



HOUSING SCRUTINY SUB-COMMITTEE

MINUTES of the OPEN section of the meeting of the HOUSING SCRUTINY SUB-COMMITTEE held on 7th OCTOBER 2003 at 7.00 P.M. at the Town Hall, Peckham Road, London SE5 8UB

PRESENT: Councillor Anne YATES (Chair)
Councillor Fiona COLLEY (Vice-Chair)
Councillors Jonathan HUNT, Dr Abdur-Rahman OLAYIWOLA, and
Charlie SMITH

**CO-OPTED
NON-VOTING
MEMBERS:** Mr Al-Issa Munu [Tenant Co-optee]
Mr Lionel Wright [Tenant Co-optee]

**OFFICER
SUPPORT:** Tunde Akinyooye – Crown House Neighbourhood Manager
Chris Brown – Head of Housing Management
Glen Egan – Assistant Borough Solicitor
Ghazala Faizi – Taplow Neighbourhood Housing Manager
Martin Green – Divisional Leasehold Manager
David Hancock – Head of Community Housing
Lucas Lundgren – Scrutiny Team
Harry Marshall – Divisional Housing Manager
Kevin Orford – Parkside NHO Contract Manager
Hakeem Osinaike – Housing Needs Manager
Rachel Sharpe – Head of Strategy & Regeneration
Antoinette Stasaitis – Divisional Housing Manager

APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Abdul Mohamed.

CONFIRMATION OF VOTING MEMBERS

The Members listed as being present were confirmed as the Voting Members. The Sub-Committee welcomed Mr Al-Issa Munu and Mr Lionel Wright as newly nominated non-voting co-opted members representing Tenant Council.

NOTIFICATION OF ANY OTHER ITEMS WHICH THE CHAIR DEEMED URGENT

The Chair agreed to accept the following items which had not been available for circulation with the main Agenda, i.e.

- Item 1: Pre-Scrutiny: Housing Allocation
- Allocations Policy Review – briefing paper for Members [pp. 96-99] including terms of reference for Allocations Review Board [ARB]

Item 2: Review of Secure Tenancy Agreement – Information Requested at last meeting

- Details of Departmental consultation with individual tenants
- Timetable for Departmental review
- Feedback/update from Tenant Council special meeting

Item 6: Work Programme Planning

- Business for Forthcoming meetings 2003/04 [pp. 88-95]

DISCLOSURE OF INTERESTS AND DISPENSATIONS

During discussion of Item 4 the Assistant Borough Solicitor advised those present that current Southwark Council Tenants should declare a personal interest in all items on the Agenda [except Item 5 which primarily concerned Leaseholders]. There were no dispensations notified.

RECORDING OF MEMBERS' VOTES

Council Procedure Rule 1.17(5) allows a Member to record her/his vote in respect of any motions and amendments. Such requests are detailed in the following Minutes. Should a Member's vote be recorded in respect to an amendment, a copy of the amendment may be found in the Minute File and is available for public inspection.

The Sub-Committee considered the items set out on the agenda, a copy of which has been incorporated in the Minute File. Each of the following paragraphs relates to the item bearing the same number on the agenda.

MINUTES

RESOLVED: The Minutes of the meeting held on 2nd September 2003 were agreed as a correct record of the proceedings.

1. PRE-SCRUTINY: HOUSING ALLOCATION POLICY REVIEW (see pages 1-2 & 96-99)

The Chair explained that the purpose of this item was for Members to receive background information to help them decide whether to undertake a review, and if so, to assist in its scoping. A briefing paper outlining the review process, and including the ARBG terms of reference was circulated to those present.

The Head of Community Housing explained that the Executive had established the Allocations Review Board in January 2003, and subsequently agreed its terms of reference. A comprehensive review process was essential to ensure transparency of the allocations policy. The review focused initially on examining supply and demand in the borough, and he acknowledged that allocation of housing was a question of rationing a finite stock. The Allocations Review Board [ARB] had initially aimed to make amendments to the existing policy, but had subsequently acknowledged that consideration of different allocation mechanisms was required.

He suggested three key questions in the existing review process that scrutiny might consider, i.e.:-

- (i) How to advertise vacancies [currently a needs-based points system is used but Central Government favoured choice-based letting schemes, now in place in other authorities];
- (ii) How to determining priority for housing allocations;
- (iii) How to create a comprehensive allocations policy [including undertaking an impact assessment of the new/revised policy].

The ARB had taken no decision in respect of prioritising applications. Further modelling work would be undertaken during the review. It was unlikely that any recommendations would be made on priority schemes until early 2004. He recommended that scrutiny might look at each of the key stages defined, individually, in separate sessions.

In respect of advertising of housing vacancies these would need to be made widely available, considering access needs especially in relation to language. Although high internet access take-up had been observed in other authorities to date, this mode of advertising properties was dependent upon access points in Council buildings. Any bidding system would enable people to bid for properties themselves, with allocators having provision to work with NHOs and care agencies to bid on behalf of tenants, where necessary. The ARB had reportedly visited Newham Council to observe their allocations system in situ

In respect of advertising through a dedicated magazine publication, as was the case in Newham, Member concerns remained about whether this could achieve proper dissemination of the necessary information, even where the publication was available at key points around the Council and good saturation across the borough was achieved.

In respect of priority groups, officers acknowledged that the transfer list currently took account of such groups, including for example homeless people, and made provision for housing to be allocated for certain uses e.g. to address domestic violence. It was anticipated that four priority bands would be applied within the proposed system.

The proposed CBL scheme would provide information to individuals on the likely waiting times for properties based on their choices, and enable them to make informed decisions about whether they wished to wait for certain properties.

Members expressed concern about mechanisms existed to ensure effective co-ordination of information at neighbourhood level in respect of allocations/transfers and whether NHOs currently had sufficient information available to properly advise tenants of their position on the transfer list. Officers confirmed that such information was available centrally. NHOs could give this information, but it was not possible to infer waiting times for properties.

Members expressed concerns about whether scrutiny might simply duplicate the ARB's work. Officers suggested that initially, scrutiny might fruitfully test the ARB's decision to support advertising of properties.

Some Members felt that the proposals simply replicated the private sector system, but with points substituted for cash. Officers responded that choice-based lettings schemes enabled tenants to express choices in respect of where they wish to live, which in turn encouraged the development of sustainable communities. Members recommended that some form of measurement of need or want should be indicated when bids were placed. DH responded that choice-based systems usually indicated the priority cases applicable to the properties on the system. Members supported the idea of giving tenants in particularly bad properties additional points so as not to disadvantage them. Members felt that advertising the results of allocations could better enable tenants to make informed choices about suitable areas for transfer.

Members discussed the reasons for tenant refusal of offers, noting that newbuild was uncommon for local authorities, acknowledging that RTB reduced available housing stock, and that populations were increasing. Officers advised that refusal rates for properties were generally low but should be read with caution, as those to whom offers were made could either accept the property offered or be suspended from the transfer list.

Officers advised that they confirmed that the current allocations policy was available at NHOs but acknowledged that it was not a particularly accessible policy.

Generally, Members welcomed the approach being taken to the review of the policy, and felt it gave a chance for the authority to address problems associated with the previous policy.

RESOLVED:

1. That the Head of Community Housing be invited to the next meeting of this Sub-Committee to make a presentation on current Allocations Review Board recommendations in respect of advertising and choice-based lettings;
2. That the presentation referred to in 1. above also include information about how similar schemes are operated in other boroughs, together with an update on the work of the Southwark's Allocations Review Board;
3. That the Head of Community Housing include details of the potential implications of the proposed scheme for sub-regional funding and impact on allocations at borough level – including cross-border nominations.

2. PRE-SCRUTINY: REVIEW OF SECURE TENANCY AGREEMENT (see pages 136-207, 208-209)

Harry Marshall [Divisional Housing Manager] updated Members on the progress of the review to date, pointed Members towards Appendix 2 to his report which provided a summary of the views of the Neighbourhood Forums on the proposed new clauses, updated since the last Sub-Committee meeting. He confirmed that whilst he could provide a review timetable, no further feedback was yet available, as a recent Tenant Council meeting had been postponed until 27th October. It was acknowledged that this delay could impact on the subsequent timetable for individual consultation.

Members remained concerned about the impact of the delay on the consultation timetable and commented that an effective consultation process was possibly more important than meeting arbitrary timetables. One Member asked how the new agreement would measure up in terms of the Human Rights Act, expressing concern that no specific clause was included that protected tenants rights.

The Strategic Director of Housing confirmed that extensive external consultations had been undertaken already and that the Housing Department had no wish to see matters delayed. Update of the policy would enable the Department to deal more effectively with issues such as anti-social behaviour. Delay in completing the review would delay the Council being able to do this.

The Chair was particularly concerned about the potential impact of the policy's wording, arguing for the inclusion of "should" as opposed to "may" in clauses of the agreement, and explaining the potential impact on tenants.

Officers confirmed that clauses had been amended to reflect feedback given, and that Tenant Council would consult on the STA before it was put out to individual consultation, at which time a further opportunity to feedback would exist. Consultation was ongoing and would be undertaken clause-by-clause. Housing Department reported that the clauses complied with the letter and spirit of the Human Rights Act and current housing legislation. Officers acknowledged an error was made in respect of the law on joint tenancies and an amendment would be made accordingly on 27th/28th October 2003. Members acknowledged the difficulties in presenting and consulting on revisions, and suggested that to make a proper comparison, tenants needed copies of both current and proposed agreements.

Members sought confirmation as to whether this matter needed to go to full Council. It was believed that the matter did not need to be agreed by Council, but that the matter could be called in by scrutiny should this be wished.

RESOLVED: The Divisional Housing Manager agreed to bring back the proposed revisions to Members at a future meeting, when they became available.

3. POST SCRUTINY INFORMATION: REPORT BACK FROM DIRECTOR OF HOUSING ON PRIVATE SECTOR HOUSING RENEWAL POLICY

Members received and noted the Director of Housing's written response provided for information.

Members were reminded that private sector renewal work was contracted out, hence there existed no Approved Contractor List as such, nor Housing Department input into such contracts. Despite the volume of such work, complaints remained at a low level, but all were addressed fully, especially as the client group were often vulnerable. The Council let work to a very small number of contractors, and the nature of these contracts was that they were based on requirements of individual properties. Clients gave 100% feedback on the contract work. Members noted that complaints included areas other than standards of work.

The Housing Department would be reporting back to the Executive on how the policy was working, at 12 months following implementation, and would include information on contractor quality.

In respect of availability of information about the scheme in community languages, Officers confirmed that translation had not been undertaken due to the small number of clients, but that verbal presentations had been made to community groups likely to include future clients – as this was considered more cost effective. These had included presentations to the Southwark Vietnamese Association and the Vietnamese Elderly Association. Members remained concerned as to whether quoted measures ensured access to this information.

The following points arose from discussion on the matter:

- In respect of individual competency to sign agreements, legal advice had been sought on this point.
- The scheme complied with Shariah Law [it was a loan carrying a one-off, set-up charge and was not interest-bearing].
- Members re-iterated that any financial advice given to clients by officers should be independent. Officers confirmed that Council officers gave only general financial advice. The Home Improvement Agency gave information about the Southwark scheme. The scheme also made provision for a 14 day “cooling off” period.
- In respect of financial advice potentially impacting on the authority, it was confirmed that where the Council was the contractor [and the HIA the client’s agent] the Council could be taken to court, but where the HIA was not the agent, the client may not sue the authority.

4. PRE-SCRUTINY: MONITORING OF MAJOR WORKS CONTRACTS

The Chair explained that the purpose of this item was for Members to receive initial background information to assist in scoping of this potential review. The Chair noted that initial case study information on the Canada Water Estate was not yet available, however.

The Head of Strategy & Regeneration verbally briefed Members on the Council’s contract obligations. Members were advised that the authority’s Contract Standing Orders were currently under review and that a new version would be presented to the Executive in either November or December 2003.

She confirmed that feedback information in respect of contract quality was regularly received, with the Department’s Risk Management Panel charged with considering high risk or otherwise difficult housing contracts. In terms of monitoring housing contracts, a raft of systems existed, overseen by the Investment Contract Programme Group [ICPG]. Below the ICPG existed a sub-group considering contracts at neighbourhood level, and another that met bi-monthly to consider contracts of lower value.

Members were advised that many corporate initiatives impacted on housing contracts, and would act to improve performance in this area. For example, the BVR of Capital, the new Procurement Strategy and the anticipated Council-wide project management system.

Members expressed concern about the manner in which both small and large contracts were monitored, where problems such as duplication of payments to contractors had occurred, or where work had not been completed but payment had been made. Members suggested a measure such as a monthly estate inspection list might be used to check contractor activity/performance.

Harry Marshall [Divisional Housing Manager] confirmed that 20% and random contractor checks were undertaken every day at neighbourhood level. Depending on the nature of the work, these included every job where complaints had been received. In addition, an estate maintenance monitoring scheme was in place.

Antoinette Stasaitis [Divisional Housing Manager] confirmed that the department already contacted 10% of residents by telephone for feedback. Residents were encouraged to use feedback forms, and telephone contact would be stepped up. In respect of sections of estates where it appeared that no work had been undertaken, she advised that it was not uncommon for certain areas of estates not to be included in contracts.

Concerns were expressed that rafts of mechanisms were being quoted and references to staff training being made, yet often despite these measures contract management failures continued to occur. When repairs were carried out no proper system seemed to be in place to monitor whether the jobs had been completed. Members suggested officers visit or call tenants for confirmation rather than relying on the contractor to confirm. Members also had concerns about the quality of materials used.

Officers emphasized the difference between routine repairs and maintenance contracts and those for major works. Comprehensive Performance Assessment feedback in respect of repairs inspection reportedly suggested Southwark undertake increased direct monitoring, with 20% by contractor, 15% by the independent consultants and 20% by the authority.

Members asked what records of contractor's work were kept and if these were subsequently taken into account when selecting contractors for work. Members were advised of the Approved Contractor List [ACL], and the requirement in Contract Standing Orders for feedback on contracts. Unless a contractor performed very badly however, they were likely to remain on the ACL. Where concerns were raised about performance of current contracts these were subsequently more closely monitored. The neighbourhood Contract Managers had discretion to select 50% of companies on the ACL.

Members proposed residents be surveyed through TRAs for their feedback on contractor behaviour and work standard prior to signing off contracts, although officers confirmed this was already the practice and that those involved in contract management were encouraged to feedback to the Central Contract Unit.

Members proposed scrutiny look at the mechanism for inclusion on the Approved Contractor List.

Whilst it was not built in to Council procedure, consultation with tenants currently took two forms, the first being pre-contract consultation, and the second being consultation during the defects period [6-12 months]. The latter involved the NHO writing to every tenant before the release of the final contract amount, asking them to complete a form advising of remaining problems. During this stage the contractor also carried out a visual inspection.

At 8.50 p.m. it was moved, seconded and

RESOLVED: That the meeting stand adjourned for fifteen minutes for a Member comfort break.

At 9.05 p.m. the meeting reconvened.

RESOLVED: That during the review officers be asked to provide details of occasions on which contractors had failed to meet the contract and where penalties had been imposed.

5. **BEST VALUE REVIEW OF HOUSING MANAGEMENT: SUPPORT FOR RESIDENT INVOLVEMENT/TENANT FUND – UPDATE IN RESPECT OF MECHANISMS FOR LEASEHOLDER CONSULTATION AND INVOLVEMENT**

The Divisional Leasehold Manager took Members through additional information requested by Members arising during scrutiny of the Best Value Review of Housing Management.

- He confirmed that the authority had a statutory duty to consult with Leaseholders;
- On 18th August 2003 Leaseholder Council [LHC] concluded that leaseholder voluntary contributions were not viable and the associated costs higher than expected returns. Over 500 of the listed “leaseholders” were not individuals but corporate bodies, in fact. LHC supported the principle of a £15 contribution from the leasehold management fee. The Leasehold Manager drew the distinction between the leaseholder administration fee and the management fee.
- By definition leaseholders were long-lease tenants, and there remained a duty on the Council to consult. Consultation was an integral part of the way leasehold stock was managed, with LHC being the main vehicle. No comment was made on its effectiveness as a consultative forum, however.
- Leaseholder numbers were increasing with 6,000 Right to Buy applications currently in process, and total leaseholder numbers expected to reach 14,000-15,000 shortly.

During discussion the following points were raised:

- Should leaseholders be expected to contribute to the same fund as tenants ?
- TRAs by definition included leaseholders and they should be included in discussion on rent increase matters.
- Members discussed whether an equal % contribution should be made by tenants and leaseholders. The Leasehold Manager advised that LHs did not receive the same services as tenants, e.g. in respect of internal repairs to properties and therefore simple comparisons could not be validly made.
- Members acknowledged that if equal contributions were made, then both tenants and leaseholders would expect equal local authority support.

Members noted that tenants of leaseholders were growing in number yet had no representation and were effectively a disenfranchised group. In comparison to other boroughs, Southwark reportedly demonstrated a harder division of leaseholder and tenant representative organisations. From his experience working in other boroughs, the Divisional Leasehold Manager expressed his preference for consultative forums inclusive of both tenants and leaseholders.

6. **WORK PROGRAMME PLANNING**

In respect of the business for forthcoming meetings, the decisions in respect of Item 1, (1)-(3) were incorporated into the Sub-Committee’s work programme.

Members asked the Scrutiny Project Manager to pursue a different date for the Sub-Committee’s next meeting in November.

In respect of the Housing Major Works Contract scrutiny, Members acknowledged Housing Department's concerns about invitation of junior officers to appear before scrutiny. Members reiterated that reviews may consider input from both individuals directly involved in service provision and at a strategic level. Members wished to receive full presentations on the issue, with the attendance of all officers able to field questions relevant to the review, as invited following review scoping.

In respect of progression of joint work with Environment & Community Support Scrutiny Sub-Committee on Anti-Social Behaviour [Crack Houses on Estates] Members asked officers to bring back options for planning the review for Member consideration.

The meeting ended at 10.00 p.m.

CHAIR:

DATED: