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HOUSING SCRUTINY PANEL

**Tuesday, 29th November, 2022 at 7.00 pm in the Conference Room,
Civic Centre, Silver Street, Enfield, EN1 3XA**

Membership:

Councillors: Maria Alexandrou (Chair), Lee Chamberlain (Vice-Chair), Josh Abey, Sinan Boztas, Hivran Dalkaya, Ayten Guzel, Nelly Gyosheva and Tom O'Halloran

AGENDA – PART 1

1. WELCOME & APOLOGIES

2. DECLARATIONS OF INTEREST

To receive Declarations of Interest in respect of the agenda items

3. MINUTES OF THE PREVIOUS MEETING (Pages 1 - 6)

To agree the minutes of the meeting held on 22 September 2022.

4. DRAFT HOUSING & GOOD GROWTH STRATEGY (Pages 7 - 18)

To receive an update from Harriet Potemkin, Head of Policy & Strategy.

5. DELIVERY OF SOCIABLE & AFFORDABLE HOUSING (Pages 19 - 28)

To receive an update from Joanne Drew, Director of Housing & Regeneration.

6. WORK PROGRAMME 2022/2023

To note the Housing Scrutiny Panel Work Programme 2022/23.

7. DATES OF FUTURE MEETINGS

To note the dates of future meetings as follows:

Wednesday 22 March 2023

MINUTES OF THE MEETING OF THE HOUSING SCRUTINY PANEL HELD ON THURSDAY, 22ND SEPTEMBER, 2022

MEMBERS: Councillors Maria Alexandrou (Chair), Lee Chamberlain (Vice-Chair), Josh Abey, Hivran Dalkaya, Nelly Gyosheva, Tom O'Halloran and Mahmut Aksanoglu

Officers: Joanne Drew (Acting Executive Director, Place), Martin Greenway (Head of Repairs & Estate Services), Karen Lucas (Head of Housing Management), Kayt Wilson (Head of Private Housing Solutions), Stacey Gilmour (Governance Officer)

Also Attending: Councillor George Savva, Cabinet Member for Social Housing

1. WELCOME & APOLOGIES

The Chair welcomed everyone to the meeting and introductions were made.

Apologies for absence were received from Cllrs Ayten Guzel and Sinan Boztas. Cllr Mahmut Aksanoglu was substituting for Cllr Guzel.

Apologies for lateness were received from Joanne Drew, Acting Executive Director, Place as she was attending an earlier meeting.

2. DECLARATIONS OF INTEREST

The Chair, Cllr Alexandrou stated an interest as she is a landlord.

3. MINUTES OF THE PREVIOUS MEETING

AGREED the minutes of the meeting held on 5 July 2022.

4. ENFIELD REPAIRS DIRECT- OVERVIEW ON PROGRESS, DELIVERY, RESPONSE TIMES AND OUT OF HOURS REPAIRS

RECEIVED the report of Martin Greenway, Head of Repairs & Estate Services.

NOTED

1. Key points of the report were highlighted by Councillor George Savva, Cabinet Member for Social Housing.

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2. Members were invited to raise questions and comments.
3. In response to Members' questions regarding the introduction of the service, Officers explained that the service was launched in May 2020. In arriving at this decision, Cabinet considered the wider feedback from service users which included residents wanting to register their repair to polite, helpful staff who could diagnose their problems accurately and a book a convenient appointment slot with minimum customer effort. There was also a need to achieve a higher rate of 'first time fix' as well as communicating better to satisfactorily resolve repair issues including improving the handling of escalations and complaint casework.
4. Officers provided an overview of the Repairs Team outlining how functions are organised. The structure is predicated on maximising efficiency so there are several functions brought together or share common resources.
5. Regarding the establishment of the Housing Resolution Centre officers explained that one of the key drivers of creating a dedicated Contact Centre for Housing repairs was to improve the customer journey and have the process from 'telephone to screwdriver' all in one team. As agreed in the plan a Housing Resolution Centre was established in January 2022.
6. In response to Members' concerns regarding the efficiency of contractors, officers advised that the service fields 80,000 calls per annum resulting in 49,000 repair orders being raised. (30,000 of which pass through Enfield Repairs Direct (ERD)). The service is based at Edmonton Green and co-located with technical staff and staff from other teams in Housing to develop more of a joined-up approach. Core repair services are still in-house meaning that there is still a need to rely on external specialist contractors where there's not a business case to take in-house (e.g. a roofing repair).
7. The department is in the process of procuring new contractors which will provide the ability to consolidate what is already in place. However, it is currently a very difficult market as material and labour costs continue to increase therefore companies are not coming forward with tenders. Therefore, as many repairs as possible are being covered in-house with the skills available and external contractors are only used for very specialised jobs.
8. Officers went on to say that the in-house repairs operation is of critical importance to the future success of the service as having to over-rely on contractors has been a problem in the past. Instead the vision is to create a dedicated in-house workforce with trained and knowledgeable tradespeople, with apprenticeship programmes and succession planning. The benefit of an in-house service is that there is greater control and accountability for the standard of work. A training programme has been agreed which will enable staff to work safely, understand the systems used and to receive further trade skill training.
9. To improve the quality of service provided to customers and to reduce call volumes officers advised that a digital shift plan has been devised. While offering a comprehensive telephone service, residents should be able to book routine repairs online and engage in more digital

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interactions. Reflecting societal shifts in behaviour, it is anticipated that there will be a year on year tapering down in telephone demand and a corresponding increase in digital transactions.

10. Members asked how this newly devised service would work and officers clarified that it would be implemented over three phases, the first being improving the website content, the second phase would develop additional functionality on the website to embed live repairs diaries on the website and allow for customers to book and cancel routine repairs. And finally phase 3 would involve expanding digital options. The target date for this service to be fully up and running is April 2023.
11. In response to a question raised regarding the budget shortfall eluded to on page 13 paragraph 28 of the report, officers clarified the urgent actions which would be taken to further reduce expenditure, one of which is completing contractual repairs only.
12. Further information was provided on efficiency indicators, including mechanisms in place to improve productivity from an average of 3.5 jobs per day to an average of 4 which will enable the service to derive greater efficiency from its staff. Discussions also took place regarding the tracking of missed appointments and how these are monitored.
13. In response to a suggestion regarding the possibility of 'virtual site visits' it was agreed that officers would investigate this further and feedback accordingly.

Action: Martin Greenway, Head of Repairs & Estate Services

5. SOCIAL HOUSING REGULATION BILL

RECEIVED the report of Karen Lucas, Head of Housing Management.

NOTED

1. Cllr George Savva, Cabinet Member for Social Housing introduced the report and explained that it reviews the preparation of the Council Housing Service for the Social Housing Regulation bill which is anticipated to pass through parliament in spring/summer 2023.
2. In relation to the information eluded to on page 15, paragraph 2 of the report, clarification was provided on the expected shortfall should rent increases be capped next year. Officers explained that whilst this is necessary to support tenants during the cost of living crisis it will put significant strain on resources – because actual costs of the service are rising significantly faster than the proposed rent increases. Options are being considered but this will mean reductions to service standards and impacts on the investment in existing council homes and the new build programme whilst seeking to balance costs with income.
3. Preparation for the enactment of the Social Housing Regulation Bill outlined in the report seek to deliver on the Council's commitment to ensure all residents, regardless of whether they are council tenants or housing association tenants, are provided with good homes in well-connected neighbourhoods and the creation or management of safe, healthy and confident communities.

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4. Officers highlighted various aspects of the report and said that it is anticipated that the Bill will introduce key changes in how social housing is regulated which included strengthening the ability of the Regulator of Social Housing to regulate the condition of social housing and the quality of the services provided by registered providers, non-profit organisations such as housing associations and co-operatives, profit making registered providers and local authorities.
5. Further information was provided, and discussions took place regarding the Tenant Satisfaction Measures (TSM's). The twenty-two proposed TSM's are broken into two groups – those where the Council will be asked to provide performance data and those where the Council will collect information from residents directly on their satisfaction with elements of the service.
6. Officers confirmed that work is ongoing to ensure that Enfield Council is prepared for the new regulatory regime and to understand how it is currently performing in comparison with other authorities and Registered Providers (RPs). This includes partnership with other London boroughs in commissioning a benchmarking report to understand performance across London relative to the rest of the country and areas for improvement against TSM's.
7. The Panel noted the Council's preparation for the new social housing regulatory regime whilst acknowledging the challenges faced as set out in the report.

6. HOUSING GATEWAY LTD - PRIVATE RENTERS REFORM WHITE PAPER

RECEIVED the report of Kayt Wilson, Head of Private Housing Solutions.

NOTED

1. Councillor Savva, Cabinet Member for Social Housing introduced the report.
2. The Renters Reform White Paper was published on 16th June 2022, the proposals in the white paper outline a new private renter's bill. The Government intends to bring forward this Bill in the 2022-23 parliamentary season.
3. Central government believe that the Private Rented Sector (PRS) does not meet the needs of all residents and aim to deliver a fairer, more secure and high quality PRS by focussing on the following main points: Safe and Decent Homes, Increased Security and Stability, Improved Dispute Resolution, Better Compliance and Robust Enforcement and Smoke and Carbon Monoxide Regulations 2022.
4. The values of the Renters Reform White paper align with that of the Council's Housing and Growth Strategy. The Council has a key role to play in shaping the private rented sector by the introduction of the selective licensing scheme and the continued growth of Housing Gateway Ltd (HGL).
5. Further key points of the report highlighted by Kayt Wilson, Head of Private Housing Solutions. Members were invited to raise questions and comments.

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6. In response to Members' queries regarding the impact of the Renters Reform White Paper on the Housing Advisory Service it was advised that for landlords, the high market value combined with the cost of improving their properties means that many are exiting the market, and this is a trend that may be expected to continue. These factors have led to a shortage in the supply of privately rented properties and a rise in rent levels. To mitigate these problems the Council are offering landlords the option to lease or sell their property, this is a joined-up piece of work, using the Landlord's Forum to spread the word. However, the White Paper does not address the main issues of affordability and supply of accommodation in the Private Rented Sector (PRS) and this remains one of the Council's biggest challenges and contributors to budget pressures.
7. In response to a question regarding the levels charged for rent it was explained that the decision-making process uses two streams; affordability for tenants and state aid.
8. Members asked for an update on the portfolio position of Housing Gateway Ltd (HGL). Officers advised that HGL has a portfolio of 660 owned properties and 250 leased properties which means it is one of the largest PRS landlords in the borough. HGL is well placed to meet the proposed requirements of the Renters Reform White Paper.
9. In response to Members' concerns regarding requiring more homes Officers acknowledged that this was a desperate and challenging situation. Enfield Council are building new homes but unfortunately this is still not enough to meet demand and this was an issue affecting all London boroughs. The Climate Change Bill was also creating pressures as it will cost Local Authorities a substantial amount of money to modify properties to the required standard.
10. Officers provided further information on the shortage of private rented accommodation across all boroughs and the reasons for this which included landlords exiting the market due to changes in tax laws. As a result of this, and the pent-up demand for accommodation, more residents are having to be housed in commercial hotels, and it was agreed that this was far from ideal.
11. Officers went on to advise that the ideal option to address demand is to build new homes. However, inflationary pressures are making it very difficult to enter into affordable contracts with providers. Therefore, as a result of this Enfield Council's response has been to switch rapidly to acquiring homes which economically is the next best option.

7. WORK PROGRAMME 2022/23

NOTED the Housing Scrutiny Work Programme 2022/23.

8. DATES OF FUTURE MEETINGS

NOTED the dates of future meetings as follows:

Tuesday 29 November 2022

Wednesday 22 March 2023.

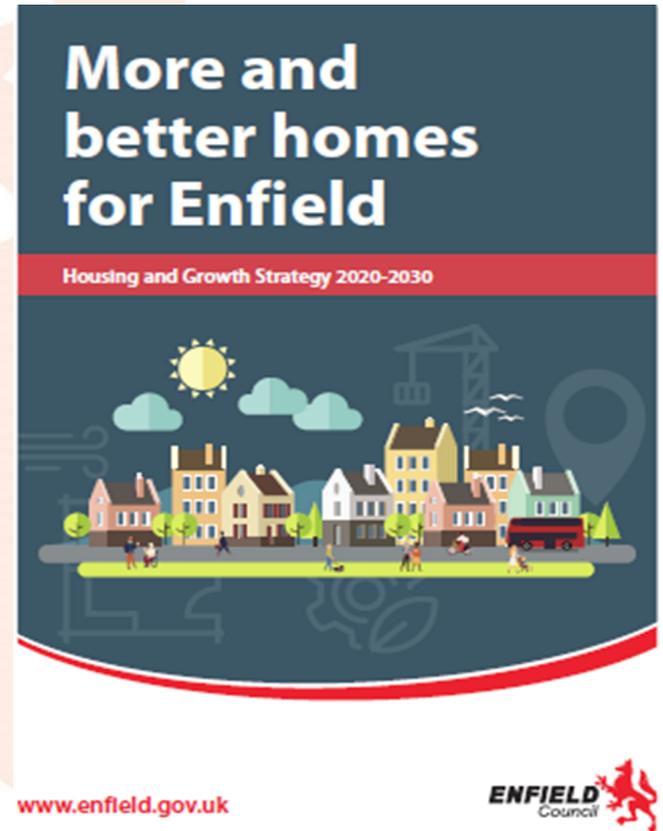
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These meetings will commence at 7:00pm and will be held in the Conference Room at the Civic Centre.

The meeting ended at 8.40 pm.

More homes and better homes for Enfield

- Published January 2020
- A ten-year vision
- We have reviewed the strategy to determine how we have delivered against our priorities so far
- We will publish a refreshed strategy to coincide with development of a new and refreshed Council Plan 2023-26



Reviewing the strategy

Our desk-based review of the 2020 strategy has included:

- Analysis of relevant Key Performance Indicators and outcomes
- Review of housing development and retrofit projects completed
- Review of housing projects currently in progress
- Review of relevant strategy and policy
- Analysis of external factors impacting on the Council, our residents and our partners in relation to housing and growth in the borough – these are considerable and have required a significant review of our strategy
- Collaboration with officers across the Council to review current outputs and outcomes, future opportunities and challenges

Environmental pressures

- The Bank of England is forecasting the UK will be in a recession until 2024 with the economy expected to shrink throughout 2023.
- Investors are forecasting inflation to reach as high as 18/20% during 2023.
- The construction industry has experienced severe material and labour cost inflationary pressures throughout 2022, interest rate increases will add further pressure during 2023.
- People are already suffering from the 'cost of living crisis' which will be exacerbated by energy and food price hikes and interest rate rises affecting the costs of housing.
- A decade of local government cuts makes Enfield's financial context a really challenging one as we deal with increased demand and post pandemic changing patterns of behaviour.
- While we retain our aspiration to reduce the numbers in temporary accommodation and prevent homelessness, demand is increasing substantially while resources reduce.

Our proposed ambitions for more and better homes for Enfield

- Build and facilitate more good quality homes that local people can afford
- Invest in and improve our council homes
- Drive up standards in the private rented sector
- Deliver low carbon and climate-resilient new build homes and facilitate retrofitting of existing homes
- Create well-connected, digitally enabled and well managed neighbourhoods
- Provide a range of specialist housing for those who need it

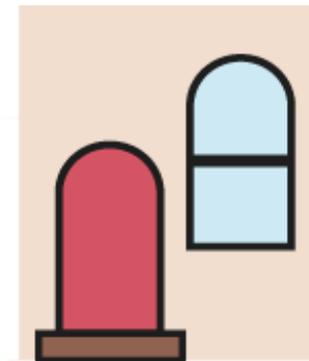
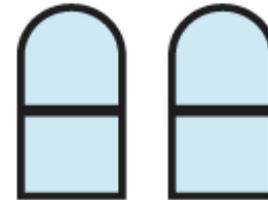
Build and facilitate more good quality homes that local people can afford

We are operating in a very challenging and volatile climate for increasing supply.

Rising interest rates, inflationary pressures on labour and workforce, and a decade of local government cuts coupled with increasing demand and a cost-of-living crisis making housing unaffordable to increasing numbers.

We will need to explore all available options in order to continue to directly deliver Council homes and will need to further strengthen our partnerships with registered providers and developers.

We also need to enable many more homes via robust planning policy and processes.



Invest in and improve our council homes

We need to carefully balance investment in new homes, with investment to look after and improve our existing homes.

We are engaging and working in partnership with our council housing tenants and leaseholders to ensure the continuous improvement of our homes and services.

We want all our council homes to be good quality, safe, secure and future-ready.

We know we need to do more than our current budget allows. We are lobbying for increased Government investment and relaxation around how we can use our right to buy receipts.



Drive up standards in the private rented sector

The private rented sector provides homes for an estimated 34% of Enfield households and over the last two decades has been the fastest growing tenure in the borough.

We need to improve the experience of private renters and help people currently in temporary accommodation or at risk of homelessness to live in a decent home in the private rented sector that meet their needs.

We will also work closely with landlords to support them to understand and fulfil their obligations.



Deliver low carbon and climate-resilient new build homes and facilitate retrofitting of existing homes

We have committed to being a carbon zero borough by 2040.

39% of all borough emissions coming from domestic buildings.

We need to reduce the emissions from existing and new homes as well as from construction.

We will invest in improving energy efficiency in our council owned homes but also recognise that we will need government funding to ensure we can effectively retrofit all of our stock.



Create well-connected, digitally enabled and well managed neighbourhoods

The Council has a key role in the design, delivery and maintenance of vibrant and inclusive neighbourhoods.

We want local people to play an active role in the design and management of their homes and neighbourhoods.

We actively encourage community empowerment and want to work together to deliver community-led housing that promotes ownership and a sense of belonging.



Provide a range of specialist housing for those who need it

For people with additional care needs, good housing is a key determinant for better support and equality.

We will work with our partners to provide good quality specialist housing for those who need it.

We will explore all the ways in which we can increase provision where there are currently gaps, including by lobbying the government to introduce a national revenue funded programme for specialist housing.



Our Housing Test for Good Growth

Both the Council and our residents are feeling considerable financial pressures and demand for affordable housing continues to rise beyond the resources available to address it.

Our housing test will help us aim for the best possible quality homes within the challenging climate we're operating in.

Homes and neighbourhoods which are:

Affordable for
Enfield residents

Safe and good
for health and
wellbeing

Child, age and
disability friendly

Environmentally
sustainable

Digitally
connected



What next?

What?	When?
Review priorities with elected members	November 2022
Engagement with stakeholders	January - February 2023
Further drafting following engagement	February - March 2023
Cabinet decision on recommending final strategy	April 2023
Full Council decision on final strategy	April 2023

Affordable Housing

Progress and implications of current environment

Housing Scrutiny – 29th November

Programme Update – Direct Delivery

2022 Completions



Bury Street West

50 homes

- Practical completion & handover from Dec 2022
- Winner – Best Development (rural/suburban), Inside Housing Development Awards 2022
- Sales completions by Aug 2023



Electric Quarter

75 homes

- Legal completion & handover achieved Jan 2022
- Sales underway with 5 flats remaining



Newstead House & Maldon Road

22 homes

- Practical completion & handover achieved Mar 2022
- All homes let



Gatward Green

12 homes

- Practical completion & handover May 2022
- All homes let

Programme Update – Direct Delivery

Under Construction

Reardon Court

70 homes

- Detailed Consent granted
- Contractor award Feb 2022
- Start on site Mar 2022



Planning Consented



Exeter Road (Phases 1-3)

129 homes

- Detailed consent for Phase 1 granted
- Detailed consent for Phases 2 & 3 granted



Upton & Raynham

134 homes

- Detailed consent granted
- Existing block demolished via prior approval



Bullsmoor Lane

29 homes

- Detailed consent granted
- Existing house demolished via prior approval

Programme Update – Meridian Water

Phase 1

- 977 homes with full planning permission
- 301 homes under construction
- First completions (20) March 2023
- Council acquired 242 homes in Phase 1 via DA and 27 additional homes directly from Vistry



Phase 2

- M2 – 274 homes granted full planning permission
- Outline planning permission for circa 2000 homes
- Successful meanwhile uses including film studios and creative makerspace generating revenue for the Council

Programme Update – Joyce and Snell's

- Successful ballot in December 2021 with a turnout rate of 85% representing one of the strongest residents' ballot results in London
- Hybrid planning application submitted in August 2022 for up to 1,900 homes
- Contractor procurement commenced.
- Start on site on first 4 phases from March 2023 triggers drawn down of £54m GLA affordable housing grant and Land Fund



Housing development and regeneration team of the year – urban category

“ The Council is showing visionary, values-based leadership to invest in delivering sustainable development, while building a strong narrative to bring local communities with them.”

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Economic forecasts that affect the housing market

- Bank rates to stabilise between 4% - 5% by 2025 – but long term higher rates of debt (corporate and mortgage) than in the previous decade, this along with -
- Declining household incomes increases the likelihood of a material housing market downturn
- Stamp duty reduction – no tax on first £250k and £425k not likely to make a significant impact in London

Council's response

- Greater focus on acquisitions to underwrite continued delivery, reducing exposure to inflation volatility and mitigating risk on RTB spend
- Working to influence the conditions for supply through lobbying and relationship with developers
- Exploring range of delivery options for future delivery across all programmes

	Direct Delivery	Investment Partnership	Development Agreement	Land Sale
Responsibility for technical expertise	All	Shared	None	None
Responsibility for speed of delivery	All	Shared	Some	None
Council risk to build cost inflation	100%	50%	0%	0%
Ownership of new asset	All	Shared	Some	None
Design control	All	Shared	Some	None
Income	Long term income	Long term income and potential land receipt	Land receipt and potential long term income	Land receipt
Share of profits	100%	50%	0%, unless overage	0%



Influencing the conditions of supply

- Lobbying for
 - Increased grant on shared ownership – currently £50k need £100k
 - Increased grant/funding for life expired stock
 - Flexibility to use RTB receipts alongside grant to address viability gaps
 - Funding for infrastructure works, community facilities and high street development on Joyce and Snell's
 - Additional funding to address inflationary pressures for HIF
 - Investment Zone would have increased land values
- Building relationships with RP and developers through dedicated forums

Response of RPs working, or likely to work in the Borough

- All RPs (15) at recent forum reported they are experiencing rising costs affecting viability and delivery also noting a protracted planning process.
- 2/3rds of RPs likely to have regulatory down grades to V2 which is compliant but needs “to manage material risks to ensure continued compliance”, credit ratings handing “negative outlook” to a number of associations
- To maximise nominations from RPs pre-allocations to households with identified need early on is important to reduce refitting costs and reduce the number of unlettable affordable units due to location, local connection, etc.
- Thus far, only 3 RPs bid for Affordable Housing Framework - expectation pre-tender was a number of RPs likely to bid but recent market changes have impacted on the sector's ability to commit to new projects,
- Other RPs – Peabody, Optivo, Origin and SME RPs continue to work in the borough