

Scrutiny Streets, Environment & Homes Sub-Committee

Meeting held on Tuesday, 22 January 2019 at 6.30 pm in Council Chamber, Town Hall,
Katharine Street, Croydon CR0 1NX

MINUTES

Present: Councillor Sean Fitzsimons (Chair);
Councillor Jan Buttinger (Vice-Chair);
Councillors Robert Canning, Felicity Flynn and Callton Young

Also Present: Councillor Alison Butler, Cabinet Member for Homes and Gateway Services
Councillor Patricia Hay-Justice, Deputy Cabinet Member for Homes and Gateway Services
Councillor Lynne Hale
Hazel Simmonds, Executive Director of Gateway Strategy and Engagement
Julia Pitt, Director of Gateway Services
Yvonne Murray, Director of Housing Assessments and Solutions
Kirsteen Roe, Interim Director of District Centres and Regeneration
Colm Lacey, Chief Executive Brick by Brick

Apologies: Councillor Richard Chatterjee and Luke Clancy

PART A

1/19 Minutes of the Previous Meeting

The minutes of the meeting held on 6 November 2019 were agreed as an accurate record subject to the following amendments:

The Recommendations for Agenda item 5, Cabinet Member Question time be revised to:

1. Recommend to the Cabinet Member for Environment, Transport and Regeneration for exact timescales to be provided on the resolution of outstanding recommendations.
2. Recommend to the Cabinet member for Environment, Transport and Regeneration for a review of Public by Laws to take place despite constraints.

The Conclusions and Recommendations for Agenda Item 6, Housing in Croydon be revised to read:

In reaching its recommendations, the Sub-Committee reached the following **CONCLUSIONS:**

1. The Members thanked the registered housing providers and Support for attending the meeting.
2. The Sub-Committee Members felt that the information report presented by the Council officers required improvement as lacked vital information about the sector in Croydon.
3. The Housing First initiative was innovative and welcoming and that progress details of progress would be welcomed at future meetings.
4. The work of the Gateway service was positive and making a difference to the lives of Croydon residents.
5. The short term funding provided by government to Thames reach was not beneficial to their workforce in the long term.
6. The housing providers that have been successful in ensuring that their contractors pay the London Living Wage be congratulated.
7. There is a need for better co-ordination between all Registered Housing Providers in Croydon to ensure best use of resources across the borough.

The Sub-Committee **RESOLVED** to:

1. Recommend to Optivo, Caysh, CCHA and Thames reach to work extensively to encourage their contractors to pay staff the London Living Wage.
2. Recommend to Cabinet Member that the Council should lead on having an annual review of Registered Housing Providers performance in the borough,
3. Recommend to the all registered housing providers In Croydon to improve their partnership working within Croydon and with the Council.
4. Recommend to Cabinet Member to review Croydon's overall approach to its relationship with Registered Housing Providers in Croydon and report back to this committee.

2/19 Disclosure of Interests

There were none.

3/19 Urgent Business (if any)

There were no items of urgent business.

4/19 Cabinet Member Question Time: Cabinet Member for Homes and Gateway Services

The Cabinet Member for Homes and Gateway Services gave a presentation on aspects of her portfolio and covered the following:

Creating Homes

Brick by Brick was targeted towards tackling the problems faced from a lack of supply in the housing market, particular affordable homes in the borough. The company had received planning consent for over 40 sites since it was set up

in 2016 providing over 1,000 new homes, 48% of which were affordable homes.

The Croydon Affordable Homes Charity Partnership which had provided 96 homes for people was in the process of purchasing 256 new homes. Affordable rental properties from Brick by Brick will be transferred to this stock as well as hubs from the Taberner House development

Homelessness

There had been some publicity around the severe weather emergency protocol which sets out the Council's and its partner's responsibilities to people without shelter during instances of severe weather.

Crystal Palace FC provided accommodation during severe weather and Croydon Outreach continued to work and engage with people throughout the year. Additional Mental Health Resources were implemented to supplement the street work and rough sleeping schemes, working in partnership to support those living on the streets.

Croydon Housing 1st initiative had been launched to work with people with chronic conditions to help get them off the streets and it hoped to provide homes for 20 people over the course of the next year. Partnerships with the Social Lettings Agency to work with social landlords to encourage them to offer tenancies and also supporting tenants to help them to maintain their tenancies.

Improving Homes in the Private Rented Sector

To date 34,000 licence applications had been received which was higher than estimated and the department continued to receive approximately 250 applications each month. Growth had been experienced in individual rented properties on new developments which were not for sale. Renewal of the scheme was a possibility when it expired.

There was an emerging picture that the households that were living in deprivation were those from the private rented sector, with homes which consisted of families living on low income and children in poverty. This was previously associated with households in social housing.

Houses in Multiple Occupation (HMO)

The government changed some of its criteria around what the acceptable levels of HMO were and Croydon had decided to maintain its standards and not adopt the government's acceptable standards as the Council did not share the view that the criteria set was acceptable.

There had been issues experienced with loss of family homes in the borough due to conversions to HMO and the Council had decided to take action. The form of action taken was a requirement for planning applications to be made

under Article 4 for permission for conversion of properties to HMO. Article 4 directs that homes with six or less occupants that could be converted under permitted development would no longer be able to do so without meeting planning criteria and submission of a planning application. The basis for this decision was to allow the Council to establish a regulatory position on conversions of properties to HMO, ensuring that rooms were built to acceptable standards and family homes were not being lost. The consultation on this would commence on 24 January 2019.

Gateway Services

The service ensured that residents were given personalised action plans when they approached the Council for support which addressed all issues presented such as managing debt. The Food Stop service in New Addington continued to be a success and this was to be extended into Thornton Heath. The priority of the Gateway service was to explore preventative measures, investing in the people of Croydon and mitigating welfare reforms where possible.

Emergency Accommodation

The homeless preventative framework would be published early in the year documenting the difference that had been made through preventative work. The work of the Gateway service had contributed to the good results experienced in this area. There were 1,336 decisions made in response to those approaching as homeless in 2017/18, this was the fewest in 11 years. The Council managed to relieve homelessness for over 2000 households in 2017/18 as well as a reduction of those in temporary accommodation from 3000 to 2000. Going forward, the priority was to reduce the amount of people living in temporary accommodation as this was a service with high needs

Council Homes

The focus was on ensuring that homes met the decent homes standards. It was expected that £28mil in maintenance and improvement would be delivered this year. Investing in fire safety with the completion of the sprinkler programme was expected this financial year. The responsive repairs section had been performing well across all areas. There has also been an end to fixed term tenancies

The Cabinet Member concluded that some of the challenges experienced in areas of her portfolio included the following:

- Number of homes needed
- Capacity to deliver
- Funding constraints

A Member asked what the scope was for developments of large estate similar to those in New Addington in other areas of the borough. The Cabinet Member responded that this was not always possible as whilst there was

potential for large scale developments, there were restrictions on ring belt and metropolitan open land. The Council was committed to looking at all opportunities to protect green spaces and would only develop in areas where able to intensify.

A Member commended the wide range of successful initiatives that had taken place as well as the impending completion of the sprinkler programme and asked if there were any further plans to develop the work of Gateway Services. The Cabinet Member responded that the Council was always looking at how to expand successful initiatives across the borough and was in the process of rolling out the Food Stop initiative to Thornton Heath. By working with Parchmore Methodist Church and other community organisations to provide a wraparound service for the community. Additionally the Gateway North service was due to be launched to specifically explore how services can fit in a specific area, provide a defined service to meet identified needs and sharing of resources with voluntary organisations. Working with the children's centres to trial working alongside the early help practitioners to provide additional support.

In response to a Member comment on the limited information on the responsive repairs service contained in the report, that an update was required on the performance of the service, data on completed repairs following initial reporting, how long a typical repair took and any sanction or penalties to contactors when work not completed in required time. Officers responded that strong customer satisfaction had been received and contractor's performance was monitored on a monthly service. A detailed report on the information requested would be provide and circulated to Members after the meeting.

It was further commented that it was important that information regarding priority residents and response rates on repairs and a detailed KPI information be included in the report that was circulated.

In response to Member questions about the number of London boroughs that had applied for the use of Article 4, the Cabinet Member replied that approximately 40% of London Councils has applied for the use of Article 4. Many other Councils around the country has also used this for many years in particular university areas that experienced a large scheme of development of HMO as a result of lack of affordable housing and housing need.

It was further commented that there would be a risk that if Article 4 was not used collectively London wide, Croydon could become a target for developers, the Cabinet Member acknowledged that Croydon would be at risk which was why action was being taken. The use of Article 4 was intended to be borough wide and there was a statutory requirement for a year's notice to be given regarding the intent of its usage in Croydon.

The Chair commented that there had been a drive by government on right to buy, with increased resources put into the scheme but there was limited support available for lower income families. It was questioned what was

available in terms of support for lower income families and single people apart from permitted development schemes to get onto the housing market. The Cabinet Member responded that they were trying to improve outcomes for this group of people through the Council Affordable Homes scheme and acknowledged that there was limited support for low income families. The issues faced with permitted developments remained a challenge in that there has been some good schemes but also poor schemes. A big concern was that there was not a requirement to offer affordable housing under this scheme and some planning regulations could be by-passed. The changes to legislation by the government meant that HMO properties with six or less residents did not have to apply for permission to convert to permitted development. This had resulted in concerns with loss of size and space on many developments.

Changes had been made to the Council's Housing Allocation Policy to enable lower income families in work to be given priority where they previously were not. Improvements to accessible housing were being made through Croydon affordable homes as well as through the Brick by Brick offer. The reality was that there was a limited supply of homes and whilst this remained, the Council would continue to face challenges in helping families that needed support.

The Chair further remarked that Croydon had over 34,000 people living in the rented sector and there were rent schemes emerging in the borough but they predominantly were aimed at higher income families. There was a decline in home ownership for young people whose income was not sufficient to enable them to get onto the housing market. The Cabinet Member replied that there was indeed a housing crisis at all levels and any form of housing in the borough that would ensure that more people are able to have their own homes would be welcomed. There had been a noticeable trend in lower income families from the private rented sector approaching the Council's homeless department.

It was observed that partnership working between the Council and registered landlords needed to be strengthened as there was a real opportunity to work with them to improve the Croydon offer. Officers responded that round table meetings were held with registered providers in order to improve relationships between them and the Council as well as each other. The meetings also enabled collaborative work to tackle the issue of homelessness and welfare, sharing of good practice and preventative work due to implications of welfare reform. An additional aspect of the meeting was to raise awareness when developments came through to ensure that providers do not bid against each other as this would further drive costs.

A member questioned fire safety and the progress that had been made, officers responded that none of the Council stock had required replacement of cladding. There were blocks in the borough that had cladding that needed replacing, the Fire Brigade were aware and worked closely with the Council on measures to mitigate risks. This meant that those blocks that required cladding to be replaced, had leaseholders that would incur large costs. There had however been a recent success with one of the blocks where the insurance has agreed to pay from the date of the claim but leaseholders

would still be faced with high bills for removal of cladding. A London wide group had been set up to explore how to work with insurers to encourage them to make changes.

A Member questioned which blocks were being looked at in terms of upgrade, the estimated costs involved and where the funding would come from to realise the programme. Officers responded that the lease blocks, Concord, Windsor and Sycamore house were currently being worked on due to the type of accommodation as it housed many families on a temporary basis. The costs involved would be circulated after the meeting. The funding was included as an allocation under the HRA budget as well as from the ongoing Capital Programme. A Compliance team had been established post the Grenfell incident to look specifically at fire safety across all Council properties and measures had been put in place across services for fire safety to be prioritised in all instances.

A Member questioned what the average void timescale was and how successful had Croydon Bid initiative been. Officers responded that the void process was currently under review in order to reduce to the target date of 20 days. There had been improvements to figures as a result of the Croydon Bid initiative.

Members mentioned issues with the South London Partnership in terms of bin collection, especially in larger blocks and queried the Council's response in putting pressure to ensure improvement of the service. The Cabinet Member responded that a qualified response should be sought from the officers responsible for that area of service. The housing department have ensured that estate patrols were conducted on Council blocks, with caretakers being more vigilant and proactive in reporting where issues were identified.

The Chair thanked the Cabinet Member as well as officers for their attendance at the meeting and answers to questions.

Information requested by Sub- Committee

- (i) That a detailed report was KPI's on the responsive repairs service be circulated

In reaching its recommendations, the Sub-Committee came to the following **Conclusions:**

- (i) The Members congratulated the officers on their recent appointment to their individual executive posts and wished them well in their new roles.
- (ii) The Sub-Committee were encouraged by the continued success of the Gateway service.
- (iii) The announcement of the extension of First Stop initiative to Thornton Health was welcomed.
- (iv) The information on the repair service in the report was limited and detailed information be circulated after the meeting.
- (v) The Council's decision to utilise Article 4 conditions for conversions of property to HMO was applauded.

- (vi) It was acknowledged that there was a housing shortage in the borough and more was needed to be done.
- (vii) Partnerships with social housing providers had to be strengthened.
- (viii) The lack of support for young people to help them onto the housing market was concerning.

The Sub-Committee made the following **Recommendations**:

- (i) That the Council ensured that the use of Article 4 be implemented on a borough wide basis and not ward by ward
- (ii) That the Council and Social Housing providers work on reinforcement of their relationships
- (iii) That different ideas and initiatives to provide support for young people into housing be explored.

5/19 Housing Resource Allocation Budget 2019/20

This item was withdrawn and it was agreed that the papers would be circulated prior to it being presented at 25 February 2019 Cabinet.

Information requested by the Sub-Committee

- (i) The HRA Budget report be circulated to Members for comment prior to it being tabled at the 25 February 2019 Cabinet.

6/19 Brick By Brick Business Plan 2019/20

The Chief Executive of Brick by Brick presented the proposals of the business plan 2019/20 that was due to be tabled at the 25 February meeting of Cabinet.

The vision of which was to maximise affordable homes and generate income through a simple model of development of sites such as derelict care homes, surface level car parks, garages, old building stock, estate infill as well as community centres

A presentation was delivered which provided a progress update. The current programme was working to deliver 44 schemes with a total of 1093 units of which 49% would be affordable. One of the key aims was to improve the level of affordable rent schemes in larger sites and this was being achieved.

The Shared Ownership element of the developments were crucial to getting people on the housing ladder in areas where prices were high and the offer that is being made available was genuinely affordable.

The Fairfield homes scheme was a major scheme and a revised planning application for that scheme was in progress with a vision to deliver more affordable homes and cultural infrastructure for the borough on what should be a 400+ unit scheme.

The overall target was for 2,000 homes to be built by 2020. In order to allow greater capacity for delivery the team had grown due to recent recruitment and restructure with the creation of four specialisms, development , construction , operation and an in house architectural practice.

The marketing suite would be open from February 2019 to the public as part of the launch for the first schemes for sale in anticipation of the completion of Ravensdale, Auckland and Cheriton developments in early 2019/20

Members were informed that the figures in the report were outlines, an updated analysis would be provided with the Cabinet papers as the company was still working through allowances and planned projection.

The Chair mentioned the visit to some of the first batch of sites to be completed which took place on 17 January 2019. He expressed how impressed he was by the build quality and the contractors Quinn and Buxton, used to realise the projects. It was evident through dialogue that the people working on site were committed to delivering high quality product. The Members would welcome future visits on completion on the sites.

In response to the Chairs question on what the company's biggest risks and how would they be managed over the next few years, officers said that there were a number of challenges faced. The nature of the sites was challenging in that they were working on some small complicated sites which threw up issues which may be the reason why they had not been developed already. To date all issues have been solved but as they continued to work through the programme there may be other problems encountered which will be dealt with accordingly.

Additionally technical challenges can occur and the company would have to find cost effective ways to manage issues such as exploring ways to deliver building in-house instead of through procurement. As a company that is continuously developing, they were learning from each project. Ensuring that the right infrastructure was available to assist with delivery of projects.

The overall property market posed risks and the company worked hard to build in contingencies to ensure analysis and oversight on what they were able to deliver, the value that could be achieved and worth of schemes. The ability to respond effectively to any changes in the market.

A Member commented on the importance of getting this right due to the financial implications as well as reputation of the Council, the report stated that increased costs were experienced then goes on to say these costs were mitigated. It was questioned whether the situation with Brexit would have an impact on targets and delivery of schemes.

Officers responded that this company had been established by the Council to deliver homes and it would do so in any way possible. If the market changed the company must and would be able to respond and adapt where necessary.

Costs were recognised as less of a risk to a development than time delay, although there were actively mitigating costs as necessary.

A Member queried why a risk register was not attached to the business plan, Officers responded that the business plan itself was a strategic document that covered risks at a strategic level. There were various sections that discussed how risks would be mitigated. The annual report deals on a commercial level the risks involved and on a practical level, information was collated and reviewed on an ongoing basis including those that the contractors had to report on a monthly basis.

A Member questioned a reference in the report of £78mil funding needed which would be made up of £58mil borrowing, what rate would be paid and for how long. Additionally £19mil equity investments, who would the investor be and what diligence had been ensured that investment was not pulled in the event of an economic downturn. Officers responded that all of the borrowing came from the Council at a split of 75% debt and 25% equity. In terms of debt, the Council borrows at a low rate and the money is lent to Brick by Brick at market rate. There was an analysis in the report as to how much revenue this lending brings in for the Council. In terms of equity, the 25% gives the Council an additional share in the company which meant that when the company made money, the Council also made additional money.

A Member asked if there would be a designated repairs company responsible for the units, officers replied that they were currently out to tender for an asset management and repairs contract and they were looking at lessons learnt from the Council's previous contracts to determine which company to appoint.

It was noted that the first properties were nearing completion and questioned when a Croydon resident would be able to move into one of the schemes. Officers replied that Croydon residents would have an exclusive period of prioritisation on purchase, shared ownership or rent of all properties and it was hoped that Croydon residents would make use of this opportunity.

It was further asked if there was any provision to stop people from purchasing the properties and then selling or subletting as it was hoped that many of the schemes would be primarily occupied by Croydon Residents. Officers responded that in terms of the units for sale it was difficult to control outcomes but the schemes were being marketed in a way to discourage investors purchasing. The shared ownership properties were easier to control subletting due to the nature of the scheme, but it was difficult to prevent people from purchasing and then selling on. The affordable rental properties would be owned and managed by Croydon affordable homes who will have control and ability to adopt enforcement measures where necessary.

In response to a Member question on how confident the company was to deliver according to the revised programme of delivery date, officers replied that they were confident and had the capacity to deliver units completed and ready to be occupied in line with the 2019 programme target to deliver 414 units.

The Chair thanked officers for the responses to questions and expressed that the Members looked forward to future tours of completed units.

The Sub-Committee came to the following **Conclusions**:

- (i) The Sub-Committee welcomed the update on the progress of the scheme
- (ii) Members looked forward to a site visit on completion of the developments
- (iii) Encouraged that Croydon residents would have an exclusive period of priority to access the schemes.
- (iv) It was important for Brick by Brick to ensure that all risks associated with the delivery of the programme was managed effectively.
- (v) It was imperative that the schemes were delivered on time as stated.
- (vi) The Members were pleased that a rigorous tendering process was to take place in awarding a repairs contract.

7/19 Responses from Cabinet

Many of the responses and been accepted and completed although some were out of date, the Sub-Committee was informed it was recognised through the governance review that going forward a more effective system and change in approach was needed.

A Member commented that one of the recommendations which was for a Trams update should have taken place in November and had not, the Chair responded that this was due to changes to items on the work programme and the trams update would take place at the meeting of the sub-committee on 19 February.

The Sub-Committee noted the responses from Cabinet following the recommendations made at the meeting held on 20 March 2018 and 26 June 2018.

The Sub-Committee **NOTED** the responses from Cabinet.

8/19 Work Programme

The Sub-Committee **NOTED** the work programme for the 2018/2019 municipal year.

9/19 Exclusion of the Press and Public

This was not required.

The meeting ended at 9.00 pm

Signed:

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Date:

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