

## Housing and Community Engagement Scrutiny Commission

MINUTES of the OPEN section of the Housing and Community Engagement Scrutiny Commission held on Tuesday 23 November 2021 at 7.00 pm at Ground Floor Meeting Room G02A - 160 Tooley Street, London SE1 2QH

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**PRESENT:** Councillor Gavin Edwards (Chair)  
Councillor Damian O'Brien (Vice- Chair)  
Councillor Renata Hamvas  
Councillor Jon Hartley  
Councillor Sunny Lambe  
Councillor Richard Livingstone  
Councillor Jane Salmon  
Bassey Bassey (Co-opted member)  
Cris Claridge (Co-opted member)  
Ina Negoita (Co-opted member)

**OTHER MEMBERS PRESENT:** Councillor Stephanie Cryan, Cabinet Member for Council Homes and Homelessness

**OFFICER SUPPORT:** Amit Alva, Scrutiny Officer

### 1. APOLOGIES

Under Chair's announcements it was noted that Councillor Damian O' Brien has been appointed the Vice-Chair of the Housing and Community Engagement Scrutiny Commission at the 13 October 2021, Overview and Scrutiny Committee meeting.

Councillor Lorraine Lauder MBE has been replaced by Councillor Renata Hamvas, this is due to Councillor Lauder's ill health, and the commission wished her a speedy recovery.

The commission also noted that due to issues of the blocking of the automated external email notifications on the Southwark IT network and also meeting invites being sent out for the whole year prior to the appointment of Co-opted members, Cris Claridge and Ina Negoita were unable to attend the previous meeting due to very short notice and through no fault of their own.

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.**

There were no disclosures of interests or dispensations.

**4. MINUTES**

**RESOLVED:**

That the Minutes of the meeting held on 5 October 2021 be agreed as a correct record.

**5. PRIVATE RENTED HOUSING, INCLUDING LICENCING AND THE RENTER'S UNION**

Under this item the commission received a report and interviewed Councillor Darren Merrill, Cabinet member for a Safer Cleaner Borough on private rented housing. Councillor Merrill started his address by the bringing to the notice of the commission an error in the Minutes of the meeting held on 5 October 2021, the role of Councillor Stephanie Cryan was incorrectly recorded as the Leader of the Council. The Chair and commission noted this error and officers were asked to amend the Minutes, this has been edited in the Minutes.

Councillor Merrill explained to the commission that there is approximately 29% private sector rented homes in Southwark, under the licencing scheme the Council is allowed to license 20% of private rented licence homes without having to go out to private rented organisations, this would be the first phase of licensing, gathering data and building an evidence base to go further onto the rest of the housing estates and eventually having up to 85% of private rented sector in the licencing scheme. In addition the council has launched gold standard scheme which certifies properties with higher standards that are energy efficient, well maintained, reasonable renting cost and good tenancy agreements in place, there is also a gold standard plus scheme where if landlords are convinced to rent out to tenants

on the council list then they would not have to pay for the licence.

The commission then received a presentation from Emma Trott, Private Sector Housing Enforcement on driving up standards in the private rented sector. Emma explained to the commission the three different types of licensing, Selective- single family or two sharers, Additional HMO- houses in multiple occupation (HMO) let up to 3 or 4 unrelated people and Mandatory HMO- let to 5 or more unrelated people. The commission also learned that there is a process to introduce Selective and Additional licensing other than the Mandatory HMO licensing which the council has been carrying out, this involves following legislation from Department of Levelling Up, Housing and Communities (DLUHC) for Council wide strategy to improve Private Rented Sector (PRS) standards, meeting criteria such as gathering robust evidence of poor management for Additional licensing, Selective Licensing requiring robust evidence of high levels of PRS. Furthermore, public consultation needs to be carried out for a minimum of 10 weeks ensuring stakeholders and all residents also including landlords not living in the borough are reached, the next step is to apply to Secretary of state for any selective licensing schemes that are larger than 20% of the geographical area of the borough or more than 20% of the private rented sector.

The commission also learned that so far (2016-2020) the selective licensing scheme for single family houses in the borough was based on Anti-Social Behaviour (ASB) data as that was the only criteria in the legislation at that time. The new selective licensing scheme included data on property conditions and levels of deprivation obtained from Office of National Statistics (ONS) and Council held enforcement, housing benefits and council tax data. Data modelling was carried out with the help of an external company to predict properties that were rented in the private rented sector and whether they were likely to be an HMO or single family occupation and also whether it's likely that there is a hazard in the property. A compliance study was also carried out by the Private Sector Housing service on the properties under the previous schemes which recorded conditions found in the property, this served as a basis for proposals going out to public consultation (Appendix 12). The council's young advisors actively contacted food bank users, Black and Asian minority ethnic communities through leaders and specifically targeted media such as The Voice to encourage them to complete the online consultation. Public meetings were held for landlords, agents, private rented sector tenants and residents. The results from the consultation favoured council plans and approach, the consultation was delivered in half the costs of comparable councils, it was delivered during Covid and remains to be largest response to date for this type of consultation.

The commission heard from Emma that the Council believes there are continuing issues with management of smaller HMOs' causing issues for occupiers and neighbours due to hazards of fire disrepair and overcrowding. The council has since introduced a five year borough wide licencing scheme to tackle this issue (Appendix 2).

The commission also learnt about the complex implementation of selective

licensing schemes in two phases, phase one serves as a pilot covering five wards with two designations 1 & 2 containing very high, repeat ASB data and poor property conditions respectively. Phase one covers up to 18-20% licensing of private sector rented housing which does not need DLUHC approval and runs alongside additional licensing scheme. Phase two has designations 3 & 4 containing deprivation & poor property conditions across 15 wards which would need DLUHC approval. Phase one is an opportunity for the council to prove that this new approach to selective licensing scheme works by focusing on the worst property conditions, bolstered with the help of the evidence gathered and this would increase the chances of approval for Phase 2 from DLUHC. The commission also learned that the landlords have responded positively to the requirements of the Gold Standard Charter considering it to be reasonable and benefitting them. The timeline for Phase one already approved by Cabinet in October 2021 is six months starting March 2022 to August 2022 as a pilot for Phase two DLUHC approval process commencing September 2022 to January 2022 and alongside returning to Cabinet for Phase two approval in October 2022 to December 2022.

Emma then answered the commission's questions and addressed some concerns on:

- Phase one pilot scheme mentioned above has been approved by Cabinet instead of utilising the previously run five year licencing scheme from 2016 – 2020 as an evidence base and pilot for a borough wide licensing scheme, rather than a phased approach.
- Properties in the 2016-2020 licencing scheme not being protected in the proposed schemes.

Emma explained to the commission that we do not have the evidence base for a borough wide licensing scheme, the previously run scheme 2016-2020 was based only on ASB and officers agreed this would lead to refusal from the Secretary of State for a borough wide scheme which did not cover all aspects. During Covid the previously known as Ministry of Housing, Communities and Local Government (MHCLG), now known as DLUHC issued guidance asking Local Authorities to pause all steps towards licencing because of pressures on landlords during Covid. This gave officers an opportunity to rethink their approach to collating data and building an evidence base which led to the phased approach. The commission also learned that there are resource issues nationally for housing officers and implementing a licencing scheme at such a large scale would put enormous pressure on the service. The phased approach not only help with resource issues but also avoids the situation where the council could be without any licencing scheme whatsoever. In the event of Phase two being refused by the government the council can still fall back on Phase one which focuses on the worst affected properties within the allowed 18-20%. The properties covered in the previously run scheme 2016-2020 would still be covered and protected under the Housing Act 2004 Part 1, however the previous scheme did not cover deprivation and poor housing conditions and did not have a ward based approach, these were some of the learnings incorporated into the new proposals.

Emma answered further questions on the following points:

- Evidence for classification of properties in the different designations
- Assessment, non-compliance and appeals process of the Gold Standard Charter

The commission learned that all four designations are evidence based and ASB is reported in all designations 1 to 4, however ASB is prominent in designation 1 and not significant enough in designation 4 to warrant that the area to be covered under the licencing scheme. In designation 3 there are issues of deprivation around fuel poverty, although the service cannot do anything directly through licencing, the council can still do things to help in other areas of the borough. Although, ASB data is only covered in designation 1 wards, the service hopes have more data from all of the other wards on ASB throughout the life of these licensing schemes.

The commission also learned that on the Gold Standard Charter the tenants can lodge a complaint if they think their landlord is not meeting the criteria, landlords also have an option of initial representation for a notice served by the service without having to go through the legal process, however meeting Gold Standard is not legislative and appeals made are not a legal process. The initial representation of an appeal is reviewed by two senior officers and a member of legal services within the council.

On the shortening the length of timeline of the work programme for the application of Phase two, the commission learned from Emma that preliminary conversations have been had with officers from Central Government and learnings have been incorporated into current proposals based on approved selective licencing schemes from other Local Authorities, there have been examples of other Local Authorities being granted approval a lot quicker based on the quality of their application, attention to detail and the intelligence of their datasets targeting properties in specific areas.

On tackling and differentiating between responsible and negligent landlords, Councillor Merrill and Emma explained to the commission that it requires a two pronged approach where we have the licencing scheme running for responsible landlords who are usually the first one to apply for licensing and the second would be gathering of data and intelligence on landlords that are negligent and not complying with regulations, rooting them out and focusing resources on these properties to improve conditions for tenants. On regulations with regards to policing gas and electrical safety the service asks landlords to prove with the help of regular maintenance & safety records and failing to comply leads to appropriate action being taken, this has always been independent of the licensing scheme.

The commission also learnt that private rented properties data are collected through tenant complaints between 1200 and 1500 ever year registered through the council call centre for housing advice, meetings with various tenants groups

and tenants themselves. The properties not covered through these channels are then covered by intelligence from council tax records on lease holders of properties in council blocks, if the addresses are different from the property itself, it indicates they are rented privately and these properties are also identified through browsing advertisements of letting agents online.

The commission also heard from officers that there is high confidence in these proposals to make it a successful licencing scheme but time is needed to test out the processes in the Phase one pilot which is crucial to the delivery of Phase two, work has been undertaken to provide a better customer experience for landlords through online applications, ease of processing for officers, recruiting new housing officers and also working with GLA to design a new qualification for housing enforcement officers.

Councillor Merrill informed the commission that in order to ensure that 29% privately renting residents have a voice there are plans underway to setup a private tenants' network to encourage private residents to come forward with their queries and issues. The Chair proposed and it was agreed that the commission would look at this new tenant network in the New Year.

On including privately rented properties under the previously run licensing scheme 2016-2020 in the new proposals for Phase one Pilot scheme, Councillor Merrill agreed to look into the possibilities and get back to the commission, however he also reminded the commission the allowed limit of 20% in Phase one may not make it possible.

The commission also learned that in gathering intelligence on a suspected private rented property the housing service can serve notice under Housing Act 2004 failing that a warrant could also be issued.

On maintaining the standards of a property under the Gold Standard Charter over a period of years, the commission understood from officers that as a part of licensing, officers inspecting would be aware of the current status of the property for e.g. Gold Standard, inspection would go beyond normal inspections to fulfil the criteria and goals needed to meet this standard. Landlords applying for the charter would have to provide documentation to prove that the property meets the criteria which covers those areas that are not covered in a regular inspection. These criteria will be checked at regular intervals and tenants will be informed to be made aware of the standards and reporting forms online, this will ensure landlords comply.

## 6. POLICY AND PRACTICE ON MUTUAL EXCHANGE HOUSING OPTIONS

Under this item the commission heard from Councillor Stephanie Cryan, Cabinet Member for Council Homes and Homelessness and also received a report from supporting officers Ricky Belott, Head of Housing Supply, Cheryl Russell, Director of Resident Services and Equeye Robertson, Area Manager (South), Housing and Modernisation on policy and practice on mutual exchange housing options.

Councillor Cryan explained to the commission that there is a lot of room for improvement on policy and practice on mutual exchange housing options in terms of lack of awareness amongst the residents, ease of access to these options and the council's initiatives to drive mutual exchange housing options.

Councillor Cryan further informed the commission of the benefits of using a holistic approach on mutual exchange housing options as a way to decrease the pressure on the housing waiting list of 16,000 residents by bringing together residents who might have mutual needs of upsizing or downsizing. The current prescriptive approach of the councils only allows residents to mutually exchange if they are willing to downsize to a property which is the council's estimation of their housing needs, often residents are not willing to choose this option as they could require extra bedroom for other reasons e.g. children moving back in with their parents due to relationship breakdowns, visiting grandchildren.

The commission also learnt from Councillor Cryan that there is an action plan for housing mobility (Appendix C) which involves investing in technology to make it easier for people to access as the current mutual housing exchange information is hard to find. The commission also learned about a scheme from the Mayor of London which offer mutual exchange housing to coast and country side which can be better advertised through the Council website. One of the proposals being considered is to launch a localised pilot program to introduce residents with mutual housing needs.

The commission then had questions around the following points

- Plan for residents struggling with debt, rent arrears or service charges
- Radically incentivizing mutual exchange housing options

Ricky explained to the commission that the income team has been looking at flexibility and working with the household, maximising their payments and their incomes, looking at payments history, and incentives for residents willing to downsize. Incentives gained as a result of downsizing could be used to pay rent arrears, in addition referrals to financial inclusion team for residents struggling with rent arrears to rent arrears funding sources.

The Chair suggested looking into radically incentivizing mutual exchange housing such as writing off rent arrears which could possibly result in financial savings for the Council. Councillor Cryan explained to the commission that there are benefits in radically incentivising mutual exchanges releasing the some of the pressure on the housing waiting list and also that the Council currently pays private sector for

temporary accommodation to fulfil some of the housing waiting list demands. Equeye explained to the commission that the team behind mutual housing exchange is looking at ways to externalise the process to make it easier for residents to access these services drawing inspiration for websites such as Home Swapper. The commission also understood that financial barriers such as rent arrears is one of the major issues facing mutual exchange housing.

Cheryl informed the commission that there is greater synergy and drive in mutual exchange housing options as a result of the amalgamation of the area management teams and housing solutions team, on the technology side software will be available to all residents and partners in the near future. The commission also understood that frameworks are needed for incentivising mutual exchange through writing off rent arrears, however this needs to be done on a case by case basis.

The commission made suggestions to officers to involve Tenants and Residents Associations (TRA), Tenancy Management Organisations (TRO) in the consultation for mutual exchange housing options.

On collaborating with neighbouring councils to widen the pool of mutual exchange housing options the commission learned from officers and members that there would be merit in exploring the options of collaboration but barriers of differing needs and politics within councils do exist and this needs to be explored on a London Councils' level. On local collaboration within one other neighbouring borough officers explained that it first needs to be pilot within Southwark with the existing data and evidence base, there is a lot engagement taking place with residents for evidence gathering.

The commission also discussed the idea of holding council run events on a larger scale to further bring residents together who could possibly have mutual housing needs. Officers explained that there is a need to communicate and spread awareness giving mutual exchange more visibility within the community.

The commission also learned from officers that residents with rent arrears can be referred to officers within the housing solutions team, however the mutual exchanges housing options is voluntary and residents might be apprehensive about starting these conversations.

On feedback from residents registered on the council mutual housing exchange webpage, reports from the website service providers have so far been inconclusive as a variety of reasons have been listed for failing to locate the right property. The commission also learned from officers' that successful mutual exchanges are primarily a result of people who are looking to downsize for genuine reasons such as kids have grown up and moving away, financial incentives is not always factor for downsizing. The commission also made suggestions to officers on giving residents more specific information on mutual exchange timelines for finalising, relocation costs, decorating costs and incentives for exchanges.

The commission learnt from officers that mutual exchanges only progress once



both the residents are happy and safe with conditions, there are some motivators and barriers that could be explored further, additionally mutual exchange can be done even in chains of more than 2 properties. There is reluctance from some older residents due to personal attachments to the property.

The Chair then summarised the commission's recommendations:

Recommendation 1: that the Cabinet Member for Council Homes and Homelessness investigates a more radical approach to financially incentivizing mutual exchange housing options, which would help address local housing need.

Recommendation 2: that the Cabinet Member for Council Homes and Homelessness investigates the possibility of holding local and borough wide mutual exchange events facilitating exchanges, addressing local housing need

Recommendation 3: that the Cabinet Member for Council Homes and Homelessness engages with Tenants and Residents Associations (TRAs) and Tenancy Management Organisations (TMOs) lobbying them to more widely disseminate information about mutual exchange opportunities and support available.

Recommendation 4: that the Cabinet Member for Council Homes and Homelessness investigates the possibility of a formal agreement on mutual exchanges with neighbouring authorities to widen the pool and increase the chance of agreed mutual exchanges

## **7. WORK PROGRAMME 2021/22**

The report was noted by the commission.

The commission agreed to add Noise and Nuisance in Southwark to its work plan as an agenda item for the 7 February 2022 meeting.

Meeting ended 9.18 pm

**CHAIR:**

**DATED:**