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SUSTAINABLE COMMUNITIES OVERVIEW AND SCRUTINY PANEL 5 SEPTEMBER 2017

(7.17 pm - 9.35 pm)

PRESENT: Councillors Abigail Jones (in the Chair), Daniel Holden, Stan Anderson, Kelly Braund, Michael Bull, David Chung, Russell Makin and John Sargeant

ALSO PRESENT: Councillor Katy Neep (Cabinet Member for Children's Services), Martin Whelton (Cabinet Member for Regeneration, Environment and Housing), Adam Bush, Pauline Cowper, Joan Henry, Sally Kenny, Dennis Pearce, Peter Southgate, Liz Broughton (Head of Access to Resources), Hannah Doody (Director of Community and Housing), Steve Langley (Head of Housing Needs and Strategy), Chris Lee (Director of Environment and Regeneration), Paul McGarry (FutureMerton Manager), James McGinlay (Assistant Director for Sustainable Communities), Yvette Stanley (Director, Children, Schools & Families Department), Annette Wiles (Scrutiny Officer), Paul Chadwick, Lee Buss (Director of Operations, Evolve) and Liza Burrell, (Gap Road service)

1 APOLOGIES FOR ABSENCE (Agenda Item 1)

Apologies for absence were received from Councillor Nick Draper, Cabinet Member for Community and Culture.

2 DECLARATIONS OF PECUNIARY INTEREST (Agenda Item 2)

There were no declarations of pecuniary interest.

3 MINUTES OF THE PREVIOUS MEETING (Agenda Item 3)

The minutes of the last meeting were agreed as a true and accurate record.

4 INTRODUCTION TO HOUSING AND HOMELESSNESS - PRESENTATION (Agenda Item 4)

Steve Langley, Head of Housing Need and Strategy, presented on housing needs and homelessness using the presentation provided in the agenda pack.

In response to member questions, the following clarification was provided:

- There are approximately 70 to 100 new additions to the housing register each month and the register is reviewed to ensure that all registrations are active and valid. Merton's housing register policy is not as restrictive as it might be meaning that this acts as a good indication of housing need in the borough;

- The Council is working with Street Rescue, which is funded by the Greater London Authority. It responds to any report of rough sleeping and will go out to provide support when needed any time of the day or night. However, on occasions, a rough sleeper won't want to engage with offered services. Support is then provided through Faith in Action that will work to get individuals back on track;
- The term 'rough sleeper' is legally defined according to whether or not an individual is bedded down. The last count of rough sleepers in Merton happened in February 2017 and totalled nine;
- The Council is continuing to work with private landlords through the Landlord Forum to increase the supply of private rented accommodation. The work ongoing with the Notting Hill Housing Association was quoted as an example. The implementation of universal credit has resulted in a drop in income for private landlords. The Council is trying to make taking tenants on universal benefit attractive to private landlords by assuring them a guaranteed income and by breaking down their beliefs about those on benefits;
- Shorthold tenancies in the private sector are not assured (a tenancy can be lost by a landlord giving two month's notice and following a short court process with no reasons or grounds required). Therefore, tenants with a secured or assured tenancy are unlikely to give these up in favour of renting in the private sector. It was noted that the courts are taking an increasingly tough line against tenants in rent arrears meaning some secured and assured tenancies are becoming available as a result;
- Any resident in Merton who has been made homeless and who has a property they own overseas is not homeless and would need to live in their property;
- Of the 9,581 households on Merton's Housing Register at the end of March 2017 only 180 were in temporary accommodation and therefore regarded as homeless. The remainder are housed in the private sector, with family and friends etc.

Cllr Russell Makin thanked the staff in the housing team for all their good work with residents.

5 CARE LEAVER ACCOMMODATION (Agenda Item 5)

To support members to look in depth at the issue of accommodation for care leavers, the meeting took a workshop approach splitting into two groups to focus on:

1. The issues care leavers face with accommodation supported by Liza Burnell, a member of the Gap Road Team at Grenfell Housing and Training and Lee Buss, Director of Operations at Evolve Housing and Support; and
2. Different approaches to care leaver accommodation supported by Paul Chadwick, the former Director of Children's Services at Croydon.

Acknowledging that accommodation for care leavers is also an issue relevant to the Children & Young People Overview and Scrutiny Panel, its members were in attendance at the meeting.

Workshop 1: The issues care leavers face with accommodation

Members heard directly from Liza Burnell who is a life coach and mentor supporting care leavers through the semi-independent provision at Gap Road in Wimbledon. This is a six bed house catering for 18 – 19 year care leavers. Wraparound care is provided on a strengths based approach. Based on her experience, Liza highlighted that care leavers have very different housing needs. For example, young people who enter care as unaccompanied asylum seekers have very different life experiences. They often find it difficult to comply because they have had to be self reliant. This results in it being difficult to achieve engagement. The need for a range of accommodation offers was therefore highlighted.

The work of the Children's Services team in preparing young people for leaving care through independent living skills training was emphasised. Liza suggested that the more that is done and the earlier this starts whilst young people are still in care, the easier it is for workers to engage with young people when they arrive in a semi-independent setting. Liza focused on care leavers who speak English as an additional language and the specific help needed to integrate pre-tenancy help into ESOL provision.

The need for care leavers to sustain their links with foster carers was highlighted as difficult to achieve where semi independent and independent accommodation isn't available in the same areas as foster carers. Innovative solutions to achieve more provision were highlighted including the Y-Cube model and the Tiny Homes project in Detroit.

Lee Buss additionally highlighted that private rented accommodation isn't appropriate for care leavers where this doesn't have support and that care leavers are significantly more likely to end-up homeless than young people growing up with their parents. Liz Broughton, the Head of Access to Resources, reminded members that currently Merton has 89 young people in semi-independent provision, of which 72 are care leavers. It was highlighted that the Council has a duty to supply appropriate accommodation for care leavers which includes the Gap Road provision and that Merton has no care leavers in Bed and Breakfast accommodation. However, whilst semi-independent provision is well catered for, the difficulty comes in terms of next steps and sufficient independent provision.

In response to member questions, officers and guests further commented:

- Whilst there have been no breakdowns in permanent tenancies, insufficient provision means there are 19 - 20 year olds that remain within semi-independent provision when ideally they should have taken the next step;
- The example of Housing First was highlighted. This takes the approach of providing accommodation first supported by long-term, open-ended support. This has achieved a high success rate of around 90% of tenancies being sustained compared to a sustained tenancy rate of around 80% where being ready for independent living has to be demonstrated first;
- It needs to be recognised that all young people are individuals with different needs and that currently, the duties on the Council are increasing: the right for young people to stay put with their foster carers for longer and the Council's retention of corporate parenting responsibility potentially through to the age of 25 years;

- Another approach to care leaver accommodation is the co-operative building scheme as exemplified by the Stoke-on-Trent Housing Project; and
- Social networks can be a positive or a negative experience for care leavers. The role of peer mentors was highlighted as a way of providing guidance for care leavers in developing relationships.

Workshop 2: Different approaches to care leaver accommodation

Members heard from Paul Chadwick, the former Director of Children’s Services at Croydon. He gave an overview of his work, outlining the issues he faced whilst working in Croydon including the largest social care population in London, 900 looked after children and increasing cost restrictions. He emphasised that although he was faced with significant challenges, the issue of cost, demographic change, housing shortages and finding solutions for people in difficult circumstances these are challenges faced by every London authority.

He praised Merton for its Ofsted Report and model for care leaver accommodation which provided the context for the workshop.

Yvette Stanley, the Director of Children, Schools and Families, gave members an outline of the context in the borough; Merton has a low number of children in care compared to other local authorities. Despite having 15 independent accommodation offers annually, there were 25 care leavers last year. Therefore, there needs to be a discussion about housing alternatives and options.

Additionally, Merton has a growing population, some with challenging and complex needs. In particular there is a trend of older children coming into care which is putting more pressure on the number of care leavers requiring housing. Members were also informed about the statutory duty to have a Pathway Plan for care leavers and the range of routes needed to enable a pathway to independence and adulthood. It was emphasised that the range of needs should be viewed as a ‘continuum’, and a corresponding range of options provided for young people.

Members were reminded that the “Corporate Parenting” function does not cease because a young person is a care leaver. Much like being a parent, a longer term responsibility is required until care leavers have the skills and confidence to deal with complex situations such as finding employment, learning how to manage finances and how to budget and have friendships and relationships in the adult world.

Paul Chadwick highlighted that when it comes to finding accommodation for care leavers, there cannot be a “one size fits all” approach and any local authority should take into account the unique aspirations, skills and attributes of young people when looking at housing options.

It was highlighted to members that the process of thinking about life as a care leaver and the preparation for this should begin between the ages of 14 and 16. It is essential that care leavers have skills training and that both the young person and the local authority are aware of the person’s skills and skill gaps as early as possible. This is particularly important when matching young people in home sharing

programmes as often children of a similar age in the care system can come from very different backgrounds and therefore be at different stages of their life and progression into adulthood.

Paul recommended that local authorities should consider a proactive involvement with the private sector, in particular with companies like Evolve that run Houses in Multiple Occupation (HMOs). This option was used at Croydon and worked well. Living in a council regulated and supported house share with other Merton care leavers could have significant benefits and offer care leavers an opportunity to learn. For example, tenants enter into an agreement directly with the landlord and pay rent as an individual. Feelings of loneliness and isolation, which are often felt by young care leavers, can be avoided.

Additionally, the cost of single occupancy can be several times a person's housing benefit and much more expensive than the HMO option. Steve Langley, Head of Housing Needs and Strategy, highlighted that any such process would involve brokering an agreement with the provider e.g. guaranteeing the condition of the house to the landlord, strict guidelines and rules around safeguarding, health and safety and a rigorous matching process similar to that of Shared Lives (the adult placement service).

Members also considered the 'Staying Put' policy (arrangements for care leavers aged 18 and over to stay on with their foster carers). This is currently operating in Merton but was highlighted in the recent Ofsted Report as something that could be developed further. It was discussed that in order to further utilise this programme, there would need to be support for the recruitment of foster carers and lodging providers, especially locally. The opportunity to work with Merton's in-house Shared Lives (Adult Placement) service was highlighted.

In response to member questions, officers clarified:

- A local authority can place a foster child out of the area if it is appropriate for the young person's needs. However, they are still the responsibility of that local authority. Moreover 80%+ of the foster children placed outside Merton are within 20 miles radius of the borough with the majority placed in Merton or a neighbouring borough;
- Care leavers can be liable to pay council tax and if Merton were to pick up this cost it would be around £35,000 per annum;
- In response to concerns that care leavers with complex and behavioural problems could detrimentally influence their peers in a HMO, it was highlighted that any home sharing arrangement would require support from the local authority and provider. A significant amount of personalised planning would be provided to ensure that house mates were carefully matched taking into consideration their age, background, individual needs and compatibility with their peers; and
- If Merton wants to commission more HMOs for care leavers, it needs to work with organisations such as Evolve. It can use its portfolio and speak to local landlords about tenancies for young people. A pilot programme should be considered (a HMO house share to review and explore the private sector housing option for care leavers in Merton).

RESOLVED: Members resolved to provide the following reference to Cabinet:

- As reflected in the recent Ofsted combined inspection judgement and report, Merton has a good track record in making appropriate accommodation available for care leavers for which we congratulate officers.
- Proactive accommodation planning is critical as part of the young person's pathway plan for independence. We want to endorse the approach of Children's Services of engaging young people in care to understand their aspirations, to continue to meet their needs and prepare them for independence.
- Through our exploration of the issues, we learnt that whilst there is sufficient semi-independent accommodation for care leavers, there is not enough nor a sufficient range of independent accommodation options as the next step on from semi-independent arrangements. Additionally, the recent change in requirements means the Council is now retaining its corporate parenting responsibilities for longer potentially through to the age of 25. This means provision of sufficient accommodation of all types is likely to be stretched and there is a need to increase the volume and supply of semi-independent and independent accommodation for care leavers. We are keen that a range of options be explored to meet this growing demand including:
 - Houses of Multiple Occupation (HMOs) at their best can offer care leavers the opportunity of accommodation supported by their peers, the Council and its partners. We ask the Council's Housing, *futureMerton* and Children, Schools and Families departments to continue working with private landlords and partners like Evolve to offer more HMO opportunities to care leavers. We have identified that there is potential to work in partnership with Evolve and its portfolio of HMO landlords. We recommend that a pilot project with Evolve is explored;
 - The 'lead tenant model' has been found to be successful and should also be considered. This is where a more experienced tenant (potentially themselves a former care leaver) takes the responsibility for managing key aspects of the tenancy and to model this for other less experienced tenants (care leavers new to independent living). Typically this is offered in exchange for a discounted rental cost;
 - Children's Services, working with Adult Social Care, explores the potential for extending suitable Shared Lives accommodation to young people with more complex needs leaving care; and
 - Other options that we identified and that we recommend are explored as longer term opportunities are Housing First (provision of accommodation first supported by long-term, open-ended support), co-operative building schemes (allowing care leavers the opportunity to take responsibility for the refurbishment of their own property) and Merton developing additional accommodation itself for example on a Y-Cube model.
- The recent combined Ofsted inspection additionally identified that care leavers in Merton receive good support in developing the skills and knowledge that they need to live independently and to manage their own affairs. We congratulate officers on this achievement but want to encourage exploration of what else might be done. We recommend the following are specifically considered:

- The implications of developing more ‘staying put’ arrangements as a transition to full independence, (this is a new policy allowing those in care to remain with their foster carers for longer);
 - Maintaining our good work and focus on working with young people whilst still in foster care with the aim of achieving better engagement when they enter semi-independent provision;
 - Maintaining our good work and integration of pre-tenancy help into ESOL provision to provide support for care leavers that speak English as an additional language;
 - Continue to encourage care leavers who have successfully transitioned into independent accommodation to become peer mentors to offer support for those that are yet to successfully achieve this transition. We suggest looking at the good practice established by Kensington and Chelsea; and
 - The Council explore how to encourage and support young people prior to leaving care to understand the benefit of saving to build up a rent deposit/property maintenance fund. Care leavers have themselves identified this need.
- The recent Ofsted inspection report states that the Council’s ‘staying put’ offer is “underdeveloped”. We recognise that Children’s Services is working to improve the opportunities for young people to stay with their foster careers. However, we also note that arrangements for staying put have the potential to reduce the pool of available foster families. Therefore we ask Cabinet to prioritise that all teams and all departments across the Council work together to support and increase the recruitment of new/additional foster careers.

6 LOCAL AUTHORITY PROPERTY COMPANY UPDATE - PRESENTATION (Agenda Item 6)

James McGinlay, Assistant Director, Sustainable Communities and Paul McGarry, Head of *futureMerton*, presented on the Local Authority Property Company using the presentation provided in the agenda pack.

In response to member questions, the following clarification was provided:

- The four initial sites identified for development are in the public domain as they feature in the local development plan. Greater scrutiny of these developments is anticipated because they are Council led. A robust and transparent consultation process will be used. The Council wants to demonstrate that it is a good investor and that community engagement is important. It is intended that these developments go for planning permission in the New Year and therefore pre-planning consultation will start in November;
- The shareholder board is a subcommittee of Cabinet as agreed by Full Council. Any change to the governance structure is therefore a legal consideration which would need to again be determined by Full Council;
- It is planned to build around 1,500 residential units using land already in Council ownership. It is therefore unlikely that these developments will have any impact on local land prices. Where there is adjacent land available for development, a joint venture may be considered;

- The property company will operate on a lean structure with limited Council staff seconded. James McGinlay, Assistant Director, Sustainable Communities and Paul McGarry, Head of *futureMerton*, will act as company directors and be seconded for a few days a week. Their salaries for these days will be paid by the company. Their costs will be recharged to the company and their positions will need to be back filled. A further, non-executive director, with a specialty in finance, is yet to be appointed. All other functions (such as design and maintenance) will be provided on a contractual basis;
- The purpose of the housing company is to maximise the return for the Council. This means focusing on the residential market, specifically the private rented sector. It was highlighted that the Council has no experience of commercial developments, which are highly competitive, higher risk and with marginal return. The Council does have a track record of successful residential developments;
- The resulting residential properties will be made available for rent and not purchase. This is to ensure an ongoing income for the Council and avoid issues such as properties remaining empty if purchased for investment purposes. Given the objective of achieving the maximum return for the Council, rents will be set based on a market level assessment. This is being carefully researched; and
- The current intention is for approximately 26% of the first tranche of units to be affordable. It was noted that the Council will be subject to the same scrutiny as other developers and will need to provide the same viability evidence with regard to affordable housing.

7 PROGRESS AGAINST THE HOUSING SUPPLY TASK GROUP RECOMMENDATIONS (Agenda Item 7)

In response to member questions, Chris Lee, the Director of Environment and Regeneration, and James McGinlay, Assistant Director for Sustainable Communities, clarified:

- Recommendation 12: the scrutiny officer will check that the Panel has agreed to remove this recommendation on overcrowding strategies;
- Recommendations 15/16: the development of intermediate products such as Pocket homes and the YCube model through the Local Authority Property Company will depend on whether this is in line with its strategy which is to achieve the biggest income return for the Council; and
- Recommendation 4/13: the provision of affordable housing through the Local Authority Housing Company will be determined by the nature of the sites that become available and viability and planning policy.

8 WORK PROGRAMME (Agenda Item 8)

- The report of the Air Quality task group has been delayed. This is because the Council's consultation on air quality has not yet happened and the final report will want to take account of the responses received. The task group report will now come to the Panel at its meeting on 10 January 2018;
- Members again expressed their concerns about the number of items to be taken at the meeting on 2 November 2017. It was suggested that some items be taken at the additional meeting on 11 October 2017 which has recently been scheduled

to accommodate the parking charges call-in. The scrutiny officer will explore this options with officers; and

- It was reported that the Eastern Electrics event in Morden park was successful; it raised £55K, had low anti-social behaviour and crime, 16.5K people in attendance, no noise breach with music going off at 10pm prompt and with little damage to the park. It was agreed that a full report on the event would be made to the Panel at its next meeting.