

**THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA****HOUSING AND PROPERTY SCRUTINY COMMITTEE****13 MARCH 2013****DEPUTY LEADER AND CABINET MEMBER FOR HOUSING, PROPERTY  
AND REGENERATION****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**

**HOUSING****1.0 TMO Fire Entrance Doors**

- 1.1 In January 2014 it was reported to Scrutiny that there were 37 doors that had been assessed as non-compliant. There were also 14 doors that had not been assessed as we had been unable to contact the leaseholder, or gain access to the property.
- 1.2 Our Fire Consultant has now assessed all but one of the previously un-assessed doors, with 13 being found to be compliant.
- 1.3 As of the 14 December 2013 there were 37 doors that had been assessed as non-compliant.
- 1.4 We wrote a letter to all 37 households on the 20 December 2013. We gave them until the 17 January 2014 to provide documentary evidence that their door is now fully compliant, or that they had taken steps to ensure that they would be compliant.
- 1.5 We also wrote to the leaseholder of the one door that we had not been able to access.
- 1.6 Once the letters were sent leaseholders started to provide conformation of compliance. By 14 February 2014 the number of non-compliant doors had reduced to 27.
- 1.7 One leaseholder asked for the deadline to be extended until the 17 February 2014. To be fair to all we extended the deadline for everyone until the 17 February 2014.

- 1.8 As of 28 February 2014 there were 23 doors that remained non-compliant with 17 of the leaseholders having given the Council a commitment to undertake the necessary works.
- 1.9 One leaseholder has said they are willing to change the door, but that they will need financial assistance to do so. Officers are looking into the possibility of assistance for this person as they may be entitled to a discretionary 'safe and secure' renovation grant due to them being of pensionable age.
- 1.10 One door is at Trellick Tower and the TMO advise that compliance is being progressed by separate means due to listed building issues.
- 1.11 Four leaseholders with non-compliant doors had still not responded to any of our communications. The leaseholder we were unable to assess had also not replied.
- 1.12 It is anticipated that these 5 will be the first leaseholders against whom enforcement action will be taken. At the time of writing a meeting was due to take place on 14 March to confirm the final number against whom enforcement action would be taken.

## **2.0 Attendance at Allocation Scheme Information Days**

- 2.1 In preparation for the implementation of the new Allocation Scheme on 17 February 2014 the Housing Needs Department wrote to all of the applicants on the then existing Common Housing Register including those who were likely to lose points or be disqualified from the new Housing Register advising them of the imminent changes. The letters sent included an invitation to attend one of 4 drop-in sessions held in the Small Hall of the Town Hall so that advice and information around each individual's circumstances could be obtained if they so wished. The sessions were held on 20 and 22 January plus 13 and 14 February 2014.
- 2.2 On 09 January 2014 approximately 5600 letters were sent out to applicants in the following categories:
- Applicants losing low priority points – for example those overcrowded by one bedroom or with minor medical issues
  - Applicants likely to be disqualified due to having no priority or who are non-residents
  - Applicants for Sheltered accommodation (approximately 300 - to advise that they will not need any points under the new scheme to qualify for the register)

- 2.3 Duty accepted homeless households were also written to but not invited to the drop-in sessions. They were directed to speak with the Housing and Homelessness Assessment Team officers as is the normal practice for any of their housing register queries.
- 2.4 The Housing Options Team report that a total of 192 applicant households attended the advice drop-in sessions (42, 39, 65 and 50 respectively for sessions one to four). The team's feedback indicates that overall most people understood the letters sent but they wanted to know if there was anything they could do to prevent their removal from the register once the new Allocation Scheme was implemented. Failing that they wanted to know what their remaining housing options were.
- 2.5 A recurring theme noted was where applicants over 60, who had never registered specifically for sheltered or elderly designated housing now expressed an interest in this form of accommodation as due to their age they would qualify to remain on the register. A number of appointments were subsequently made to verify their documentation.
- 2.6 Another frequent scenario amongst attendees was where social housing tenants who would no longer qualify to be on the new register (due to having low-medium medical points or lacking one bedroom) would now reconsider joining a mutual exchange scheme when they had rejected this option in the past. They had been advised that their only realistic option (assuming they did not want to go into the private rented sector) was to join a mutual exchange scheme.
- 2.7 It was stressed that the chances of exchanging are likely to improve over time as due to a number of changes in legislation (for example the spare room subsidy) and the new Allocations Scheme implementation, more households in a wider range of property sizes will also only have a mutual exchange as a realistic option if they wish to upsize or downsize.
- 2.8 For the size of the mail out, 196 attendees could be considered a relatively low turnout. However past experience suggests that people tend to be reactive rather than proactive and four further drop-in sessions were arranged for after the implementation date once the final letters confirming the status of applications under the new Scheme were sent.
- 2.9 These confirmation of status letters were sent out on 12 and 13 February 2014. As before there were a variety of letters sent dependant on the applicant's housing situation:

1. Non-qualifying due to no / low priority
2. Non-qualifying due to not residing in the Borough for 3 or more years
3. Qualifying and statutorily homeless
4. Qualifying and other reasonable preference
5. Sheltered applicants

2.10 It is important to remember that applicants falling under the first two categories above would not have been re-housed under the old Scheme due to their lack of points and/or low priority for housing.

2.11 The post-implementation sessions took place in the Great Hall Foyer on the following dates:

Monday 24 February 2014	10am to 4pm
Tuesday 25 February 2014	2pm to 7pm
Monday 3 March 2014	2pm to 7pm
Tuesday 4 March 2014	10am to 7pm

2.12 At the time of writing it was anticipated that these sessions were likely to be better attended than the pre-implementation drop-ins and provision was made for additional sessions should they be warranted. There was actually a reduced attendance at the second set of February sessions – a total of 31 applicant households made use of the two drop-ins so it remained to be seen if there would be an increase in applicants attending the March sessions.

2.13 Non-qualifying applicants were advised in their letters of their statutory right to review their removal from the register due to non-qualification. However, they had been advised to seek advice first at the drop-in sessions.

2.14 An email advising Councillors of the implementation of the new Scheme and providing copies of the above 5 types of letters has been sent by the Housing Options Manager, Mr Robert Shaw. He will also be arranging meetings with Sir Malcolm Rifkind and Greg Hands' staff to explain the new Scheme.

### **3.0 Homes for London: Draft London Housing Strategy and The Housing Covenant 2015-18**

3.1 A comprehensive paper was brought to the last Scrutiny Meeting by Mr Wade, Acting Head of Policy and Design, (Planning and Borough Development) detailing the main themes within the Draft London Housing Strategy, and he has subsequently provided some

supplementary information via email on 29 January in response to questions raised at the meeting.

- 3.2 Consultation on the draft London housing Strategy was open until 17 Feb 2014. RBKC sent a joint response from the Planning and Housing Departments which can be found in Appendix One.
- 3.3 In addition to the Draft London Housing Strategy the Greater London Authority (GLA) published a funding prospectus for a new housing investment programme 'The Mayor's Housing Covenant 2015 – 18' on 12 December 2013 in which the GLA are requesting a tenure split for new affordable housing of 40% low cost home ownership and 60% affordable rent. The purpose of the document was to allow the Mayor to clarify the affordable rent products contained within the Covenant.
- 3.4 The Covenant proposes that there will be **Capped** rent homes let at low rent levels that will provide housing for those in the greatest need, and, **Discounted** rent homes at a higher rent which will be available for those in housing need but unaffected by the household benefit cap.
- 3.5 The proposal generally is for Capped rents to be capped to 50% of market rents, but for high rental value areas they can be 50% of lower quartile market rents instead. RBKC would fall within this category.
- 3.6 Discounted rents are to be up to 80% of market rent, or the LHA cap where this is lower and this is likely to be the case for RBKC.
- 3.7 The Draft London Housing Strategy suggests the prioritising of Discounted rent to working households. Providers are expected to offer programmes that contain equal proportions of both but, in consultation with the GLA, boroughs will have the flexibility to adjust both Capped and Discounted rent proportions if appropriate.
- 3.8 Providers of affordable housing will retain 10% of new lets for direct letting to internal transfers, rather than the 25% level which has been a feature of previous programmes.
- 3.9 A framework is to be agreed with each borough as to how the new programme will operate in their area. This will cover distributions and proportions of flexible home ownership, Capped and Discounted rent, and ensure that access arrangements to flexible home ownership properties are fully compliant with the London Plan. The framework should apply to the majority of schemes delivered in the



borough but a few specific sites which require a different approach can have some flexibilities agreed where appropriate.

- 3.10 Unfortunately the two levels of affordable rent (Capped and Discounted) being proposed for new build housing are both unacceptably high for RBKC in their original form. Discounted rents in RBKC will need to be set at, or just below LHA cap levels, rather than the 80% of median rents which is supposed to be the benchmark for Discounted rents. For example the LHA cap for a 3 bedroom property in RBKC is £347.38 whilst the average figure for 80% of median rents in the private rented sector is £772.00. A Capped rent for a similarly sized property would be £375.00 per week if charged at the proposed 50% of the lower quartile of private rent levels and therefore unaffordable to the target client group. RBKC will request that Capped rents be no more than Target Rent (inclusive of service charge).
- 3.11 RBKC will be pushing for a proportion of new target rental properties to be included in the ratios of new builds, along with a re-evaluation of the rent levels for the affordable rent products.
- 3.12 An additional issue is the assertion that the tenure split for new affordable housing should be 40% low cost home ownership and 60% affordable rent. This is not in line with the Core Strategy and so may prove problematic.
- 3.13 There have been a number of meetings between the GLA and officers from the RBKC Housing and Planning Departments with a view to resolving these issues so that we can establish what the framework will be for this borough. Discussions are ongoing.
- 3.14 At the time of writing the GLA had accepted that clarifications to the Funding Prospectus may be needed prior to the final bidding deadline of 10 March 2014 depending on the consultation responses.

#### **4.0 Autumn Statement – Areas of interest for Housing**

- 4.1 The DCLG plan to introduce a Right to Move for working households in social housing for those tenants who want to take up a job or live closer to employment or training. Consultations for implementation of this policy are due to take place in Spring 2014.
- 4.2 Right to Buy agents (appointed through an open procurement process) will be introduced to offer a bespoke advice and support service to tenants exercising their right to buy, taking them through the home buying process from enquiry through to completion in a

similar way to a traditional estate agent. They are due to be in place at the beginning of the new financial year.

- 4.3 A Right to Buy fund will be available for two years from 2015 – 16 to improve access to mortgage finance for Right to Buy purchases. The partners and approach to deliver this had yet to be clarified at the time of writing.

## **PROPERTY**

### **5.0 KCTMO PARKING REVIEW UPDATE**

- 5.1 This section provides an update on the Kensington & Chelsea Tenant Management Organisation's (KCTMO) project to maximise usage of estate car parking assets, generate new HRA income and address risks posed by difficulties in enforcing parking restrictions.

#### **Commercial Usage**

- 5.2 The project's primary aim is to develop options for changing use and generating new commercial HRA income from disused parking areas.
- 5.3 In March 2013, Cabinet approved the leasing of basement car parks at Walnut Tree House and Holmefield House for self-storage facilities to Fortbox Limited on a 25 year term. However, agreements thereafter have been complicated by Fortbox restructuring their business, with the directors buying-out the interest of their original financial backers from the USA.
- 5.4 At Walnut Tree House, a detailed lease was agreed in December 2013, a planning application was submitted in January 2014 and Cabinet will be asked to approve assignment of the lease to the new Fortbox parent company in February 2014. Retained residents parking is protected under a sub-lease. We expect the company to start trading in late summer 2014.
- 5.5 At Holmefield House, we obtained planning consent for self-storage but Fortbox withdrew their lease offer in September 2013. The site was then remarketed by Corporate Property officers. The best offer received was from Urban Locker, for 30,000 sq. ft. of self-storage. Cabinet will be asked to approve leasing on these terms in February 2014. We expect the company to start trading in late 2014. As we have been unable to find a commercial occupier for the entire site we are also bringing forth proposals to lease the remaining 13,000 sq ft. space at sub-market rents for community arts use, via a joint

partnership with Arts & Culture officers and the Tri-borough Public Health Commissioners.

- 5.6 At Acklam Road, on the Swinbrook Estate, we propose to remodel current under-occupied garage areas to retain existing residents parking provision whilst creating new commercial units facing Portobello Road. The proposed site is currently being marketed, with expressions of interest received for development into small-business units, market stalls and self-storage. We expect to present a definite proposal for decision in Q1 2014/15.
- 5.7 In January 2014, we received an offer of £206k of central government grant funding to install electric vehicle charge points on 10 estates. These will be provided via the partnership with Thriev, a start-up company providing an electric vehicle mini-cab service, for whom Cabinet Member approval was granted for the leasing of vacant bays in July 2013 for the purposes of charging and storing their vehicles. A new Key Decision Report will be brought for approval to the Policy Board in March 2014, recommending acceptance of grant funding and detailing the operational implications (in particular, the points have to be available to the general public).
- 5.8 On all sites, affected residents have been, or will be, consulted over the detail of each proposal prior to decision-making and we have also ensured that sufficient parking provision is retained to meet future resident demand.

### **Parking by Borough Residents**

- 5.9 Following consideration by the Committee in September 2013, Transport Policy and Planning officers have modified their previous opposition to marketing vacant parking spaces to non-residents. We now have permission to market c.700 vacancies to all RBKC residents, unless explicitly prohibited from doing so by the terms of existing planning consents.
- 5.10 Worlds End estate is a pilot site for this, where the garage was redecorated in December 2013 and a new online marketing campaign for 120 vacancies will launch in March 2014. We will then review take-up and roll-out the marketing to encompass all other parking sites across the borough.
- 5.11 The vacant spaces will be offered at market rates, at rents determined via consultation with Corporate Property surveyors, commercial valuations and assessment of comparable charges by commercial car park operators.



## **Enforcement**

- 5.12 New methods of enforcing estate parking restrictions are required following the criminalisation of clamping on private land in October 2012. We engaged a contractor to ticket illegally-parked vehicles but this has not proved effective as the terms of the new legislation mean we are largely unable to take court action to recover debts from non-payers. Without adequate enforcement, we run the risk of uncontrolled parking, resident dissatisfaction and loss of HRA income due to consequential cancellation of resident parking permits.
- 5.13 As recommended by London Councils, we are working with RBKC Transport and Highways officers to introduce a statutory Traffic Management Order covering all estates, which will enable enforcement of estate parking restrictions in conjunction with public highways.
- 5.14 In order to enable that enforcement mechanism and ensure we provide a consistent service to all residents, we propose to introduce a new TMO parking policy. Whilst a clearer policy was required in any event, due to historic inconsistencies in management practice, it is critical to the project because Transport & Highways cannot enforce in the absence of an agreed standard management policy.
- 5.15 Residents have therefore been consulted about the proposed policy and its key implications, which are that: (i) permit-holders will be able to park in any available bay on their estate; (ii) visitor parking will be managed via a centrally-managed system, with all residents having an equal entitlement; and (iii) we will no longer issue a 'secondary permit' with the annual permit, for use by the permit-holders visitors.
- 5.16 We have consulted widely about the proposed policy, sending information and survey forms to all residents in December 2013, following an initial advance briefing to parking permit holders in October 2013. Five public meetings were held in locations across the borough. The draft policy and detailed information about the proposed changes have also been available on the TMO website.
- 5.17 The consultation period closed on Monday 13<sup>th</sup> January 2014 and we are currently analysing the 788 responses received. A full report will be provided to TMO Board in March 2014, when we will ask for approval of the proposed policy. If approved, Transport & Highways officers will then carry out a separate statutory consultation on the

traffic management order in April or May, with the new enforcement service expected to go-live in July 2014.

## **6.0 New lease of the Isaac Newton Centre**

- 6.1 RBKC own the freehold of the site covering 108 - 128 Lancaster Rd, W11 1QS which comprises of the Isaac Newton Centre (INC), the Lancaster Youth Centre (LYC), ancillary car park and a small playground area.
- 6.2 The site forms part of the wider Westway master plan which aims to rationalise the Council's own accommodation in the Westway area, moving staff from the Westway Information Centre (WIC) and the INC into the new, purpose built Malton Road hub and the Kensington Town Hall, in line with the SPACE programme.
- 6.3 In January 2012, RBKC entered into a Memorandum of Agreement with an adjoining landowner in respect of redevelopment of a wider site (bounded by Portobello Road, Lancaster Road and Ladbroke Grove) which incorporated the land in RBKC's ownership. The exclusivity agreement ended in January 2013 and did not produce the desired outcome.
- 6.4 As a result the position on how best to release value from the site to support the Westway master plan was revisited, and it was decided that a 25 year lease of the INC in its current condition would be offered to the market.
- 6.5 Marketing commenced in September 2013 and closed in December 2013, and a great deal of interest in the site was generated.
- 6.6 At the time of writing the top 3 bids had been shortlisted and a recommendation on proceeding with the highest bidder was due to be debated at the full Council on 05 March with the outcome being presented to a special Cabinet meeting on 06 March 2014.

### **FOR INFORMATION**

#### **Councillor Rock Feilding-Mellen**

Deputy Leader and Cabinet Member for Housing, Property and  
Regeneration

**Background Papers used in the Preparation of this Report:** None

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