuesday 10 March to L.B. Newham in connection with the Major Works Scrutiny Review. Transport has been arranged, and will leave the Town Hall at 1.00p.m. The meeting is at 2.00p.m. Councillors O'Sullivan, Spall and Rose Marie-McDonald have indicated that they will attend, and the Chair stated that if there are any other Members interested in attending to contact the Clerk or the Chair prior to the visit

The Chair further stated that an additional meeting of the Committee had been arranged for 19 March at 7.30p.m. in order to receive witness evidence in relation to the Private Rented sector

The final meeting of the Committee for the municipal year is on 21 April, which will consider the draft recommendations/final report on the Major Works Scrutiny Review

158 **ORDER OF BUSINESS (Item 6)**

The Chair stated that the order of business would be as per the agenda

159 **PUBLIC QUESTIONS (Item 7)**

The procedures for Public questions, filming and recording at meetings and fire evacuation were outlined

160 **2018/2019 MINI SCRUTINY REVIEW (HOMELESSNESS) - FINAL REPORT (Item B1)**

RESOLVED:

That the report be approved and forwarded to the Executive for consideration

161 **MAIN SCRUTINY REVIEW : MAJOR WORKS - WITNESS EVIDENCE (Item B2)**

Tony O'Brien was present for discussion of this item and a report was laid round for Members

During consideration of the report the following main points were made –

- The evidence showed that Councils benefitted from having work carried out by DLO's. With restrictions on borrowing requirements lifted it gives Councils the opportunity to expand DLO's or create new ones
- Noted that contractors generally make a profit of 25% or above, whereas a DLO exists to provide a quality construction service, with any surplus money returned to the Council. DLOs are the alternative to many construction scandals of use of public money that have been highlighted in the Press
- Noted that DLO's could employ locally employed people who will contribute to the local economy. Many workers of construction companies are not directly employed and are denied full entitlement to wages, sick pay, holiday pay, pensions, health and safety and trade union representation. DLOs can overcome the problems of corrupt and anti-competitive contract rigging
- A number of contractors have been involved in tendering for construction work against Council DLOs, which has led to many of them losing work, with workers being made redundant
- The private sector has been deliberately driving up the cost of housing by holding back land and not building new homes
- It was stated that the following changes should be made – build greater numbers of social housing, extend long term programmes for existing DLO to do, take steps to bring back DLO, strengthen contract compliance policies, bar contractors from approved lists who have a record of price fixing, contract rigging, serious breaches of health and safety law and blacklisting of workers, and establish a policy that prevents the sale of existing social housing and Council owned land to private property developers or housing associations
- A Member expressed the view that whilst it is true that Councils are not achieving value from contractors, as Islington is a small borough and there is

not land available for development it would be necessary for a tri-borough or Pan London DLO to be set up, as this would guarantee a regular work flow

- Reference was made to the salaries of workers in the construction industry and the cost of plant and that the workforce could earn more in the private sector than working for a DLO. It was stated that many workers were not even paid the LLW and initially the DLO could hire plant and purchase this eventually with the monies saved from employing contractors

The Chair thanked Tony O'Brien for attending

162 QUARTERLY REVIEW OF HOUSING PERFORMANCE (Q3 2019/2020) (Item B3)

Councillor Diarmaid Ward, Executive Member for Housing and Development was present for discussion of this item

During consideration of the report the following main issues were raised –

- 39 affordable new homes have been completed so far this year, as anticipated
- There had been delays on the Redbrick and Belfont homes, however 24 of the new the 51 new homes at Kings Square have been brought forward and are expected to be handed over in Quarter 4 2019/20 rather than the next financial year. Therefore the forecast total of new homes to be completed in 2019/21 is 63
- 89 new affordable homes have been completed by developers in Islington to date. This figure is below the figure for last year, however it is anticipated that 315 will be completed by the end of the year
- No planning permissions were agreed for new Council housing and this is below the target set, of planning permission for 3 new homes being completed for the end of this quarter
- There were no new homes completed this quarter and 7 Council homes were lost to Right to Buy. 27 Council homes have been lost to the Council this financial year. Therefore with a forecast build of 63 new Council homes, the net growth for the end of the financial year is currently forecast for 36 should there be no further Right to Buys in the final quarter
- There are 34 severely overcrowded households assisted to relieve their overcrowding this quarter, giving a year total of 111 to date. This is slightly below profiled target, but better than the equivalent point last year
- 118 under – occupying households have been supported to downsize this year, including 26 in the past quarter. This is slightly below the profiled figure and the equivalent point last year
- Housing repairs performance has continued to improve from 87% at the end of the previous quarter, to 87.4% at the end of this quarter. This is significantly better than the same point last year, which was 81.3%. Members congratulated the Executive Member and officers on this improvement
- Partners' repairs - these are often higher value repairs and delayed by leaseholder consultations, scaffolding works etc. Partners aim to keep the

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number of works exceeding 3 months to a minimum. At present 17.5% of major works have been open for 3 months

- Rent income collection – Rent arrears have continued to slowly increase, from 3.4% of the total rent roll at the end of September 2019, to 3.6% at the end of December. This is slightly above the profiled target for this point of the year. This is a continued consequence of the switch over to Universal Credit. Tenants on Universal Credit currently account for 53% of total arrears, and around 200 tenants a month are switching to Universal Credit, so this trend is likely to continue. 72% of all tenants in rent arrears are on UC, compared to 42% who are not on UC. The switch to Universal Credit is also impacting on Partners rent collection, however the impact in their rent arrears has been smaller to date
- Reduce homelessness – the number of households accepted as homeless is slightly below the profiled target. The current figure of 264 is above the equivalent position last year, which is expected due to the introduction of the Homelessness Reduction Act which slowed down the processing of cases
- There has been an increase in the number of households in temporary accommodation since the introduction of the Homelessness Reduction Act. The length of stay has increased due to the Act's requirements. However the number of households in nightly-booked accommodation has reduced from 368 at the end of June 2019 to 336 at the end of September. This is below the profiled target, and below the end of year target
- This quarter 45 rough sleepers have been supported in to accommodation, in addition to 60 in the first half of the year. The year to date total of 105 already exceeds the annual target of 45, and above last year's total of 60. There is now an in house team who are making significant improvements in this area
- Noted that there is now a drop in centre for rough sleepers at Old Street
- Reference was made to the fact that the Housing Dashboard has still not been introduced and that this is not acceptable. Councillor Ward stated that he would investigate this matter and report thereon to Members in his next Executive Member report
- In response to a statement Councillor Ward stated that he would ensure that the meeting in relation to dampness problems at the Andover Estate, promised some time previously is arranged as soon as possible
- Reference was made to the fact that there needed to be more temporary accommodation for disabled residents
- In response to a question Councillor Ward stated that he felt that there was a need for intermediate housing however he would discuss the definitions of shared ownership/affordable housing and whether these needed to be amended
- A Member referred to some Housing Associations selling off properties in the borough to fund developments outside the borough and this is not acceptable. Councillor Ward stated that he would ensure Housing Associations to ensure that if this is the case there is no net loss of social housing in the borough

RESOLVED:

- (a) That the meeting on Andover Estate dampness problems referred to above be arranged as soon as possible
- (b) That the definitions of the performance indicators in relation to shared ownership and affordable housing be reviewed
- (c) That Councillor Ward be requested to investigate the current situation in relation to the introduction of the Housing Dashboard and report to a future meeting to Members

The Chair thanked Councillor Ward for attending

163

PARTNERS FOR IMPROVEMENT - PRESENTATION (Item B4)

Tom Irvine, Partners for Improvement, was present for the meeting and made a verbal presentation to the Committee

During consideration the following main issues were raised –

- Partners stated that they had been invited to the Committee to discuss 3 areas – Activities, Performance and Challenges
- Noted that L.B.Islington has 2 PFI contracts with Partners - PFI 1 and PFI 2 and manages over 6000 street properties on behalf of the Council
- The homes inherited from the Council were street properties in poor condition and it was necessary to bring these up to decent homes standard and kitchens, bathrooms and boilers had been installed. Partners carry out 1600 responsive repairs per month and other repairs such as major works. There is also a cyclical maintenance team and Partners collects rent and service charges
- Partners also apply for court injunctions and evictions and have staff dealing with tenancy changes and receive 7000 telephone contacts per month
- There is a Home Ownership team and a street engagement team, who engage residents and Partners wished to thank those residents who had engaged with them. There are about 400 items of correspondence dealt with each month. This includes a total of 11 enquiries received from Council Members.
- Partners support the Fairer Together agenda and also support local communities such as with the Xmas Party and a Cinema Club
- In relation to performance there are regular meetings with Councillor Ward and Council officers to monitor performance. PFI 1 and PFI 2 have clearly defined P.I.'s that need to be reported and challenged by the Council
- The Council are able to propose changes to the indicators that Partners report
- Challenges include – Fire Safety – an assessment has to be made of the communal areas however the Council is responsible for some areas of Fire Safety including the current programme to install inter-linked fire detection and warning systems, emergency lighting and fire doors.
- Communal areas must be kept safe and clear on the advice of the London Fire Brigade and fire safety experts. Arrangements were being made with

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tenants to copy keys where Partners did not have these to access communal areas. Partners asked for Councillor support for these essential policies

- Partners managed street properties and these are often not well insulated and hard to keep warm and despite fitting new boilers this remained a challenge for residents
- Partners were currently in consultation with the Council on the arrangements for a handover of the PFI 2 contract. The challenge is to ensure that there is a joined up approach to ensure that different parts of the service give the best outcomes for tenants, and it is recognised that more can be done. Partners did review complaints to ascertain how improvements can be made
- Partners stated that they wished to deliver a good service and would work with tenants and the Council to achieve a smooth transition for residents
- The challenge is to ensure there is a joined up approach to ensure that different parts of the service give the best outcomes for residents, and it is recognised that more could be done. Partners review complaints monthly to ascertain how improvements can be made
- Partners stated that they are committed to delivering the requirements of the contracts and a good service to residents. Partners asked Councillors to work with Partners for the good of the community and residents
- The Committee noted a number of complaints expressed by members of the public present and Partners stated that they would take a note of complaints made and follow these up. Partners explained that they would not comment on individual cases at the meeting as it they did not know the background it would not be right to discuss individual personal information at a public meeting
- A Member enquired the value of the contract that Partners had with Rydon for repair works to Partner properties. It was stated that this was contractual information but Partners stated that this was contractual information and the Council publishes information about its payments to Partners
- Reference was made to the fact that scaffolding had been erected 5 weeks prior to works starting. It was stated that health and safety and site inspections and surveys to specify the work had to take place prior to works commencing, plus any leaseholder consultations etc.
- A Member stated that it is important that Partners learnt from failures and it is important to address complaints to ensure that lessons could be learnt. Partners stated that they were committed to doing this and senior management review complaints each month
- A Member commented that the number of Partners complaints upheld by the Housing Ombudsman was higher in comparison to the Council.
- Rydon was contracted to carry out repair services for Partners. In response to a question about the role of Rydon at Grenfell, Partners expressed deep sympathy for the victims and their families but were unable to comment on the specifics of this issue.
- Partners stated that completion of repairs first time is not a PI that Partners are required to report on, and the Council requested different measures of repairs performance in its contracts, however it did try to complete as many repairs first time as possible. It has implemented an automated van stock monitoring to ensure that operatives have parts for common repairs

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- A Member referred to a case relating to a break-in at a Partners property which is still outstanding for repair works. The Member stated that she had been under the impression that Partners had dealt with this when she had been in contact with them. Partners stated that they would investigate this case following the meeting. Partners stated that they would give a commitment to ensure that all Councillor enquiries were updated each month and they were kept informed of progress
- Reference was made to examples of Rydon painting over windows and the risks associated with this. Partners stated that they had snagging/quality inspections in place however if there were properties that were felt to need inspecting they would be willing to do this
- Reference was also made to a flat that had been flooded on a number of occasions by allowing a bath to overflow and that a shut off valve should have been fitted to stop this occurring in the future but had not been. Partners stated that if details were provided following the meeting they would discuss this.
- Dr. Potter, Chair of the Islington Leaseholders Association stated that Partners had been invited on a number of occasion to Leaseholder Association meetings but had declined these invitations. Partners stated that they had not been available to attend, however they would be willing to attend if there was a clear agenda and ample notice given of the meeting.
- The Chair stated that the PFI contract with Partners was £75m and that this equated to £12000 per unit
- The Chair commented that he was aware of a proposed eviction where necessary documentation had allegedly been lost in transit. It was stated that this would be reviewed.
- Dr. Potter referred to the fact that management fees imposed by Partners are 28.25% and those imposed by the Council 11% and enquired as to the wide disparity between these. Partners stated that the management fee costs may not be directly comparable, however leaseholder repair costs were capped at £10k per 5 year period. Partners confirmed the risk and profit charge is 3.29% and leaseholders were also charged for preliminaries, Islington based staff costs, site set up, welfare facilities, and Head Office overheads, such as HR, Health and Safety, Finance and Accounts.
- A Member of the Public stated that Partners annual service charges had risen by 50% recently. Partners stated that there had been an increase but this had been due to a freeze on increasing management fees for a previous number of years
- In response to a question as to the increases in cost of scaffolding and whether this is audited it was stated Partners were willing to look into this with the Council
- In response to a question as to charging for window replacement it was stated that the Council and Partners were looking into this to ascertain if a common approach could be taken
- Reference was made as to whether there were penalty clauses in the Partner contract and that there had been a recent case where a resident had been put in danger by neighbours and Partners had not taken relevant action. Partners confirmed that there are penalty clauses in the contract but said

that this case had been reviewed by the Council and it had been found that Partners had not been at fault. Partners did meet regularly with the Council to review cases and to take appropriate action, if necessary

- In response to a question it was stated that Partners did have an ASB team which is well resourced
- A Member of the Public stated that as a deaf person he had found it very difficult to communicate with Partners, and his e mails had not been responded to for a considerable period of time and that he had had to contact his MP to get action taken. Partners responded that they were surprised that this had been the case as they had a closely monitored KPI on responding to emails but they would look into this.

RESOLVED:

- (a) That Partners be requested to investigate the complaints raised during the meeting
- (b) That the commitment that Partners will update Councillors in relation to progress on their enquiries each month be noted
- (c) That the costs of scaffolding be investigated by Partners and the Council to ensure an adequate audit of costs is carried out
- (d) That the commitment for Partners to attend a future meeting of the Leaseholder Association, providing a specified agenda and the invitation to the meeting is received in a sufficient timescale be noted
- (e) That Councillor Debono provide details of the case referred to concerning a resident who had no heating/hot water to Partners for investigation
- (f) That details of the increase in annual service charges, referred to above, and the reasons for the disparity with the Council management fee, if any, be circulated to Members of the Committee and the Chair of the Islington Leaseholder Association
- (g) That the Partners statement that the Council publishes information about its payments to Partners in its accounts, and any payments relating to contracts could be investigated

The Chair thanked Tom Irvine for attending

164 WORK PROGRAMME 2019/2020 (Item B5)

RESOLVED:

That the report be noted

The meeting ended at 10.15 p.m.

CHAIR