

## THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA

### HOUSING AND PROPERTY SCRUTINY COMMITTEE 6 JANUARY 2016

#### LIVE ISSUES REPORT BY THE DIRECTOR OF HOUSING

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 current projects.

#### FOR INFORMATION

#### 1. Grenfell Tower

##### 1.1 In June 2014, Cabinet agreed the refurbishment of Grenfell Tower

The scope and benefit of the works include:

- Replacement of heating and hot water system for all properties within the Tower: giving residents direct control of their heating and hot water
- Replacement of windows with double glazed units: improving thermal and sound insulation
- Thermal cladding of the building: reducing energy usage
- Delivery of nine new hidden homes in the lower areas of the building: delivering additional housing, including family accommodation and wheelchair accessible units
- Re-provision of premises for the nursery on the ground floor
- Re-provision of premises for the boxing club
- Smoke/fire safety and ventilation works
- Redecoration of the communal areas of the building
- Environmental improvements – including a new play area and improves landscaping
- Provision of a new community room

##### 1.2 On 24th July 2014, KCTMO Board agreed to enter into contract with Rydon Construction Ltd for the refurbishment of Grenfell Tower with a revised total scheme cost of £10,300,000 (inclusive of fees). Artelia, the Employers Agent advise that these works will be delivered within this budget. Total spend to the end of November 2015 was £8,680,973.

- 1.3 Works inside residents' homes is almost complete: the new double glazed windows are installed and all residents are now connected to the new heating and hot water system. The new communal entrance will be commissioned early in the New Year and the nursery and boxing club will be able to move into their new premises.
- 1.4 There have been some delays in the works relating to demolition works and the requirement to amend the planning permission to increase the number of hidden homes from seven to nine. In recent months, two of Rydon's subcontractors went into liquidation which caused considerable delay to the completion of the steelwork to the new entrance area and the installation of the cladding. These works are now due to complete early in 2016.
- 1.5 The final piece of work will be the completion of the environmental works that were omitted from the KALC project. These works are outside of the scope of the original Grenfell Tower refurbishment project and the cost of £86k will be additional to the project budget. These works are programmed to complete in March 2016.
- 1.6 Residents of Grenfell Tower have experienced prolonged disruption over the duration of the refurbishment works and the construction of the KALC development nearby. The construction of the tower does not have any external access to the communal areas, therefore the only way of transporting operatives and materials through the building is via the passenger lifts, causing delays at peak times. Some of the works are noisy, such as the demolition works and drilling through the concrete frame of the building. Although noisy work is limited to the hours of 9am and 4pm, there is disruption to residents. Respite facilities are available for residents to use, however, they have only been used occasionally by residents.
- 1.7 KCTMO and Rydon have worked closely with residents over the duration of the work. Rydon has a site office in the building with Resident Liaison staff available to ensure we communicate with residents and resolve any issues promptly. We produce regular newsletters, hold resident drop-in sessions and attend meetings of the recently formed Grenfell Tower Compact. On completion of the works, we will be carrying out a detailed resident satisfaction survey to receive feedback on the completed works and to ensure that any outstanding issues are addressed. We have also recently carried out a door knocking exercise in the block to discuss the works and ensure that we have addressed any outstanding issues.

- 1.8 A specific issue that will be considered as part of the post works resident satisfaction survey will relate to the location of the heat interface unit (HIU). Some residents have expressed a wish to have the HIU located in the kitchen instead of the hallway. We will assess the demand, cost and practicality of this matter before a decision is made.
- 1.9 In homes where the refurbishment work has caused specific disruption, for example to the decoration or the fitting of curtains and blinds, we liaise directly with the resident to agree a resolution. In some cases, we have been able to relocate curtain battens to fit existing curtains to the new window surrounds. In other cases, we have paid compensation to cover any specific loss.

## **2. The Housing and Planning Bill 2015-16**

- 2.1 The Bill was published and had its first reading in the parliament in October 2015. It is going through the reporting stage, which is expected to complete at the beginning of January 2016. This is an overview of the current state of play for each of the provisions:

### **Right to Buy**

- 2.2 Following discussions between the National Housing Federation and the Government wording in the Bill will allow for grants to be made available to reimburse housing associations for the lost homes, which can be replaced with other tenures.
- 2.3 Questions remain around the funding mechanism and the role of the Communities Agency in monitoring housing associations' compliance.
- 2.4 L&Q, Riverside, Saffron Housing, Sovereign and Thames Valley Housing will take part in regional pilots which will run until 31 May 2016. The pilots "will see tenants progress through the application process and will inform the design and implementation of the main voluntary Right to Buy scheme". No sale can be completed until the Housing Bill becomes law. Applicants for the pilots must have had their tenancies for at least 10 years to be eligible but it is not clear if this restriction will remain as one of the criteria.

### **High Value Void Sales**

- 2.5 Rather than councils selling homes this is evolving in to levying them on high-value housing likely to become vacant during the year. No detail is yet available on how it will work, whether councils

are likely to be invoiced the potential amount generated by voids, or what constitutes high-value. These are areas the Department of Communities and Local Government is currently working on.

### **Pay to Stay**

- 2.6 The Housing Bill makes provision to compel housing providers to charge 'high-income' tenants of social and affordable rent homes at market levels or a percentage thereof. The definition of 'high-income' is left to the regulations, but the Bill's accompanying impact assessment discusses charging households earning more than £30,000 (£40,000 in London) 80% of market rent, while those earning £40,000 (£50,000 in London) would pay full market rent. A consultation document on the "so-called" Pay to Stay, published in October, confirms a taper system is more likely than stepped rent hikes and states the Government's intention to introduce the policy from April 2017. Consultation on Pay to Stay closed on 20 November and the Borough's response supported the taper system.

### **Housing association deregulation**

- 2.7 Reference is made in the Bill to reducing social housing regulation. This could include giving housing associations greater freedom over disposing of their assets, and relaxing rules on them housing people from councils' lists. This is part of the process to introduce the Right to Buy for housing associations.

## **3. The Welfare Reform and Employment Bill**

- 3.1 The Bill is going through the committee stage in the House of Lords.
- 3.2 The Bill allows for the introduction of extensive changes to welfare benefits, tax credits and social housing rent levels. These will account for around 70% of the £12-13 billion in welfare savings identified in the Summer Budget 2015.
- 3.3 The welfare/housing measures include:
- Lowering the benefit cap threshold and varying it between London and the rest of the UK
  - A four year benefits freeze
  - Limiting support through Child Tax Credits/Universal Credit
  - The abolition of Employment and Support Allowance Work-Related Activity Component
  - Changes to conditionality for responsible carers under Universal Credit

- Replacing Support for Mortgage Interest with Loans for Mortgage Interest
  - Reducing social housing rent levels by 1% in each year for four years from 2016-17.
- 3.4 The benefit cap will reduce the threshold to £23,000 for couples and lone parents and £15,410 for singles in Greater London and outside London £20,000/£13,400 respectively. The benefit cap will be phased in from October 2016 and will be complete by the end of January 2017.

#### **4. Fire at Adair Tower**

- 4.1 The Tenant Management Organisation (TMO) has provided the following update on the fire that occurred at Adair Tower on 31<sup>st</sup> October 2015.
- 4.2 The fire broke out in a flat on the third floor and all tenants from the flats on this floor plus the tenants from the two flats directly below the fire flat (both of which suffered significant water damage) were relocated initially into emergency bed and breakfast placements. Households have now been relocated into temporary TMO decant properties with the exception of two households (one tenant having voluntarily secured his own temporary accommodation).
- 4.3 The assumption is that all tenants will be returning to their flats at Adair Tower. However, requests from tenants not to return will be considered by the Council on a case by case basis. Each household has been assigned a dedicated neighbourhood officer to support them through the process.
- 4.4 The fire was started as a result of arson and the Police have arrested the alleged perpetrators and investigations are ongoing. The TMO has worked closely with the Police including the agreement to the provision of additional police patrols around the area to deter further incidents.
- 4.5 Following the fire the TMO undertook fire risk assessments of both Adair Tower and Hazelwood Tower and the resulting actions in the majority have been completed with the exception of the major refurbishment works required on the third floor lobby area and the two water damaged flats in Adair Tower which have commenced but are yet to complete.
- 4.6 The TMO has been advised by the London Fire Brigade that the Council/TMO will be served with two Enforcement Notices as a result



of the fire risk assessments the Brigade undertook following the fire at Adair Tower. One Enforcement Notice will cover Adair Tower and one will cover Hazelwood Tower. The two towers were built to the same design having two separate staircases, one for accommodation access, the main staircase and one for emergency, the escape staircase.

- 4.7 The TMO has yet to receive the actual notices but has been advised that the key matters of concern relate to the design of the main staircase ventilation system and the lack of self closers on the individual flat front doors (it should be noted that the TMO has agreed with the Council to fit self closers to all flat front doors within both Adair and Hazelwood Towers and the fitting programme has now commenced). It is expected that the notices should be received in the next week or so.

## **5. Delivery of the Housing Grants service**

- 5.1 KDR 04594/15/H/AB sought approval to transfer the Disabled Facilities Grants service from an external provider back in-house to the Housing Commissioning team. This transfer took place on 1 December 2015, and the three officers from the provider, Staying First, have transferred under the Transfer of Undertakings (Protection of Employment) (TUPE) to the Council. For users of the grants service there will be no change to the procedures, with all referrals being directed through the Occupational Therapy service to the grants service for processing.

## **FOR INFORMATION**

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## **Background Papers used in the Preparation of this Report:**

None

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