

**STAKEHOLDER VIEWS ON
HOUSING POLICY AND
PARTNERSHIP WORKING IN
SOUTHWARK
THE PERSPECTIVES OF LOCAL AUTHORITIES**

A Smith Institute report for Southwark Council

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Contents

Introduction	3
The main challenges	4
Views of Southwark Council	6
Opportunities.....	7
Sticking points	10
Partnership working.....	12
Interview word cloud.....	14

Introduction

Following publication of the report from the *Independent Commission on the Future of Council Housing in Southwark (October 2012)*, the Smith Institute were commissioned to carry out interviews with key housing stakeholders. This peer review exercise was intended to: feedback opinion about the Commission's report; and capture experience and ideas about the future.

This document presents the findings from the interviews undertaken with housing director and housing cabinet leads from local authorities which have an interest in the borough.

The interviews were semi-structured and focused on three main themes:

- On the main housing challenges and priorities facing Southwark
- On the key issues, what works, and working with the Council
- Views on opportunities for change and for partnership

Interviews took place over the period 1st May – 23rd May 2013. Interviews were conducted with:

- John Clark, Director of Housing, Greenwich
- Ben Denton, Director of Housing, Westminster City Council
- Cllr Julian Fulbrook, Cabinet Member for Housing, Camden
- Cllr Jonathan Glanz, Cabinet Member for Housing, Westminster City Council
- Sean McLaughlin, Director of Housing and Adult Services, Islington
- Cllr James Murray, Executive Director for Housing, Islington
- Cllr Pete Robbins, Cabinet Member for Housing, Lambeth
- Rachel Sharpe, Housing Director, Lambeth
- Eddie Stevens, Housing Service Director, City of London Corporation

The main challenges

Supply of housing

Like all inner London boroughs it was felt that one of the main challenges for Southwark was a lack of supply of affordable housing. It was felt by some, who were decent homes compliant, that they had more opportunities than Southwark to spend time and resources concentrating on developing new homes and regenerating areas. All felt that a priority was to build at quality standards, which inevitably takes time and patience, and demands investing in new and existing housing at the same time.

“Southwark, like all inner London boroughs, has a lack of supply of affordable housing.”

Quality of the stock

The second main challenge concerned the quality of stock. This was mentioned in all the interviews, and most thought Southwark had a much harder task than their own borough. Some acknowledged that there was likely to be a shortfall in funding to bring homes up to the decent homes standard.

Meeting wider strategic objectives

It was said that housing policies had to fit with wider strategic objectives. One borough mentioned aligning housing with well-being objectives. Although Housing Revenue Account (HRA) money was ring-fenced it should also work with the General Fund – for example boroughs needed a housing strategy which sought to reduce the costs of social care. Similarly, housing could be used to help engender the wider aim of growing the local economy and wealth creation.

“Whilst HRA is ring-fenced it also has to work with the general fund.”

Affordable rent

Affordable rent was a problem for re-lets when housing associations shifted over to the new regime. One authority had undertaken research which showed that housing was going to those with lower housing needs. Another thought it was unaffordable for some people and also could cause real tensions – how could the Council justify charging different rents to neighbours for the same service?

Welfare reform

Welfare reforms were also mentioned as a major challenge and a potential risk to income streams. Councils shared many of the same fears as housing associations.

Right to buy

One interviewee mentioned the issue of companies buying right to buy properties. The Council should take any action it could to curb this. However, another thought it was relatively small scale, but growing.

Views of Southwark Council

Perceptions of Southwark varied. However, most thought the Council was doing a good job in difficult circumstances.

One interviewee said the Council seemed mindful of what they can achieve and are not politically doctrinaire. It was thought that they were doing the best they could given the socio-economic make-up of the borough. It was felt by another that Southwark was a progressive Council and a sensible, pro-active and responsible authority. They thought the borough was using its new freedoms to the best advantage especially as they could not rely on grant, and that Southwark were right to take their time.

Others thought that the borough had not got on with things. One cited huge estates which have been left empty or have not been improved. One thought that the Council allowed too much private housing and could deliver more council/social housing.

Others however did not have a view of the Council but acknowledged that they had an inherently challenging stock.

“Southwark is a solid centre-left, inner-city borough doing what it can.”

“What I have heard is that they are interested and involved and trying their best. They seem to be rolling up their sleeves.”

Opportunities

Cross boundary working

One interviewee mentioned their work with other neighbouring boroughs to help address cross boundary issues. They gave the example of combating fraud and unlawful subletting. These issues demanded collaboration as those with more than one home could have them in different authorities. The boroughs shared data to trace those who were subletting.

Another interviewee stated that whilst there were close relationships on some areas (such as temporary accommodation) more could be done in others. Tracking subletting, dealing with rogue landlords, and home improvements could all be undertaken jointly. They mentioned the shared services group and suggested it could be broadened to even include other issues, such as lettings. However, this was not without problems - different policies, practical issues around computer software and possible political concerns. But if there was common ground then it could only be a good thing. This would need to be driven at a high political level, but with different electorates that would be a tough ask and there would need to be demonstrable benefits to both boroughs concerned.

“Boroughs are showing a can do attitude. There’s enormous scope for working together.”

Development

One borough mentioned that it was not in favour of affordable rent. They were starting to build new council homes, on council land - 25% private sale, 25% shared ownership and 50% council housing. Their programme also included infill on existing estates. All thought there was no option but to cross subsidise from homes for sales.

One scheme mentioned in an interview was where a developer provided a small number of properties which could not be sold on the open market and priced below market levels. When these properties were resold they would have to sell to someone the Council had nominated.

One councillor thought that councils had to look for any space/land they could find, including rooftops and disused garages. Councils had to hunt for these ‘hidden homes’.

Estate renewal

One interviewee thought that no one model would work for housing and regeneration across a borough. In some places it was about the initial design rather than how they were built. Finding solutions to problems required different approaches.

One council that was meeting the decent homes standard was focusing on improving the place and clean-ups. This included, improving walkways and having good concierge facilities.

Preferred providers

Working with housing associations, because of affordable rent, was seen as a major challenge by some authorities. One had a clear policy and expected housing associations to offer agreed rent levels and tenures that matched their objectives. If it did then the authority would put in land at discounted prices and seek New Homes Bonus for grant/gap funding.

Delivery structures

One interviewee thought that Southwark should think about devolving powers and setting up arms length (housing) bodies – these would allow the Council to bring in new people with new skills sets which would help to enhance capabilities.

This was shared by another who said that forming an Arms Length Management Organisation (ALMO) could lead to improvements as they were focused solely on providing a good service.

In another interviewee, a similar but nuanced suggestion was proposed. They thought that the structures in Southwark were too diffuse – that having strategy, regeneration, housing management and finance managed separately stopped the borough concentrating on delivering a quality service and new homes. It also made it much more difficult for associations to work with the borough given that they needed to speak to different teams on a scheme. This also applied to planning who were often said to be distant to the housing team, who had insights into how schemes worked in practice. This need not mean having an ALMO but consolidating services and greater joint working within the borough.

They also felt that sometimes the HRA was viewed in the same way as the general fund. However, housing was an asset to be invested in rather than just a service provision. Housing also required strong relationships with tenants and leaseholders in a different way to other services.

However, one person interviewed thought that there was too much discussion about high level governance (delivery models) which could be a distraction. A well run ALMO is better than a poorly run in-house service and vice versa.

“You have to concentrate on quality of what we are doing and set strategic objectives it’s not all about large scale voluntary transfers or ALMOs.”

“Southwark should think about devolving powers and setting up arms length bodies.”

Estate based focused

One person interviewed thought the borough should look hard at the management of certain estates – which ones needed to be improved and tackle them accordingly. This could help support regeneration which is much needed.

Demand management

One borough had worked hard to limit the number of people needing emergency accommodation. It was said this allowed them to manage demand for housing.

One mentioned buying up right to buy homes which would be cheaper than the private rented sector for temporary accommodation. It would also allow them to 'decant' tenants when regenerating areas.

Another mentioned that they were in part meeting their social care challenge by running a popular scheme to buy seaside homes in Kent and elsewhere, which helped free up under occupied homes. This could be extended to temporary accommodation, to offer people the option of living outside the borough. They stressed that this was being done on a voluntary basis. If a resident declined the offer to move, they would not be forced to do so.

Contractors

Working with contractors to increase the proportion of their staff versus subcontractors for maintenance services was mentioned by one interviewee. It was said that subcontractors tend to be of a poorer quality. However, it was said there is often a tension between small local firms, employing local people and larger national contractors who often provide a better service.

Innovative ideas

One suggestion made, was charging affordable rents and putting 10% of the rent into a savings scheme to help the tenant build up a deposit to buy a house.

One borough was looking at establishing a lettings agency, similar to Newham, which is licensing all private landlords.

Sticking points

Affordable rents

One of the barriers mentioned by local authorities was affordable rent. Councils we spoke to had mixed views, with many uncomfortable given that rents were clearly unaffordable for those on low incomes. These boroughs either had a policy of discouraging affordable rent or were actively seeking to stop it. This stance was causing tensions with some housing associations.

Others took a more flexible view. One mentioned that they were calculating affordable rent not as a percentage of market rent but were linking rents to median incomes. This produced interesting results which were much lower than 80% of market rents and helped those on modest incomes. Housing associations they worked with accepted the challenge and were glad to have a system not based on market rent.

Rent levels more broadly were mentioned by one interviewee as a sensitive issue. Increasing social rents was causing tensions and was a tricky political issue. However, it could be justified if the service improved.

“We have undertaken research on affordable rent and homes are mainly going to those with lower housing need.”

Mix of tenures

Another issue was the mix of tenures on new developments. For some it was about having a debate with social landlords rather than being prescriptive. What mattered was meeting the boroughs overall objective.

One interviewee thought that Southwark was not flexible enough on planning. It had the potential to allow more new build, but it was not viable to build for sale properties in low demand parts of the borough and social housing in the north. They thought the Council needed greater flexibility around the mix of tenures on some schemes – 35% would not work on some developments.

“They need some flexibility. 35% affordable doesn’t work on some schemes – this needs to shift even if 35% of all units built across the borough are social housing.”

However, others thought that housing associations and other developers needed to understand that authorities had a democratic mandate. Delivering genuinely affordable homes and mixed communities mattered politically.

Partnership working

One interviewee said that the impression they had of Southwark was that they dictated the terms, and if providers didn't like it they could go elsewhere.

"You don't get things done by bossing people around."

Relationships with housing associations were mentioned. One thought that sometimes they could get more by working with developers -that housing associations did not bring that much to the table without grant funding. They also felt aggrieved that associations would sell properties in their borough in order to build more in another borough. Sometimes associations could also neglect their management services and prefer to focus more on development.

Partnership working

Similar objectives

One interviewee mentioned that partnership working involves defining common goals and working closely with partners to achieve them. If a housing association has different priorities then it is hard to work with them, especially in regard to affordable rents. They said it was important to acknowledge that you will not get on with all providers and need to have aligned interests.

Another said that the borough needed to be clear about what it wanted to get out of partnership working and have a clear set of outcomes. It was commented that Southwark would need to be realistic about achieving its housing and place making aims.

“We define our goals and work closely with those who agree with them. If a housing association has different priorities then we find it hard to work with them.”

Meeting partners regularly

Most agreed that relationships were kept going and built up by meeting regularly with partners. One cabinet housing lead met with housing association chief executives regularly, as did officers with senior staff. These were a mix of informal and formal meetings and they had a housing association group which met every month. These meetings were two way conversations, and covered issues around existing stock as well as development. That particular authority said that they don't dictate terms as associations operate in several different authorities and have their own pressures. This was not a view shared by all councils.

Building on existing relationships

Using and building on existing partnerships was mentioned by one interviewee. This included strong personal connections, including where officers had worked together with people at other organisations. Housing was a small world and authorities needed to utilise those formal and informal connections (organisations such as ARCH were seen as useful forums for information sharing).

“They know what we do and how we work.”

Providing a forum

One interviewee mentioned that some providers felt that they did not know who to talk to at Southwark. They suggested creating a forum for decision makers to make agreements. Such a forum could meet quarterly and would help build relationships. This was a matter of timing: getting agreements in time was a necessity as providers have to make investment decisions on existing stock and new build. What was important was getting senior decision makers sat round a table rather than more

junior offices talking about particular elements of potential schemes. This would allow for better joint working and allow for compromise.

“The problem is who do you speak to? They need a forum for decision makers to hammer out agreements.”

Preferred providers

One council had a framework of around 10 housing associations who were preferred providers. Through the semi-formal agreement if land was available then these associations are given the option to develop. Housing officers met with the housing associations at director level and once a year they have a breakfast with chief executives. It was thought that concentrating on building a few good relationships made partnership working easier. However, it was thought that innovative ideas could be missed – some proposals they received in the past had been completely leftfield which they had not thought about. This did not happen as much with preferred providers.

Neighbouring boroughs

For some boroughs relationships with neighbouring councils were undertaken on a more informal basis - talking politics and changes in strategy and sharing information. This was also the case with the GLA.

One interviewee thought that much more could be done to work with Southwark across borders. At the moment sub-regional groups were South East and South West but inner London boroughs had much more in common. This would allow for sharing of information, intelligence and ideas. It would not just be about shared services.

One interviewee noted that in the past housing directors of inner south London boroughs met once a year but this had stopped.

“Boroughs need to learn from each other, not least on HRA improvements.”

Leadership and culture

One interviewee thought that to have partnership working you had to have the right culture. This depended on having good people in key positions. The top-down culture would not change if the leadership was not willing to work with other organisations; and this attitude would feed down to junior staff. The interviewee noted that the Council had to move some staff on to bring this about. It was noted that good partnership working is not going to happen without supportive people. They need to have loyalty to the place and willingness to trust and work with others.

“I think partnership working depends of on having good people in key positions.”

