

THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA

HOUSING AND PROPERTY SCRUTINY COMMITTEE - 20 JANUARY 2010

CABINET MEMBER FOR HOUSING AND PROPERTY

CABINET MEMBER REPORT ON CURRENT ISSUES

The purpose of this report is to inform Members of recent policy and practice developments, which are likely to impact on the future work of the Business Group and to update Members on progress of important current projects.

FOR INFORMATION

1. Silchester Garages

1.1 The Silchester Garages site regeneration is progressing well. The three bidders have been invited to discuss the development of proposals, which are to be submitted by the end of January. An exhibition of the three proposals will be held in early February for residents, and their views will be canvassed through a questionnaire as part of the formal assessment process. Following which the competition will reduce to two bidders and a dialogue process will then proceed to develop the proposals to a conclusion later in 2011.

2. Elm Park Gardens

2.1 Phase two of the Elm Park Gardens basement conversion works is progressing with the delivery of a further eight new homes expected in the New Year, consisting of five keyworker units and three family-sized units for General Needs letting.

3. Stable Way Travellers' Site

3.1 A tender is going out for improvement works to the Stable Way Travellers' site, to provide an upgrade to the environment of the site, and address some health and safety problems. This work will be undertaken next year in full consultation and liaison with the residents.

4. Review of the Modular Management Agreements

- 4.1 In the TMO mid-year review submitted to the Scrutiny Committee on 10 November 2010 it was reported that the Modular Management Agreement (MMA) with TMO would be reviewed this year. In accordance with the terms of the Agreement the MMA is reviewed every five years to ensure that it is legislatively correct, it reflects current working practice, taking in to account any changes that have occurred in the previous term and to confirm that the management arrangements with the TMO are set to continue for a further five years. The review started in December with an initial meeting with the TMO to discuss responsibilities and process. The review work will be undertaken between now and March, with recommendations for changes to be made in April. The new Agreement is scheduled to be finalised in June 2011.
- 4.2 Alongside the review of the TMO MMA the review of the Lancaster West Estate Management Board (EMB) MMA will also be undertaken. This was signed at the same time as the TMO's MMA and also needs to be reviewed and updated. As part of the review there will be some detailed work undertaken on the Service Level Agreements (SLAs); these set out the working arrangements between the TMO and EMB on a number of services (rent, repairs, staffing). The current MMA reflects the arrangements between the Council and the EMB, whilst referring to the TMO and the aim of the review of the EMB's MMA is to clarify and strengthen the arrangements between the three parties.

5. Landlord Rationalisation

- 5.1 There are over 40 Registered Providers (RPs - previously known as Housing Associations) who own affordable housing schemes in the borough. This includes large providers who operate nationally or pan London such as Notting Hill Housing Group and Octavia Housing and Care who own over 2000 homes each in the borough, to smaller organisations with twenty or thirty homes here. This diversity of provision has both strengths and weaknesses. Strengths include a spread of expertise and risk, this is relevant when we are seeking to enter into new business arrangements or develop new initiatives. Weaknesses, however are that monitoring performance of such a wide range of providers is problematic, time consuming and most importantly tenants across the borough do not obtain a consistent service level, exacerbated by the non local providers being based away from the borough accessed through remote service centres and reporting systems operated by phone and on-line.

- 5.2 In terms of services to tenants it is believed that performance of more dispersed landlords with low levels of stock here is generally poorer than those with a higher concentration of stock. Obviously this is not a hard and fast rule but the aim of operating a landlord rationalisation strategy for the borough is to drive up the quality of service to social housing tenants in the borough. A reduced number of RPs makes strategic leadership in the sector more effective and performance monitoring and influencing activities more focussed with no detrimental, in fact potentially positive, effects on tenants.
- 5.3 Within the last few months we have raised the issue of rationalisation at the Homes and Housing Group meeting and we know that one or two landlords are actively working on stock rationalisation proposals, the main RP discussing this with us and the Tenant Service Authority (TSA) is Thames Valley HA (TVHA) who has started a selection process for a new landlord for their properties in RBKC.
- 5.4 Stock values here make stock swaps, an approach undertaken by other councils in recent years, very difficult. Stock swaps require two landlords who have stock in each others core areas to agree financial and operational mechanisms for a mutual transfer. The most likely options for RPs who may wish to rationalise their management arrangements for stock in RBKC will be outright disposal at market value (tenanted market value/existing use value) or transfer of management responsibilities of the homes with ownership retained by the existing landlord. Values and with RPs still experiencing some difficulties in financing development and acquisition, could be a problem for disposals, we anticipate the disposal approach about to be undertaken with TVHA will test this. In disposing of either the freehold or management interest in properties the TSA, the borough and tenants and leaseholders have to be fully informed and consulted.
- 5.5 A framework has been developed to help identify RPs to be approached. This included looking at the stock numbers, the location of the management offices, performance information and assessments, including complaints and referrals to the ombudsman and general engagement with the Borough. A list of fifteen providers with fewer than 200 units has been drawn up, excluding TVHA, of these six were not deemed suitable for rationalisation due to the fact they have a local base with units only in the borough and a good level of engagement. Of the remaining nine RPs discussions have started with three providers to see if this is something that can be pursued. Approaches to the remaining six RPs have been scheduled in for the early part of 2011.

6. Environmental Health and Registered Provider Protocol

6.1 The Environmental Health and Registered Provider Protocol have been operating since 2004. It is time that the protocol was refreshed to take in current legislation and raise awareness amongst the officers at the Registered Providers, as there is a concern that officers are either not aware of or using the protocol. Work on the refresh, including updating and looking at best practice will be taking place during January and February, with the aim to get the new Protocol in place at the start of 2011/12 financial year.

7. Borough Investment Plan

7.1 Prior to changes in the funding of affordable housing announced as part of the Comprehensive Spending Review, each borough was required to produce a Borough Investment Plan. The purpose of this document was to set out the wider strategic investment ambitions and opportunities for affordable housing over a five to ten year period.

7.2 Setting out the unique challenges faced in the Royal Borough to build new affordable housing, our Borough Investment Plan is based upon the strong spatial policies and housing policies which already exist, and is consistent with the Core Strategy, Community Strategy and Cabinet Business Plan, as well as existing housing policy. It is translated into three aims:

- Regeneration of existing housing is detailed as the key priority, with a focus on the large post war estates in the north of the Borough;
- Developing new housing to help meet demand, which far outstrips supply; and
- Providing housing which is suitable for everyone and takes into account a range of housing needs.

7.3 In order to achieve our aims, we will use our existing partnerships, Section 106 agreements and work with our Registered Provider partners.

7.4 Although the Council has produced a Borough Investment Plan, which the Homes and Communities agency have signed this off, there is no longer a requirement on boroughs to produce a Borough Investment Plan and there are currently changes taking place to the allocation of funding for affordable housing, with greater focus being on the next two years of funding.

8. Review of private sector housing services

8.1 A fundamental review of the private sector housing service in Environmental Health is being undertaken. The Government's recent

public health white paper "*Healthy Lives, Healthy People*" cites housing as a key determinant of health. It proposes giving local authorities the lead role in preventative public health. Private sector housing in the Royal Borough presents a challenge in that approximately 46% of dwellings fail to meet the "Decent Homes Standard"^{Ref 1}. In line with the white paper it is envisaged that a key outcome of the service review will be that initiatives in private sector housing will be increasingly aligned with health outcomes. As part of the review the two private sector housing teams are to be merged into one team headed by one team manager from 1st April 2011.

^{Ref 1} Building Research Establishment Stock Modelling Report 2005

- 8.2 A new private sector housing financial assistance policy is being drafted and subject to key decision approval will be implemented on April 1st 2011. There will be a move away from direct Council grant funding for the majority of repairs and improvements in the private sector. The exception will be those grants which improve energy efficiency and thermal comfort for vulnerable residents and those to improve home security for victims of domestic violence and burglary. These have been demonstrated to deliver real health outcomes and longer term cost savings overall. Grants for adaptations to the homes of disabled people will remain unchanged. The operational delivery of the grants service will move from environmental health to a new Home Improvement and Advice Agency, the contract for which is currently being tendered.

FOR INFORMATION

Councillor Timothy Coleridge

Cabinet Member for Housing and Property Services

Background Papers used in the Preparation of this Report: None

Contact Officer: Mr. M. Waddington, Head of Policy and Performance, Tel: 020 7361 3294 and E-mail: Martin.Waddington@rbkc.gov.uk