

## **PRESENT**

### **REPRESENTATIVES OF THE COUNCIL**

Councillor Rock Feilding-Mellen (Chairman)  
Councillor Judith Blakeman  
Councillor Emma Dent Coad  
Councillor Marie-Therese Rossi  
Councillor Pascall  
Councillor Condon-Simmons

### **REPRESENTATIVES OF TENANTS' ASSOCIATIONS/ARBS**

Patti Fordyce	Secretary Worlds End (WERA)
Margaret Grayling	Treasurer Worlds End (WERA)
Tom Fitch	Chair Swinbrook Estate
Margaret Cairnes-Irven	Secretary Swinbrook Estate
Monica Press	Co-Chair Tavistock Crescent
Norman Dunne	Chair Talbot House
Jose Fernandez	Chair Allom & Barlow
Ian Smith	Chair Pond House
Aisha Braithwaite	Chair Edenham Way
Nik Hoexter	
Carolyn McDouall	
Jules Montero	
John Hebditch	

### **REPRESENTATIVES OF THE TENANT MANAGEMENT ORGANISATION**

Robert Black	Chief Executive
Yvonne Birch	Executive Director of People & Performance
Sacha Jevans	Executive Director of Operations
Andy Marshall	Assistant Director of Repairs
Peter Maddison	Director of Assets and Regeneration
Maria Needham	Head of Neighbourhood Management South
Daniel Wood	Assistant Director Home Ownership
Nick Rendle	Business Development Manager
Anthony Parkes	Executive Director of Financial Services

### **REPRESENTATIVES OF THE COUNCIL**

Laura Johnson	Director of Housing
Amanda Johnson	Head of Housing Commissioning
Steve Mellor	Group Finance Manager

Will Parsons  
Gilly Tobin  
Asha Gupta

Housing Commissioning Officer  
Housing Regeneration Project Manager  
Principle Governance Administrator

## **A1 APOLOGIES FOR ABSENCE**

Apologies for absence were received from Sylvia Collet (Cecil Court Compact) and Sarah Frater (Co-chair Longlands Court).

Councillor Blakeman said that the papers were issued on 30 December but she had not received them until a few days ago and asked if others had the same experience. Mrs. Braithwaite said that in the past papers were sent out by post but the method of distribution has changed and people are encouraged to look on the Council's website. Amanda Johnson said the papers were sent to all the residents associations in good time but apologised to the councillors and said she would review the distribution of papers for next time.

***Action by: Amanda Johnson, RBKC***

## **A2 MINUTES OF THE MEETING HELD ON 8 JULY 2013**

Subject to (i) replacing Church House with Whitchurch House on page one; (ii) amending Item A6, para. 2 to read 'Norman Dunne added that he can obtain an insurance premium at least 50% cheaper online than what he currently pays to the TMO'; and (iii) adding under Item A6, para. 3 'that it was noted that there are two insurance policies - a general policy for tenants and a private policy for leaseholders', the minutes of the last meeting were approved as a correct record.

## **A3 MATTERS ARISING FROM THE MINUTES OF THE LAST MEETING**

Page 2 - Internal Service Provider, Repairs Direct

Mr. Dunne said that he has reported repairs to the windows at flats 7-11 Talbot House numerous times, a surveyor has come to inspect them but the repairs have still not been carried out. Mr. Maddison agreed to look into this and send a response outside of the meeting.

***Action by: Peter Maddison, TMO***

Mr. Hebditch said that we were assured top quality workmanship by the new contractors. However, he has seen windows taped up and drains not cleared properly. He added that Repairs Direct are only dealing with blocked drains but not undertaking maintenance work at the same time. Andy Marshall agreed to pick this up outside of the meeting.

***Action by: Andy Marshall, TMO***

## **A4 HOUSING REVENUE ACCOUNT - RENT REPORT 2014/15**

Steve Mellor and Anthony Parkes gave a presentation on the 2014/15 Rent Report, covering the following:-

- Main purpose of the Rent Report
- Process for agreeing the Rent Report
- An explanation of self-financing
- Explanation on how the HRA budget is made up
  - TMO Management Fee
  - Managed TCC Budgets
  - Council managed HRA budgets, including capital financing charges.
- An explanation on the Rent setting process
- Comparison of 2013/14 rents with LBH&F, Wandsworth and WCC
- HRA financial outlook

In summary, the key messages from the presentation were:-

- A revised formula has been used to calculate rents
- The average proposed rent increase for 2014/15 is 6.26%
- Healthy Working Balance
- There are opportunities to increase capital resources

A copy of the presentation slides have been placed on the Royal Borough website.

Amanda Johnson then gave a presentation on the HRA Business Plan 2014-19, covering the following:-

- Why have a business plan? To set out:-
  - the priorities and investment requirements for the Council's housing stock over the next 5 years
  - opportunities to regenerate the stock and provide additional units
  - the potential sources of funding to deliver the Business Plan over the medium term.
- The need to spend:-
  - The Business Plan will be supported by an asset management strategy in the future which is currently being finalised with the TMO
  - This will establish investment priorities using the recent stock condition survey which has identified capital expenditure requirements of £1.4bn over the next 30 years
  - The estimated cost over the next 5 years to deliver the proposed investment standard is approximately £100 million
  - A funding gap of at least £30 million and options for addressing this shortfall will be identified in future versions of the Business Plan
- 2014/15 Plan recommends that:-

- Capital resources of £10m are allocated to the 2014/15 capital programme
- Borrowing headroom is not used to fund maintenance works, including the backlog but to fund regeneration or the development of affordable housing
- Consideration is given to selling a small number of properties on the open market thereby releasing capital receipts which could be used to increase the Capital Programme to fund new and additional units
- The focus is ensuring the statutory minimum standards of decency are maintained
- Summary of the Capital Programme 2014/15 which totals £10m

A copy of the presentation slides have been placed on the Royal Borough website.

The Chairman then invited questions and comments from the Committee. The following main points were noted.

In response to a question on targets rents, the Council undertook to provide this for individual properties upon request. Steve Mellor said that the average rent increase in year one is 6.2% but that in subsequent years the increase would depend upon the level of inflation. Cllr Feilding-Mellen pointed out that of the 6.2% increase in year one, a 5.2% increase would have arisen anyway under the national regime, the proposed local changes resulted in a further increase of around 1%. He added that the target rent for the whole estate gives an indicator of what the rent level in year 5 will be like.

In response to a question on how many more tenants are claiming housing benefit compared to three years ago, Mr. Mellor said circa 70% are claiming housing benefit. It was suggested that there has been a 4% increase, roughly 300 households, compared to three years ago. Cllr Feilding-Mellen cautioned against making brushstroke conclusions and said that housing benefit claims go up for a variety of reasons, including changes in the economic climate.

Monica Press queried the average rent for one and two bedroom properties. Steve Mellor said the average rent is £118 per week. For a one bed unit the average rent is £105.71 and for a two bed £124.60. These do not include service charges.

Ian Smith asked how the maximum annual rent increase of 10% was calculated? Mr. Mellor said the figure was proposed after consultation with the Housing and Property Scrutiny Committee. Mr. Smith added that in the last few years the Royal Borough has been the worst in terms of rent increase. In response, Mr. Mellor said that the comparisons data is a year

behind and that WCC have not published their rent report yet. He also commented that for larger properties LBHF had moved away from the National rent regime and were now charging more for these properties. He added that rent increases depends on the historic starting position. Cllr Feilding-Mellen pointed out that the difference in the average rent compared to the private sector value is huge.

Jose Fernandez reported of a tenant who is in excess of £3,000 in rent arrears and has been told by the TMO to pay £5 a week and as long as the tenant pays that they will not be evicted. He asked if the TMO was helping households in arrears with spare bedrooms to downsize? Laura Johnson said the Council takes a benevolent approach and understands that tenants can sometimes get into problems, and so only evicts tenants with significant and consistent arrears. She added that households in arrears cannot be moved under the current rules. Yvonne Birch said that the TMO welfare officers are visiting those households affected by the under-occupancy charge and ensuring they are aware of their options, including sign up for right size exchanges. Cllr Feilding-Mellen suggested that it might be worth taking a more flexible approach, suggesting that arrears could be overlooked or even written off if households were prepared to move to smaller properties, thereby freeing up larger properties.

Mrs. Braithwaite queried the definition of an underperforming estate i.e. are they those with high maintenance costs and requiring investment. Amanda Johnson said that she would bring more information on this once the policy has been agreed. Laura Johnson added that adopting such a policy will not require consultation.

***Action by: Amanda Johnson***

John Hebditch said that the Council had wasted a lot of money under the Decent Homes Programme, where roof works and kitchens and bathrooms were not done to standard and 'the contractors had had the TMO over the barrel making simple tiling jobs into thousands of pounds worth of works'.

Amanda Johnson said this has been mentioned at the Committee before and said the TMO will not take a broad brush approach to capital works and will be more intelligent and do what is necessary. Peter Maddison added that the TMO has learnt lessons from the past and will be consulting with residents on the scope of the works and have good contractors in place. Cllr Feilding-Mellen said he took on the points about mistakes made with the Decent Homes Programme and said that Cllr Pascall is chairing a Working Group to look at the quality of the Council housing stock condition data and make recommendations on a Borough Standard and how this could be achieved.

Tom Fitch expressed his frustration that windows on estates are uneconomical and have been left to rot and since the Council is not able to

transfer money from the General Fund into the HRA, how does it propose to develop its stock?

Cllr Feilding-Mellen said there are requirements for capital investment in our housing stock. He pointed out that we were spending £25 million more than before but that there is still a funding gap £30 million and that the Council is looking at ways to fill this i.e. increasing rent or selling assets. He also agreed that external decoration needs to be given better thought.

Peter Maddison said the TMO Asset Management Strategy will be looking at the long term maintenance of estates and recognising where there has been under investment. This is an opportunity to look at and have a proper plan for external decoration. The TMO intend to agree the detail of the plan in 2015/16 and will go out for extensive consultation.

The Committee noted the request for more resident involvement in major works. Peter Maddison said that the TMO is currently looking to procure two separate programme of works 1) external decoration and 2) Borough-wide framework. The TMO have not yet let any external decoration contracts and will take up the request for consultation outside of the meeting.

***Action by: Peter Maddison***

Monica Press queried why we need to employ an additional officer for income generation projects i.e. letting of community rooms, when we have a Resident Engagement Team which can undertake the work? Yvonne Birch said that the community spaces are an asset and we need someone to undertake a review to maximise income over the next two years. The post will be self funding beyond the first two years. The Resident Engagement Team do not have the resources or skills to undertake this work as it will involve extensive consultation with residents and require inspection and commercial skills.

In response to some comments from members of the Committee on the role of the Resident Engagement Team, Mrs. Braithwaite said that the team does a good job and wanted her appreciation of their work placed on record.

Mrs. Braithwaite went on to make a request for the project officer on income generation to be given a directive to consider that meeting/community rooms were made available for community cohesion and to ensure the charging policy is reasonable and not commercially driven. In response, Mr. Rendle said there will be a Project Manager leading on this and the purpose is to ensure the TMO gets the best use of its asset. There are 27 community/meeting spaces in the Borough, some are run down and underused and the Project Manager will be tasked with producing an action plan to open them up and get them more widely used.

Charges will be according to different classes of uses and the intention is not to price out residents but to open up opportunities and strike a balance between best use.

Mr. Hebditch said that to make community rooms work well, they need to be supervised. Cllr Feilding-Mellen agreed to take the comment on board.

Norman Dunne queried what proposals are being put forward in the Borough-wide Framework? Cllr Feilding-Mellen said it was a good question which he has raised with officers and is waiting for a briefing on this from them. He added he was aware of the concerns and would be seeking best value.

Councillor Feilding-Mellen thanked the Committee for their comments.

## **A5 STOCK OPTIONS - NEXT STEPS**

Gilly Tobin gave a presentation on 'Investing in our housing stock - an update', which was received and noted by the Committee. In her presentation, she set out what the Royal Borough has looked at and why and what are the options for investing in our housing, such as:-

- Re-profiling of the investment programme
- Rent policy review
- Targeted disposals and replacement of social housing
- Targeted small scale conversions to intermediate or market rents and/or selling properties
- Explore options for development and regeneration on our estates further

The next steps would be to set an investment standard through the Asset Management Strategy; looking at the impact of potential conversions to different tenures and/or selling of some properties on the HRA; and start to looking at potential for regeneration to provide additional properties.

A copy of the presentation slides have been placed on the Royal Borough website.

Councillor Feilding-Mellen thanked Gilly Tobin for the presentation and invited the Committee for its comments.

Mrs. Braithwaite asked what the Council plans on doing in terms of the rent policy review and also targeted disposals and replacements of social housing. Ms. Tobin said that the rent policy review was discussed in the previous item and the plan is to move towards target rents over the next five years. In terms of disposals and replacements, the Royal Borough will be looking at low performing units with **low or negative** net present value and will consider selling these to provide social housing elsewhere in the Borough. She also added that these are still just options and not all will be

taken forward. On the whole the Council does not want to sell its assets but will keep an open mind.

Robert Black highlighted the Hidden Homes Programme and that six new units were added to the stock at Holmefield House and World's End. He added the TMO was committed to working with the Council to look at other estates where new stock can be built.

Cllr Feilding-Mellen said that we also have the option of converting units to intermediate rent, as an opportunity to target the middle income group and promote a more mixed community in the Borough.

Mr. Fitch supported the comment on intermediate housing and asked how we can keep shared ownership as an option and not lose it to the open market. Cllr Feilding-Mellen said that shared ownership was often 'a one hit wonder' and that he has asked officers to look at other options such as discount market sales (DMS) or discount market rent (DMR) to ensure the property stays in the intermediate market for longer.

Cllr Feilding-Mellen thanked the Committee for their comments.

## **A6 ANY OTHER BUSINESS**

A number of specific/individual estate matters were raised at the meeting. The Committee was reminded to raise these with Mr. Black outside of the meeting.

Monica Press queried the status of the decant policy. In response Laura Johnson said there is a Borough-wide decant policy which she agreed to send to Ms. Press. Gillian Tobin agreed to check if it went to the TCC for consultation. Cllr Feilding-Mellen added that there will be a specific decant policy for each estate agreed for regeneration and that residents will be extensively consulted on it.

***Action by: Gillian Tobin, RBKC***

Mr. Fitch suggested keeping an action list alongside the minutes of the Committee so that items are not lost.

The meeting ended at 08.05pm

Chairman