

## THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA

### HOUSING AND PROPERTY SCRUTINY COMMITTEE - 15 SEPTEMBER 2015

#### 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 Housing Department and to update Members on progress of current projects.

#### FOR INFORMATION

#### 1. Budget announcements

- 1.1 The recent Budget announcements will have implications for the Housing Department and the people we provide a service to.. The announcements are presented below:
- 1.2 **The benefit cap** will be reduced to £23,000 from £26,000 for London and from £23k to £20k for out of London families. This equates to a maximum amount receivable of £442.31 per week for families in London. Single people in London will be capped at £15,410 per year or £296.25 per week.
- 1.3 **Housing Benefit for under 21 year olds** will be stopped from 2017 unless they can demonstrate they are in employment or education. There are likely to be exemptions for vulnerable households but we do not have any details on what this means at the present time .
- 1.4 **Housing Benefit (HB) and Local Housing Allowance (LHA)** rates are to be frozen for the next five years at 2015 for households seeking assistance with their rental payment.
- 1.5 **Two child cap:** Tax credits and HB/LHA are to be changed from April 2017 so that only two children in a household are taken into account. This will apply to any existing claimants with a third (or more) child born after April 2017, or to any new claimants (new being not claimed in last 6 months). In addition, the 'family premium' element in HB/LHA calculation will be scrapped from April 2016 – meaning a reduction of £10.47 per week. This means that HB/LHA will be effectively cut for working households or those getting Child Tax Credit, with the child/family premium income disregards being removed. According to the Institute of Fiscal Studies, this means on average a family would lose £3,670 a year.

This currently applies to 872,000 families (548,000 of them in work).

- 1.6 **Pay to stay:** Social housing tenants will have mandatory upper income limits set at £40k in London, above which a 'market rent' must be charged. This was previously introduced as a discretionary power for tenant households earning over £60,000 but the expense and difficulty to social landlords of implementing this was too high to make it worthwhile. The additional income raised from charging a higher rent will in the case of Registered Providers be kept by the RP, in the case of Local Authorities, we will be required to pass the additional income over and above the social rent that would have been previously charged to Treasury.
- 1.7 **Rent cuts:** Social landlords (Registered Providers and Council's) will be required to reduce rents to tenants by 1 per cent every year for the next 4 years. This will mean a reduction for RBKC in available income for building new homes, investment in existing homes and the longer term objectives of the HRA business plan (please see more details of this in a later paper on the agenda).

## **1.8. RTB / Sale of High Value Voids**

- 1.9 The Queen's Speech in May announced the extension of the Right to Buy (RTB) to 1.3m registered provider tenants, to be implemented via a Housing Bill in the autumn of 2015. Currently only council tenants have the RTB, and registered provider tenants with protected rights if their home was subject of a stock transfer, a discount from the purchase price can be as much as £102k in London.
- 1.10 Full details of how this will work in practice are not yet known, however we know it will be funded by requiring Local Authorities to dispose of high-value vacant council properties and that it is expected to raise £4.5bn nationally which will provide a funding pot that not only provides finance for replacement homes but a fund for the redevelopment of brownfield land

## **2. Hidden Homes**

- 2.1 Conversion of the former Whistler Walk children's home into seven new affordable units, 1x1 bed, 5x2 beds and 1x3 bed will be completed in early September 2015. Works aimed at converting a redundant residents' room and office in Holmefield House into a one bedroom flat will start on site in September 2015 and are due to be completed by December 2015.

### **3. Allocation Scheme Review**

- 3.1 The Housing Allocation Scheme review is underway. The suggested changes to the Scheme have been considered by the Housing Needs Management Team. A timetable for implementation is being completed taking into account IT requirements and whether any of the changes will necessitate public consultation. The Cabinet Member will be updated throughout the process and a draft revised scheme will be presented to Scrutiny Committee.

### **4 Re-housing Plan**

- 4.1 The purpose of the Re-housing Plan is to propose the distribution of social rented lettings for the 2015/16 financial year between those to whom we have a statutory duty to house under homeless legislation and other households in housing need on our register.
- 4.2 Over time we are experiencing a decline in the number of properties that become available to us for allocation when compared against the growing demand from competing priority groups. The Re-housing Plan helps officers find a balanced approach is between fulfilling legislative duties and responsibilities under Part 6 and Part 7 of the Housing Act 1996 and other strategic housing priorities.
- 4.3 The proposed Re-housing Plan will facilitate a targeted approach to our allocations to make best use of social housing stock. It will assist in managing demand for temporary accommodation and inform the procurement of new temporary accommodation properties, inform the assistance provided to statutory homeless households, and inform strategies for the regeneration and development of the Council's social housing portfolio.
- 4.4 The Council's long term re-housing priorities, in terms of the groups we aim to assist, are described in our Housing Strategy and explained further in the new Allocation Scheme. The Re-housing Plan 2015-16 will be presented to Scrutiny Committee on 5 November 2015.

### **5. Leaseholder doors**

- 5.1 In July 2015 we reported that we had been working with two leaseholders whose doors remain non-compliant.
- 5.2 One of the leaseholders is elderly and continues to state that they cannot afford to replace the door. After investigating the leaseholder's situation arrangements were made for the door to be replaced and the leaseholder re-charged for the costs. A contractor

had been instructed to agree a date with the leaseholder for the works to be carried out. An affordable monthly plan was sent to the leaseholder but rejected.

- 5.3 The contractor has found it difficult to gain access to the property to quote for the works. The leaseholder has cancelled a number of visits arranged to assess and quote for the job. We therefore sent a letter from our Legal Department reminding the leaseholder that failure to resolve this issue would result in enforcement action.
- 5.4 Since sending the letter the leaseholder has been in contact with us claiming that they do want to resolve the issue. RBKC and KCTMO officers are in correspondence to try and agree how best to respond to the leaseholder and make arrangements for the assessment and quote for the door. Enforcement action is still an option if the leaseholder does not engage with the process.
- 5.5 For the other outstanding door the TMO's appointed Fire Risk Assessor has been in contact with the leaseholder who states that that the glazing in his flat entrance door had been changed by his contractor. However, the Fire Prevention Adviser is awaiting evidence from the leaseholder to confirm (1) that the glass to the door was changed by their contractor and (2) that the change now means the door has fire resistant glass, which would make the door compliant. We have given the leaseholder a deadline to confirm this with us and will commence enforcement proceedings by the end of September if this information is not forthcoming.

## **6. Housing stock valuation**

- 6.1 For some time, stock-holding councils have been under a statutory duty to account for their housing stock in the Housing Revenue Account (HRA) and regularly carry out valuations. From 1 September 2015, the Royal Borough will be publishing this information to meet the requirements of the local government transparency code:  
<https://www.gov.uk/government/publications/local-government-transparency-code-2015>
- 6.2 The aim of publishing this data is to increase local transparency in social housing value and to improve local asset management of high value, vacant, social housing properties. The published information is based on the most up to date valuation (March 2015) and will be refreshed on an annual basis. It has been presented in a way designed to prevent individual addresses from being identified. The data will be published on the Council's website on the transparency and openness pages:

## **7. Grenfell Tower**

- 7.1 The programme for refurbishment of the tower continues and the estimated completion is the end of October 2015 as reported to the July 2015 committee. However, a steelwork sub-contractor has recently gone into liquidation which has caused a delay in the progress of works to the communal entrance to the block. The impact of this on the overall programme is currently being assessed and it may result in an extension of the completion date.
- 7.2 Work to install new radiators and the new heat interchange units (HIU) is continuing and new work is about to commence on the connection of individual flats unto the system. Completion of this work requires residents to allow access into each property, and progress is being closely monitored to ensure that this is completed in a timely manner.
- 7.3 Installation of the new double glazed windows is progressing well and the installation of the external cladding is about to commence.
- 7.4 In July we reported that a meeting was being arranged with the nursery to consult with them regarding choice of wall and floor colours. This meeting was postponed and a new date has been set. The works to the Nursery are scheduled to be completed in October 2015.
- 7.5 Work is progressing on the boxing club and is on schedule to be complete in line with project completion.
- 7.6 There are no variances to the budget to report at present. The programme is still on line to be completed within the allocated budget and contingency.
- 7.7 An additional piece of work is currently being priced and programmed to complete the environmental works and installation of play equipment that was omitted from the KALC project because of its close proximity to the Grenfell Tower site. This work would be in addition to the current approved contract sum and the works would be programmed at the end of the current contract period.

## **FOR INFORMATION**

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

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