

Housing, Community Safety and Community Engagement Scrutiny Commission

Monday 25 November 2024

7.00 pm

Ground Floor Meeting Room G02A - 160 Tooley Street, London SE1
2QH

Supplementary Agenda No. 3

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Housing, Community Safety and Community Engagement Scrutiny Commission

MINUTES of the OPEN section of the Housing, Community Safety and Community Engagement Scrutiny Commission held on Wednesday 18 September 2024 at 7.00 pm at Ground Floor Meeting Room G02A - 160 Tooley Street, London SE1 2QH

PRESENT: Councillor Sam Foster (Chair)
Councillor Emily Tester (Vice- Chair)
Councillor Barrie Hargrove
Councillor Ketzia Harper
Councillor Esme Hicks
Councillor Sunny Lambe
Councillor Jane Salmon
Basseyy Basseyy (Co-opted Member)
Cris Claridge (Co-opted Member)
Ina Negoita (Co-opted Member)

OTHER MEMBERS PRESENT:

OFFICER SUPPORT: Amit Alva, Scrutiny Officer

1. APOLOGIES

There were no apologies for absence.

2. NOTIFICATION OF ANY ITEMS OF BUSINESS WHICH THE CHAIR DEEMS URGENT

There were no items of business which the Chair deemed urgent.

3. DISCLOSURE OF INTERESTS AND DISPENSATIONS.

Councillor Jane Salmon disclosed that she was leaseholder in a council property, and the property is on the district heating network.

Councillor Esme Hicks disclosed that she was also leaseholder in a council property and a member of a TMO.

Councillor Ketzia Harper disclosed that she is also a leaseholder in a council property, and the property is on the district heating network.

4. MINUTES

Minutes of the meeting held on 23 July 2024 were approved as a correct record.

5. THE ROLE OF TRAS' AND TMOS' IN WARDS

The commission received a report from Nat Stevens, Resident Involvement Manager and Hakeem Osinaike on the following points.

- 123 TRAs' and TMOs' in the borough, managing 4600 properties in total; TRAs' carry out 2600 inspections every year.
- 8 TRAs' supported communities with food, shelter clothing during the winter of 2023; 17 TMOs' in Southwark showing some highest satisfaction results in tenants' surveys.
- Significant increase in no. of TRAs in Southwark; Draft Resident Engagement Strategy is out for consultation; strategy puts residents' involvement as the main approach for landlord services.
- Regulator appreciated the number of TRAs' in Southwark and support and resources provided by the council, however there is room for improvement.

The commission then asked questions on the following themes.

- Increasing resident involvement in TRAs' with a focus on young people as part of the resident engagement strategy
- Strategic ways of supporting TRAs' and residents who carry out unpaid work in the management of estates.
- Importance of the growth in numbers of TRAs; Skills required for TRA Chairs; Strengthening TRAs and providing more resources for their role in the community.

- Increasing visibility and signposting of TRAs through community events;
Attracting more young people to TRAs by providing training;

Nat explained to the commission that there are 46 organisations in the 'Get Involved' grants, the Southwark Black Tenants Forum who approach communities to increase participation in activities such as mental health, well-being drives and summer activities for young people. The council is working on digitalisation of services to attract young people.

The commission heard from the Nat the council appreciates the enormous amount of work carried out TRAs' and their unpaid volunteers, volunteers often undertake massive initiatives such as breakfast drives for 300 people. The council supports the TRAs' with grants and revenue generated from housing supplements and also provides training for TRA Chairs'.

Hakeem informed the commission that it's important to have existing TRAs' delivering quality service and support to residents rather than just having more TRAs.

Nat explained to the commission that the people in committee of TRAs' and TRA Chairs are highly qualified academics and accountants with the requisite skills sets. Furthermore, in Sept 2022 there were only 7 TRAs in Southwark which has now increased to 123 TRAs. Specialist trainers have been brought on board to upskill TRAs'. Southwark has a very high number of TMOs (17) when compared nationally. The average on the Black Tenants Forum is 23 and community events help in galvanising support and encouragement for people to join TRAs. Efforts are also being made in digitalisation and technology for TRAs', 80 laptops are being provided to 80 TRAs'.

The commission then asked further questions on the following topics.

- Inaccuracies in council databases maintained for TRAs and TMOs; Reviving defunct TRAs and their responsibilities of community spaces.
- Income for TRAs being reinvested in the community; Learning from the closure of TMOs
- Auditing of TRA finances with regards Coronation and Xmas Grants;
Election of TRA Chairs and Committee members; Major works on estates and
involvement of TMOs in light of the Grenfell report.
- Resident Participation Fund of £900k breakdown including TRA funding of £178k per annum; Specific support to TRAs and TMOs; Resident involvement in drafting of resident involvement strategy; TMO contract monitoring toolkit working effectively.

The commission heard from Nat that council databases for TRAs and TMOs are in a constant process of being updated and new TRAs are being established for the defunct TRAs. The council has also been approached partner organisations who want to work with TRAs to revive them.

Nat explained to the commission that the council is undertaking steps to ensure that TMOs' adhere to their contractual obligations. Training and support is also being provided for TMOs to manage their finances diligently.

Hakeem informed the commission that efforts are being made to more effectively manage TMOs in the council's role as a social landlord. All recommendations from the Grenfell report are being implemented in the management of TMOs.

Nat agreed that management of grants to TRAs is not perfect, but work is ongoing to ensure proper accounting of grant finances ensuring right bank accounts for transfer. The TRA funding of £198k per annum is allocated based on the no. of properties in the estate and their activities. TRA support and resident advice and SGTO Grants amount to £220-£220k, Homeowners advice service funding is £16-17k, gig funding £250k and training and support is approximately £100k.

Nat informed the commission that it has been agreed with TMOs' that the contract monitoring checklist will be followed and shared with officers for governance. 500 residents across 46 estates were consulted on the Draft Resident Involvement Strategy.

The commission then asked further question on the following themes.

- Disputes between TRAs and TMOs and the council role in mediation (JMB & Bermondsey Street).
- Financial policies and processes for TRAs for financial management.

The commission heard from Nat that legislation does allow non-resident leaseholders to be a part of TMOs. The council through landlord services actively pursuing mediation with Leather Market JMB and Bermondsey Street to avoid litigation. TRAs are offered a suite of training from accounting to management, SGTO have been helpful in auditing TRAs.

6. EXCESSIVE GAS CONSUMPTION IN DISTRICT HEATING NETWORKS AND PROHIBITIVE COSTS FOR LEASEHOLDERS'

The Chair introduces the item noting its focus on excessive gas consumption in district heating networks across Southwark but particularly North Peckham estates. He then welcomed Officers Tom Vosper, Strategic Project Manager for Heat Networks and Simon Holmes, Head of Engineering, accompanied by Hakeem

Osinaike, Strategic Director of Housing, thanking them for the report.

The context for the report was noted with the Chair telling the Commission that that a group of leaseholders had been campaigning on the issue of higher-than-normal heating costs on the estate and that a representative of the group had spoken on the issue at Council Assembly and subsequently with a Cabinet member.

Tom then introduced the paper, outlining:

- and expressing gratitude for the work residents on the North Peckham and Gloucester Grove Estates had done to understand the heating costs and issues involved
- the focus of the report, namely the North Peckham heating network and others across Southwark (of which approximately 100 in total)
- the higher average gas consumption for the council's heat networks against individual boilers and the reasons for this (e.g. losses from the boilers and networks, and, sometimes, higher consumption within dwellings)
- that from a technical, heating efficiency perspective, heat networks tend not to be more efficient than individual boilers – their advantages come about for different reasons such as efficiencies of maintenance, their modularity allowing alternative heat sources to be 'plugged in' etc
- the issues in Peckham which relate mainly to the fact it is a higher temperature heat network, has more pipes and the boiler is further from dwellings
- the Council's response which, since 2021, has focused on improving heat networks based on priorities of reliability, affordability and low carbon
- that Heat Networks Market Regulation legislation will come into force in 2025 with Ofgem regulating all networks in the country and also giving residents greater protection and the Council greater powers of scrutiny

The Chair then asked Commission members for their questions which included:

- if the data on consumptions and efficiencies presented by residents was new to their work
- whether, given the scale of the heating consumption in some areas, there are further lessons to draw in terms of monitoring and maintaining the Council's heating networks
- whether the North Peckham situation was handled wrongly in terms of speaking with residents over efficiencies and cost savings
- whether likely network and/or boiler upgrades will mean additional costs for leaseholders and how the Council might ameliorate these if they arise
- whether owners of new build properties connecting to North Peckham's network would face the same costs
- whether calculations of heat loss had been made

- why the North Peckham boiler house renewal happened without a heating network optimisation study
- how much network heating costed above individual boiler heating
- why some estates with improved boilers and/or distribution systems continued to show costs above the Ofgem averages cited in the report
- how incoming regulations were affecting heat meter dwelling installation
- what work had been done to compare individual heating systems
- how the North Peckham boiler house will be different

Officers responded, noting that:

- the data were known to Officers who had been using similar metrics
- as a further lesson learned, whether all the Council's energy procurement could continue to happen centrally but allow for energy management to happen closer to end use i.e. in this case, within Housing, in order to have quicker and closer understanding of consumption
- the full situation in North Peckham was slow to be understood because it is the only site where gas is pressured differently between the metring and consumption estimate for costing points meaning that a long process of calibration and metre checks are necessary to ensure costs are valid
- leaseholders may have to contribute to the costs of future upgrades (as would tenants through rent) and there would be a need for discussions as to how costs were shared with the Council
- subject to ongoing consultation work, cheaper heating bought from SELCHP (South East London Combined Heat and Power) may become available to more estates, potentially including North Peckham and that the Council is waiting for a financial proposal from Veolia to understand what costs might be
- upgrades do imply costs but in the case of control mechanisms these can be lower than expected and, in addition, there are ways to make 4-pipe systems such as North Peckham's more efficient and there are grants available to offset some of these costs
- new builds – by law – had to have metred consumption enabling residents to change their heating behaviour directly and therefore to benefit from lower usage and
- new build leaseholders would pay the same costs (varied by consumption differences) as existing leaseholders
- heat loss measurement was not possible as it needed meters in each dwelling
- an optimisation study wasn't conducted because the replacement boiler and upgrade of the heating network made for the most cost efficient solution (compared with others such as individual boilers for each dwelling)
- comparing heating consumption costs (network versus individual boiler

heating) was complex as these costs included maintenance and electrics and could be explored in a future paper – the heating consumption in kWh was, however, available in the paper under discussion

- with one part of a system improved (e.g. the boilers alone), costs could still be high but where dwellings had heating generation, distribution and controls improved, these were likely to benefit from much cheaper bills
- new government regulations were likely to widen the range of properties where meters should be installed but as these were only now out for consultation, it would not be practical to act now
- North Peckham’s new boiler house would have new boilers, pumps, controls, pipework and heat exchangers and this should make for more efficient and much more reliable heating

The commission then asked further questions on the following points of discussion

- Resident options to opt out of district heating
- Meter reading and service charges; Boiler and pipe changes at Portland and Barlow estate, lessons learnt.
- Estates that have benefited from reliable and efficient heat networks
- Regulatory risks with new regulations of Ofgem on district heating networks

Tom explained to the commission that there is a disconnection policy however the council does discourage residents to opt out, as it more cost effective if everybody stays connected. Leaseholders have to pay a disconnection fee to opt out. Meter readings are taken monthly.

The commission heard from Simon that pipe samples sent for testing to check for degradation and held up to industry standards.

Tom informed the commission that Albert Barnes and Masterman House in 2019 have new boilers, heat meters and heat network. Residents have benefitted from heat meters in keeping heating bills down.

Hakeem explained to the commission that some new regulations are unclear, however the ultimate goal is to install heat meters in every property to ensure residents only pay for heating that they use.

The commission discussed the merit in discussing how service charges and energy costs were communicated to leaseholders and how leaseholder complaints were dealt with by the council.

The commission also discussed the need for analysis of costs to leaseholders and the cost effectiveness, which impacts the Housing Revenue Account. Furthermore, the commission also discussed the benefits in learning from other London councils

on heating networks and systems. The commission noted that issues with service charges and heating costs are predominantly in the historic heat networks, estates with newly installed district heating network systems fare much better.

The Chair and the commission agreed to follow up with officers on new Ofgem regulations for district heating and possibly request a report on the approach the Council takes to ensure the new regulations protect Southwark residents.

7. PROPOSED WORK PROGRAMME 2024-2025

The commission agreed to schedule the Cabinet Member Interview for 25 November 2024 meeting, in addition the commission also agreed to invite representatives of TRAs and TMOs to feedback on the Draft Resident Engagement Strategy subject to timelines.

Meeting ended at 10:15 pm

CHAIR:

DATED: