

HOUSING AND COMMUNITY SAFETY SCRUTINY SUB-COMMITTEE

MINUTES of the Housing and Community Safety Scrutiny Sub-Committee held on Wednesday 14 March 2012 at 7.00 pm at Ground Floor Meeting Room G02A - 160 Tooley Street, London SE1 2QH

PRESENT: Councillor Gavin Edwards (Chair)
Councillor Rowenna Davis
Councillor Tim McNally
Councillor Martin Seaton
John Nosworthy

OTHER MEMBERS PRESENT: Councillor Ian Wingfield, Cabinet Member for Housing

OFFICER SUPPORT: Gerri Scott, Strategic Director Housing Services
Maurice Soden, Regeneration Initiatives Manager
Claire Linnane, Housing Strategy & Partnerships Manager
Alice Orr-Ewing, Senior Project Officer (Policy & Performance)

1. APOLOGIES

1.1 There were none.

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

2.1 The Chair announced that Councillor Graham Neale had now been appointed to the position of Vice-Chair of the Housing and Community Safety Scrutiny Sub-Committee.

2.1 The Chair announced that the Domestic Abuse item had been deferred to the meeting set for the 19th April.

2.2 The Chair announced that the Sub-Committee's report on service charges to Leaseholders had been approved at the Overview and Scrutiny Committee on the 12th March with one additional recommendation: To ensure a speedy implementation. The report was now set to go to Cabinet on the 17th April.

3. DISCLOSURE OF INTERESTS AND DISPENSATIONS

3.1 There were no disclosures of interests or dispensations.

4. MINUTES

4.1 The minutes of the meeting held on the 30 January 2012 were agreed as a true and accurate record.

5. IMPACT OF WELFARE REFORM

5.1 Claire Linnane, Housing Strategy and Partnerships Manager and Alice Orr-Ewing, Senior Project Officer gave a presentation on the Southwark situation regarding Welfare Reform.

5.2 Claire Linnane said that the impact of the reforms were very complex and challenging and that officers had been building knowledge day by day resulting from a number of changes. The presentation had been designed to be a plain English guide to add clarity on the mixture of information which had come from the press.

5.3 The presentation gave an overview of Southwark's perspective of the possible impacts of the welfare reforms mainly in regard to housing but the presentation also referred to the broader issues, such as the possible impacts for other services across the Council and its partner agencies.

5.4 The Welfare Reform Bill is currently passing through Parliament and is likely to become an Act by April 2012.

5.5 Assessing the impacts of the welfare reforms is difficult. The reforms are being introduced at different times and it is not possible to predict how individuals, both in and out of the borough, will respond. Some people may be able to accept the cuts and make arrangements to move out of the area if necessary or some might not take on board what the new criteria and arrangements will mean for them.

5.6 Claimants will be assessed on their household size, number of bedrooms and their income. The presentation outlined the following:

- *'Some households will have transitional protection (TP) or other assistance e.g. Discretionary Housing Payments.*
- *Some may experience one change, others multiple changes.*
- *The implications of reforms are not always clear, and some aspects are still to be finalised.'*

5.7 'Transitional Protection' is money given from Government to the most vulnerable

client groups.

5.8 The Government's objectives for the introduction of the reforms is to:

- *'to reduce the nation's benefit bill,*
- *simplify the benefits system, and*
- *'Make Work Pay'.*

5.9 Officers said that there had been good news regarding disabled Housing Benefit claimants in that there would be financial support for the cost of a carer, as long as there was an established need for overnight care.

- *'Local housing allowance rates Local Housing Allowance (LHA) determines the maximum Housing Benefit payable for private rented properties.*
- *It is set locally using an average of rents in a set area known as the Broad Rental Market Area.*
- *Claimants are assessed for their bedroom entitlement, and subject to their income, they can receive benefit to cover up to the corresponding LHA rate for that bedroom size.'*

5.10 There would be an introduction of a maximum national cap on LHA levels which would mean that a 5 bedroom property, the LHA rates are abolished. The maximum LHA is for a 4 bedroom property rate and is capped to the 30th, rather than 50th percentile of the Broad Rental Market Area.

- *'Shared Accommodation Rate (SAR) is a level of HB which covers a room in a shared house rather than self contained accommodation. Previously SAR only applied to HB claimants who were under 25 and renting private accommodation.*
- *From January 2012 SAR was extended to people aged under 35. If you are under 35 your HB will only cover shared accommodation, with some limited exemptions*
- *LHA rates will be frozen and from April 2013, will rise by CPI rate of inflation rather than in line with local rent rises. This will effectively break the link between LHA and actual rent levels.'*

5.11 The frozen LHA rates will be linked to consumer index prices. Rents have risen very fast in recent years and these measures could mean that renting in Southwark is increasingly unaffordable for many.

- *'Existing claimants (who have not had a change of circumstances) have received 9 months transitional protection (TP) from the changes introduced in April 2011.*
- *The 9 month period starts from the claimant's annual review date. This means*

there will be a group of claimants each month in 2012 who see their protection end.

- *In Southwark, 882 households will see a reduction in the Housing Benefit they receive on the ending of TP. Of these affected households, 372 have children.'*

5.12 The impact of LHA rate changes: TP clients by size of accommodation & average reduction in LHA:

Bed need	Jan – Mar	Apr – Sept	Approx reductions per household
1 room/1 bed	125	299	38p to £5.38pw
1 bed to single	19	62	£100pw
2 bed	99	204	£10pw
3 bed	21	35	£40pw
4 bed	6	11	£150pw
Total	271	611	

5.13 The presentation continued: Discretionary Housing Payments have been increased by local authorities to help with managing the impacts of the changes. The Department for Work and Pensions (DWP) have announced £40m additional funds nationally for 3 years from April 2012. Southwark will have enhanced funding up to £332k for 2012-13.

5.14 Southwark are now investigating how best to target this funding to ensure that as many households who have vulnerable individuals and those who are known to Children's Services, will benefit and is allocating nearly double the financial support for this year alone. Discretionary payments will be applied wisely for those who need it most but tenants may find that they will most likely have to move to a cheaper area.

5.15 It is thought that some landlords will be willing to take the hit but it is most likely, especially those landlords who have bought to let, will pass on the costs to their tenants.

5.16 Underoccupying social housing tenants

- *'Unlike a HB claimant living in the private sector, the amount of HB a social housing tenant is entitled to is not related to the number of bedrooms they require.*
- *From 1 April 2013 it is intended to introduce size criteria for new and existing working-age HB claimants living in the social rented sector. The size criteria will replicate the size criteria that apply to HB claimants in the private rented sector*
- *Those social housing tenants who are underoccupying by 1 bedroom will lose up to 14% of their HB. Those underoccupying by 2 bedrooms or more – up to 25%.'*

5.17 The Government estimates that 19% of all social housing tenants in London will be in receipt of HB and of working age. Of that 19%, 78% will be underoccupying by 1 bedroom. Applied to Southwark this has the following impact:

Rent from	No of households of working age in receipt of HB	Affected households (UO by 1B)	Affected households (UO by 2+B)	Total affected households
LBS	16,103	2,387	673	3,060
Housing Association	7,563	1,121	316	1,437
Total social rented	23,666	3,508	989	4,497

5.18 *'The Government estimates that the average loss for these tenants would be £21 p/w. This is likely to significantly impact on rent collection from council properties.'*

5.19 The Equalities Impact Assessment details that 66% of claimants will have a disability.

5.20 HB reforms – Underoccupying social housing tenants, how Southwark is mitigating the impact:

- *'Southwark Council tenants who are underoccupying and wish to transfer to a smaller Southwark Council property are already given the highest priority banding –band one.'*
- *Housing colleagues are working with Children's Services to identify actual/potential foster and adoptive parents residing in social rented accommodation to ascertain the impact on this particular group.*
- *Research by the National Housing Federation shows there is a mismatch between property sizes available nationwide and those required. Even if all underoccupying tenants requested to downsize there would not be the enough of the right size properties for them to move into.'*

5.21 There are changes to non dependent deductions moving claimants up to where they were before the benefits were frozen. Nevertheless, there is a shortage of housing in Southwark and there simply aren't enough properties to go round.

5.22 *'Temporary Accommodation:*

Background

- *TA and private rented properties used for homeless prevention are currently exempt from the LHA changes until the end of March 2013.*

Reform

- *There is uncertainty beyond March 2013. DWP guidance awaited to clarify whether the HB reforms will apply to all forms of TA.*

Impact

- *If the exemption is removed, there are likely to be cost implications for tenants/the Council/ or both.*
- *The current TA subsidy arrangements are also due to come to an end at the same time & are under review*
- *TA will be harder to procure due to increased competition from other boroughs, whatever happens.'*

5.23 Household Benefit Cap: Background and reform.

- *'From April 2013, there will be caps on the maximum amount of benefits working age households can claim, targeted on non-working households but also affecting some part-time workers.*
- *The caps are set at the equivalent of UK median earnings:*
 - *£350 per week for single people without children and £500 per week for all others, including couples, and lone parents and couples with children.*
- *Some exemptions including:*
 - *Households containing someone receiving DLA or Constant Attendance Allowance*
 - *War widows*
 - *Households containing someone who is entitled to Working Tax Credit.'*

5.24 Research on impact: Department for Work and Pensions Impact Assessment

- *'Nationally 67,000 households may have their benefits cut by an average of £83 per week in 2013-14 - a total of 90,000 adults and 220,000 children could be affected;*
- *44% of the households are in the social rented sector;*
- *More than half of those affected are in London.*
- *BUT this assessment assumes there are no behavioral responses to the introduction of the benefit cap.*

5.25 London Councils – 'Does the Cap fit?'

- *63,000 families in London alone having their benefit reduced;*
- *One third of lone parents with 3 or more children being unable to afford their rent;*
- *More than 80% of couples with 4 or more children being unable to afford their rent.'*

5.26 Household Benefit Cap:

'Impact on council rented households

- *The cap will impact on Southwark Council tenants who have 4 children or more, and are living in a 3 bedroom property or larger.*

private rented sector couples with...

- *three children could face a shortfall of £170 p/w if they are living in a three bedroom property or £251 if they are living in a four bedroom property.*
- *four children could face a shortfall of £249 p/w if they are living in a three bedroom property or £330 if they are living in a four bedroom property.*

Impact on private rented sector lone parents with...

- *three children could face a shortfall of £130 p/w if they are living in a three bedroom property, or £211 if they are living in a four bedroom property.*
- *four children could face a shortfall of £208 p/w if they are living in a three bedroom property, or £289 if they are living in a four bedroom property.'*

5.27 The average waiting time for a:

- 1 bedroom property is between 4 – 13 months
- 2 bedroom property is between 7 – 13 months
- 3 bedroom property is between 5 – 12 months

5.28 Officers reported that not everyone would agree to move out of their rented accommodation. The underoccupancy changes will be hard to communicate to those people with children who, in order to qualify, would need the children to share bedrooms.

5.29 Members were concerned about how Southwark was going to deal with the possible increased rate in homelessness. Officers reported that the homelessness unit had not been cut. That the 'Housing Options' service had money from the general fund and would continue to assist those facing or experiencing homelessness.

5.30 Direct payment of Housing Benefit:

- *Many landlords have expressed concerns that direct payments will lead to increased arrears and evictions.*
- *For housing associations this could cause additional problems given that much of their borrowing was agreed with lenders on the assumption rent payment is guaranteed under the current arrangement of direct payments.*
- *Southwark Council and Family Mosaic have been selected to take part in year-long pilots (from June 2012) which will test how direct payments can work.*

5.31 Welfare reforms and the potential key impacts:

Housing

- *Rent arrears & evictions*
- *Homelessness* (for those between the ages of 25 – 34 will have significant cuts)
- *Demand for affordable housing*
- *Private Rented Sector (PRS) no longer affordable to families* (on benefits and those with more than 2 children)
- *Difficulties with temporary accommodation procurement*
- *Overcrowding in both social housing and PRS*
- *Worsening property conditions in PRS.*

Crosscutting

- *Impact on new development – under the benefit cap, the Affordable Rent Model is unlikely to be affordable for many with housing need.*

Migration

- *Impact on residents with registered disabilities – particularly HB cuts for underoccupying social housing tenants*
- *Impact on Council's finances e.g. General Fund as homelessness increases*
- *Changes in demand for services- e.g schools, social services and health, etc.*

5.32 Southwark are also looking at how better to gear up to meet the demands on Southwark services in general. It is also attempting to identify properties that are currently 'illegally' occupied.

- 1 Research and understand the impacts on residents and services
- 2 Identify those most at risk
- 3 Monitor the actual impact – identify early warning indicators
- 4 Communicate reforms and support available

5.33 The Housing Department is commissioning work to look strategically at housing association properties and at the social housing situation currently. Southwark has a duty to get as many properties as possible for medium and long term rental.

5.34 Members were concerned that those with diseases such as cancer would not have the protection they needed. There seemed to be protection only for those registered as 'disabled.' Officers said that, indeed, a cancer sufferer could see a reduction in benefits that could result in them losing their homes. Likewise there was no protection for expectant mothers.

5.35 The difficult questions:

While we can mitigate some of the impacts for some households, and then only on a short-term basis, we can't help everyone.

- *How do we manage the increased housing demand?*
- *Do we look to procure temporary accommodation outside London? If so, where?*
- *What, if any, support can we give households to find homes outside Southwark?*

5.36 Members reflected the difficulties the borough was facing. The changes to rules, reductions in benefits, insufficient properties to go round, people with disabilities and the present economic climate which had seen reductions in household incomes in general, were all factors which presented significant challenges for Southwark.

5.37 Officers clarified that the Disability Living Allowance (DLA) would be exempt from the cap but claimants of DLA would still be subject to the rules on underoccupation.

5.38 Members were also concerned that the Council may not be able to help everyone who might be in a vulnerable group. That the reforms would hit the most vulnerable the hardest and it was hoped that the Council would be able to ensure that people managed to claim whatever they were entitled to.

5.39 Members agreed the following:

To write to the minister responsible for the reforms to express concern over how the changes will affect some of the most poorest people in the borough.

To write to the three Southwark MPs to ask them to campaign to mitigate the impact of these reforms on the Southwark population.

To revisit the topic in November 2012 to see how the reforms have been implemented along with examples of what the impact has been on Southwark residents.

6. LESSONS LEARNED FROM THE HAWKSTONE ESTATE

6.1 Maurice Soden, Regeneration Initiatives Manager began his presentation by updating the sub-committee on what had been happening on Southwark's housing estates.

6.2 There had been significant funding invested in medium and high rise blocks of flats. On average 2 out of 3 blocks had been invested in. Low rise buildings had not been a priority and the stock had been largely neglected, with such problems as windows looking shabby and left to deteriorate. He said that the issues with low rise buildings were more complicated than the problems encountered with high rise blocks.

6.3 The Hawkstone estate should have had investment around 5 years ago. Some of

the projections of costs had to be paused so that those projections were in line with a new investment strategy due in May 2011. This meant that the residents on the Hawkstone were in limbo for a while which may have contributed to suspicion and speculation as to what was going on. The subject of investment in works was a 'trigger' to high feelings and complaints. The Council had a difficult working relationship with residents groups and TRAs.

- 6.4 The lessons learned from the Hawkstone were that the Council didn't do well at including residents in the planning and the process of the proposed work. The Council needed to have understood the context of the work and should have drawn on people's local knowledge whilst building consultation into the process.
- 6.5 The work should have started and finished with the TRAs and residents and the Council should have worked out a timetable of works that was realistic. Managing the residents' expectations would have been helpful in relation to consultation exercises, where some residents had been unclear about what was consultation and what were actual deliverable works.
- 6.6 Councillor Wingfield, Cabinet Member for Housing said that there had been some difficult dynamics between some personalities and that:
- There should have been much clearer communication between the Council and the residents with clear dates and timeframes for scheduled work.
 - There should have been more resident involvement before and during the process, although constitutionally the Council had to be cautious when including a body of people who were 'representative' of local voices.
 - There needed to be greater coordination with other Council services and departments. The Housing and Regeneration department should have worked much more closely together on these matters of major works programmes.
- 6.7 Gerri Scott, Strategic Director for Housing said that there had been trust and confidence problems between residents and council officers who hadn't been able to make a commitment to ensure that residents were fully informed of what had been going on. It had not always been possible to tell residents what happening with the work. Council officers should have conveyed that they had not been able to provide answers. That trust had not been engendered and communication on the Council side, had been weak.
- 6.8 Members felt that there should have been efforts to ensure that residents were getting as much data and information as possible, which might include information about contracts and contractors. Problems such as finding asbestos in the buildings for instance, should have been imparted to residents.
- 6.9 Officers said that the stock condition survey should have detailed where problems such as asbestos were present. Officers had consulted residents on their knowledge and history of their buildings and took action by investigating problem areas highlighted by the residents. Consulting with residents in this way had been very beneficial as often other matters/problems that wouldn't have ordinarily come

to light, had also be brought to the attention of the Council and had inform the workplan.

- 6.10 Members echoed the views of Officers by saying that there had been a lack of continuity and inconsistency with the work programme and information. That residents should have been fully informed and brought on board wherever possible to add to their understanding of the situation and council officers should have kept residents in the picture, even when things had not been working well.
- 6.11 It was felt that the methodology had been very important with such major works and the TRAs needed to have a balanced membership to ensure fair representation on the estates. Members and Officers were aware that there were tensions between the leaseholders and the tenants groups. Tenants groups tended to want the work completed as quickly as possible and leaseholders' groups were more keen on obtaining value for money and to keep costs as low as possible.
- 6.12 Officers and Members discussed the idea that to impart the cost of such works to leaseholders as an actual cost, rather than giving them global figures for the works, would have helped to mitigate the impact of the prospect of such financial outlays.
- 6.13 Gerri Scott acknowledged that the spirit of openness and honesty needed to be fostered and she felt that this had now started to be cultivated.

7. TACKLING DOMESTIC ABUSE IN SOUTHWARK

This item was deferred to the 19th April 2012 meeting.

CHAIR:

DATED: