

THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA

HOUSING AND PROPERTY SCRUTINY COMMITTEE

10 JULY 2014

CABINET MEMBER'S REPORT FOR HOUSING AND PROPERTY

This report provides Members of Scrutiny Committee with an update on what the Housing Services has achieved in 2013/14 and the ambitions and priorities for the next twelve months and further ahead.

FOR INFORMATION

1. Introduction

2. Housing

2.1 Achievements from 2013-14

- Implementation of a new Allocation Scheme.
- Introduction of fixed term Flexible Tenancies for new Council allocations.
- Families were only placed in to Bed & Breakfast Accommodation as an absolute last resort and for no longer than six weeks.
- 99% of households in Temporary Accommodation were placed in London.
- Five year Business Plan for the Housing Revenue Account developed
- A revised rent model for HRA properties was agreed providing an additional £7m over 5 years.
- 6 new Hidden Homes - 3x2 bed hidden homes in redundant spaces at Greaves Tower and 3x3 bed homes at Holmfield House, financed by the Council developed by the TMO.
- Council has increased its Main HRA Programme over the next 5 years to £61m which equates to a 5 year increase of £25m. In addition, the refurbishment of Grenfell Tower and a number of Hidden Homes projects are being managed by the TMO.

2.1 Key items for the next 12 months

- Provide 112 new homes on the Silchester Garages site with Peabody HA; 45 will be available for social renting, 39 for shared ownership and 28 for market sale. Completion will be phased from November 2014 to September 2015.
- Develop architectural plans for the site adjoining Trellick Tower to provide at least 70 new homes Complete the review of our housing

estates and agree and implement a housing regeneration strategy which, will set out the priorities for estate regeneration over the next five years. This strategy will provide the mechanism for improving the homes of and life chances of those living on our most deprived estates.

- Continue our programme of Hidden Homes which will result in at least 15 new socially rented homes becoming available over the next two years.
- Refurbish Grenfell Tower, upgrading the cladding to the exterior of the building, new windows and a totally new heating system. All of this will greatly enhance the energy efficiency of the tower. Seven much needed new homes will also be created from unused spaces.
- To work with Savills, with a view to developing a Council Owned Company (CoCo) for use on new housing schemes in the borough As part of the asset management of the stock dispose of some high value street properties and consider where appropriate a change in tenure of stock to increase the return from rents to enable greater investment in the Council's housing.
- Consolidate development work on new commercial opportunities for the HRA and generate additional income, increasing the total portfolio value from the current £2.9m pa to an estimated £3.4m pm, primarily via new lettings of formerly-derelict parking areas and new telecommunications installations.

2.3 Further ahead

- Increase our temporary accommodation (TA) procurement both in and outside of London.
- Ensure it meets the needs of our applicants and affordable to both RBKC and the tenant
- Work with colleagues in London to agree pan-London and west London initiatives on price and quality of T/A
- Seek to minimise the impact of Temporary Accommodation on the General Fund.
- Increasing the provision of new housing and with particular focus on new intermediate housing.
- Agree and implement a programme to improve the offer of both housing and care to older people within the Royal Borough which, will increase the number of accessible homes and homes available in extra care and older persons schemes.

3. Property

3.1 KEY ACHIEVEMENTS IN THE LAST 12 MONTHS

Some of the key achievements of the team include:

- Setting up an asset review board, which has initiated and concluded the following asset reviews:
 - o Children's homes
 - o KTH car park
 - o Service tenancies
 - o Adults provision
 - o Youth service – ELM
 - o Lots Road/Chelsea Creek
 - o Chelsea Old Town (Part 1)
 - o Bi-borough Depot Review

- Implementation of approved asset strategies leading to the shut down and letting of the previously underutilized-operational properties to achieve cost savings of circa £560,000 and new rental income of £2,132,500pa:
 - o The Isaac Newton Centre
 - o 74/76 Pembroke Rd
 - o 282 Earls Court Road

- Delivery of capital projects to quality, standards, on time and budget to ensure continued provision of excellent frontline services, including::
 - o New Holland Park Ecology Centre
 - o New Avondale Amenity Centre
 - o Piper House major refurbishment
 - o Olive House (new children's home on East Row)
 - o Marlborough Primary School Internal expansion
 - o Middle Row Primary School
 - o Ashburnham Nursery

- The award of the 10 year Total Facilities Management (TFM) contract to Amey Communities Ltd for the provision of services on a Tri-borough basis. This contract will generate around 25% savings on original cost, which equates to at least £900,000pa for RBKC alone.

- Setting up The Link team to ensure effective mobilisation of the TFM contract.

3.2 PROJECTS TO BE DELIVERED DURING THIS FINANCIAL YEAR

The key projects currently being delivered by the team include:

- Completion of the letting of the KTH Car park for the minimum annual income of £820,000 (an increase of £200,000 pa) and capital investment of £650,000 by the lessee to redecorate and improve facilities in the car park.
- Letting the ground, first and second floors of Niddry Lodge, 16,000 sqft of office space, which should generate (approx £500,000 pa of new income).
- Completing the major refurbishment at Central Library including operational and commercial offices.
- Letting the lower ground and second floors of the Central Library, which should generate (approx £360,000 pa) of new income.
- Re-letting the Youth Hostel in Holland Park, which should generate an uplift (of approx £250,000 pa).
- The disposal of the Bassett Road building to provide a capital receipt of approximately £6.0m. (We are taking the unusual step of selling this asset because the capital receipt will dwarf any potential income yield possible from this property, so the capital would be better reinvested elsewhere).
- Ensuring the relocation of services at the Westway Information Centre to enable the Council achieve property running cost savings of circa £113,000 and new rental income of circa £125,000 from a commercial letting.
- Ensuring the delivery of vacant possession of Cremorne Wharf to enable a letting of the property to Thames Water for an annual rental income of £175,000
- Completing the Council's asset management plan which will set out and show the long term objectives for the Council's property portfolio translated into specific asset management activities
- Delivery of the new Kensington Academy, new Leisure Centre, new Depot & Public Realm
- Completing the construction of the new Malton Road Hub and working with relevant services departments to ensure full occupation of the new building, thereby releasing other operational premises and enabling the savings and new income streams from the Westway programme.

- Joint development and disposal of a new school and office block at Marlborough Primary School, that will provide a capital receipt of approximately £20.0m and annual income of approx £1.0m.
- The delivery of the Private Rented Sector developments at Young Street and Hortensia Road, that will provide income of approx £1.6m pa.
- Determining and then delivering the best option for the future of the Pembroke Road depot site.
- The development of four residential sites at KALC, Middle Row, Southern Row and Munroe Mews on a Private Rented Sector basis to produce and income of £600,000 pa.

FOR INFORMATION

Councillor Rock Feilding-Mellen

Deputy Leader and Cabinet Member for Housing and Property Services

Background Papers used in the Preparation of this Report: None