

THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA**HOUSING AND PROPERTY SCRUTINY COMMITTEE
14 SEPTEMBER 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. Purchasing Properties for Temporary Accommodation**

- 1.1 Officers received permission to purchase properties to be used for temporary accommodation from a £10 million fund in July 2015. In September work commenced with an agent on the Corporate Property framework, who was commissioned to find properties on the Council's behalf within a given specification. However, this agent did not perform to expectations and despite making offers on two properties, neither were accepted, officers were not satisfied and therefore terminated the arrangement.
- 1.2 It was then decided to pursue alternative options, in January 2016, officers conducted preliminary discussions with a Housing Association (Places For People) who had worked with Westminster to find properties for their purchasing scheme. Alongside this, officers registered with agents in areas that had been identified as affordable for temporary accommodation, and started conducting viewings of potential properties themselves.
- 1.3 Bids were put in for a number of properties in February 2016, with 5 offers being accepted. A month later in March 2016, a contract was signed to start working with Places For People, to identify properties on RBKC's behalf and assist with the process of purchasing properties.
- 1.4 Completion of the first property purchase was finalised on 22 April 2016, a 3 bed freehold house in the London Borough of Havering, for £322,500. To date, the Council has now purchased 7 properties, the first three identified and inspected by RBKC officers. Of the remaining four, one was a RBKC officer find, two were discovered by Places For People, and one was an existing temporary

accommodation property that we were able to purchase as the landlord wanted to sell.

- 1.5 The Council has exchanged contracts this week on an 8th property – due to complete on 5 September 2016 – and there are a further 21 properties that offers have been accepted on that are at various stages of the conveyancing process.
- 1.6 The Council has spent just over £2.26million on the 7 properties purchased so far, which includes all costs associated with the purchase and letting (legal fees, agency fees, refurbishment work, licences, stamp duty and purchase price). If the Council completes on the remaining 22 properties, the total spend (including estimates for all fees other than the purchase price) will total just over £8.4 million. However, it should be stressed that it is likely that there will be some aborted properties within these 22.
- 1.7 Between RBKC officers and colleagues at Place For People, 72 properties have been inspected in total and offers placed on 43, with offers accepted on 37 of these. Although it is too early to give decisive figures on the success rate of offers made (success being based on properties completed on), only 22% of accepted offers so far have fallen through.
- 1.8 Detailed financial analysis has been carried out on each property, which assesses the purchase price alongside the rental returns for renting as temporary accommodation. Additional costs such as ongoing repairs, management fees, and service charges (to name but a few) have all been included in this calculation, as well as a comparison with the average losses for leasing temporary accommodation properties. All properties with accepted offers perform better financially than any new temporary accommodation the Council is able to lease, and the vast majority generate small surpluses on an annual basis.
- 1.9 The Council now owns 5 three-bed properties and 2 two-bed properties. Of these 7, 3 are freehold and 4 are leasehold properties. 5 properties are located in East London (Newham x 2, Havering x 2 and Waltham Forest x 1), 1 in Enfield and 1 in Croydon. The remaining properties that we hope to complete on are similar sizes and in similar locations: 12 two-beds, 10 three-beds, 2 freehold, 20 leasehold, 8 in Croydon, 7 in Enfield, 3 in Havering, 3 in Newham, 1 in Tower Hamlets.

2. Edenham

- 2.1 A decision on the funding and delivery route for Edenham Way will go to Cabinet in the autumn, a report will go to Scrutiny Committee in December setting out the details of the arrangements and the timetable for taking them forward.

3. Private Housing

- 3.1 In January, we secured £91,000 through the Rogue Landlord initiative, funded by the Department of Communities and Local Government, to tackle rogue landlords in the Borough and raise standards in the private rented sector.
- 3.2 The initiative was very successful resulting in 166 inspections including seven raids with the police. The team is undertaking 28 enforcement actions as a result including the prohibition of one HMO.
- 3.3 The team recently prosecuted, a landlord of Princess Crescent London N4, who failed to provide proper fire protection for his tenants. The court heard that a fire started by a candle on the evening of 29 September 2015. The fire brigade extinguished the fire; no one was injured. The landlord pleaded guilty to three charges and fined £4,000.

4. Adair & Hazlewood Towers: Update on works to comply with the Enforcement Notices

- 4.1 Further to the fire at Adair Tower on 31st October 2015 and the serving of the subsequent Enforcement Notices by the London Fire Brigade (LFB) – one for Adair Tower and one for Hazlewood Tower - works to meet the requirements of these Notices are progressing well. In particular, works to upgrade / replace the flats entrance doors to ensure they are suitably fire-rated and self-closing have now been completed at 144, of the total 156, and contractors and TMO staff are currently making sustained efforts to achieve access to complete works on the remaining 12 entrance doors. Further, contractors have also made significant progress with the works within the communal areas to fully enclose each lift lobby and separate them from the accommodation staircase. Currently, we are on track to complete the required works within the extended timescales agreed with the LFB.
- 4.2 The LFB has very recently advised that its investigation remains ongoing and we have now received a letter dated 5th August entitled

"Notification of Investigation of Offences" which confirms this. At this stage the only information requested by the LFB (contact details for residents on 3rd, 4th and 5th floor of Adair Tower as at 31st October 2015) has been provided in a timely manner. Despite requesting such, the LFB has not notified us of a timeframe for when this investigation will reach its conclusion. The LFB has confirmed that it originally allocated a 9-month period from the date of the fire for the investigation, however, this period has now elapsed and the investigation remains ongoing.

5. Tenant Decant Policy

- 5.1 A Tenant Decant Policy is used when regenerating or redeveloping the Council's housing stock. It is to provide housing regeneration schemes with a clear approach to manage decant proceedings in an efficient and fair manner. It provides an outline process for how Council secure tenants will be re-housed in order to deliver the vacant possession of properties. Where site based regeneration schemes are developed, and therefore decanting is required, a more detailed and bespoke policy will be developed for each estate.
- 5.2 RBKC Legal is reviewing the draft Tenant Decant Policy, and is seeking approval from Counsel. Once approved, the Policy will be subject to a short consultation process, will be brought to Scrutiny for oversight and to Cabinet for approval.
- 5.3 The strategy for leaseholders on regeneration sites is currently being drafted and will be brought to Scrutiny later in the year.

FOR INFORMATION

Laura Johnson
Director of Housing

Background Papers used in the Preparation of this Report:

None

Contact Officer: Robert Shaw, Special Projects Lead Tel: [REDACTED]
and E-mail: robert.shaw@rbkc.gov.uk