

## HOUSING SELECT COMMITTEE

<b>Report Title</b>	<b>Housing Key Issues Report</b>		
<b>Key Decision</b>	No	<b>Item No.</b>	6
<b>Ward</b>	All		
<b>Contributors</b>	Executive Director for Customer Services		
<b>Class</b>	Part 1	<b>Date:</b> 4 <sup>th</sup> February 2013	

### 1 Summary

- 1.1 Housing Key Issues is a general report that aims to update the Housing Select Committee on current and new issues important to housing that are not covered in a separate more detailed report.

### 2 Decent Homes

- 2.1 The programme is now drawing to the end of its second year of operation. Satisfaction levels with the works have been constantly monitored and remain very high. Satisfaction levels for quarters 1 and 2 are contained in the table below;

Resident Satisfaction	Qtr 1	Qtr2	Total	Overall Target
North	95.3%	98.5%	96.8%	95%
South	90.9%	95.6%	93.9%	95%
Total	92%	97.8%	94.6%	95%

- 2.2 Satisfaction data for the first six months of 2012/13 show there is an overall satisfaction rate of 94.6% just short of the 95% target. The satisfaction figures are based on a 31% return rate but this is not evenly spread. In quarter 2 the South (Breyer) only had a 6% return rate. Breyer is currently updating the results to ensure a more representative sample is obtained in future.
- 2.3 The level of resident satisfaction achieved by MITIE in the North area has remained at or close to target in 2012/13. The level of satisfaction achieved by Breyer in the South area has been below target. Lewisham Homes has discussed the reported figures with Breyer at Chief Executive level and this appears to be resulting in a significant improvement.
- 2.4 Audits of the contractors' accounts for 2011/12 have been carried out which have revealed some discrepancies in the scheduling and pricing of the works. Lewisham Homes have agreed improvements with one contractor and are reviewing the action plan presented by the other contractor in addressing the issues raised.
- 2.5 Notification has been received from the GLA of agreement to bring forward £9M from future years allocations into this year's Decent Homes programme. This will bring the total backlog funding available for 2012/13 to £20.5m. The funding profile is contained within the table below.

Year	Allocation 11/12 (£M)	Revised 11/12 (£M)	12/13 (£M)	Revised 12/13 (£M)	13/14 (£M)	Requested 13/14 (£M)
11/12	11.0	14.0				
12/13	14.5	11.5	11.5	20.5		
13/14	24.0	24.0	24.0	24.0	24.0	30.0
14/15	45.0	45.0	45.0	36.0	36.0	30.0
Total	94.5	94.5	80.5	80.5	60.0	60.0

### **3 Leaseholder Valuation Tribunal (LVT)**

- 3.1 The long running LVT has finally ended involving 23 Brockley leaseholders in a class action. An appeal to the Upper tribunal was held in December 2012. At the time of writing the final judgement was still outstanding. HSC will be given a verbal update if any additional news is received by the date of the meeting.
- 3.2 A meeting has been held with a further group of four leaseholders who have lodged an LVT regarding the quality of the works undertaken to their properties as part of the major works programme in Brockley an additional meeting with a further six leaseholders is currently being arranged. Additionally their complaint also includes the validity of the Section 20 notices, the level of fees, charges and management fee. In essence it is a re-running of the case which has just concluded. Officers are seeking to resolve this case before the hearing at the LVT which is scheduled for 10<sup>th</sup> and 11<sup>th</sup> of April 2013.

### **4 Squatting**

- 4.1 As reported to Committee, recent changes to the law relating to squatting have enabled officers to look afresh at Lewisham's policies in relation to squatting. Whilst it is not the Council's policy to use the "additional" criminal law powers of arrest, we are investigating with local housing providers and the Police if there are circumstances where this approach would be useful. Meetings have been held with our housing partners RPs and Lewisham Police and a protocol is being developed.
- 4.2 Initial meetings have highlighted a broad range of expectations across partners. The aim is to develop a policy which is both realistic and deliverable in terms of demands being made on the resources of both housing provider and the Metropolitan Police. Once a draft has been developed it will be brought to a future HSC for approval before seeking sign-up from local housing organisations it is envisaged that this process will take approximately two months.

### **5 Regeneration Schemes**

#### Heathside & Lethbridge

- 5.1 Progress on site is significant with Phase 1 now complete, part of Phase 2 complete and the final homes in Phase 2 completing between now and April 2013. The remaining rented homes in both Phases are currently being allocated to tenants in the Phase 4 decant which has just started.
- 5.2 The decant of Phase 3 is nearly complete, with the Council due to hand vacant possession of the site to Family Mosaic in early March 2013. One tenant remains and is due to move into new build. 12 leaseholders remain although terms are agreed in 8 cases. There is a confirmed Compulsory Purchase Order (CPO) in

place that leaseholders are aware we intend to use. This could mean that action is taken to obtain possession in mid February 2013.

- 5.3 The Council is agreeing a date for vacant possession of the building currently occupied by a private nursery.
- 5.4 Detailed planning permission for Phase 3 is being sought and procurement well underway for the demolition and build contractor. The Council has authority from Mayor & Cabinet to dispose of the site to Family Mosaic and further necessary legal elements are being put in place. Site works and demolition in Phase 3 to start in March 2013.
- 5.5 There are 6 Phases overall and the scheme is expected to complete in 2022.

#### Excalibur

- 5.6 The Phase 1 & 2 decant is now almost complete with the Council due to hand vacant possession of the site to L&Q in February/March 2013. Three out of five remaining tenants have accepted offers to move and 1 freeholder has accepted an offer of re-housing. Officers continue to work to identify housing solutions for the remaining 3 tenanted households. 2 freeholders remain and both have now agreed terms. One is being re-housed. A CPO is in place and will be used to obtain possession if necessary.
- 5.7 Mayor and Cabinet has agreed the Development Agreement, financial model and site disposal to L&Q. The final details are being negotiated currently with L&Q and will be agreed under delegated authority. The procurement for the demolition and build contractor is well underway and site works and demolition are expected to start in March 2013. The Phase 3 decant is to start in March 2013 with tenants being able to move into new homes built in Phase 1.

#### Milford Towers

- 5.8 As previous reported we are currently decanting long-term tenants from the Milford Towers Estate as part of the wider Catford Town Centre regeneration. To support the on-going management and sustainability of the community the Council have agreed with residents that we will find alternative uses for these empty flats in order to minimise the risks of squatting and anti-social behaviour and to keep those tenants who are yet to move out feeling safe and secure. Occupation minimises the risks of squatting and anti-social behaviour and reduces the fear of crime, which research indicates is the main concern of local Lewisham people.
- 5.9 When deciding on alternative uses for the vacated flats the Council will first consider the suitability of the vacant flat for temporary accommodation for local people in housing need or to prevent homelessness. While the Council are able to use larger, two-bedroom flats in this way there are other more appropriate resources available for single homeless people, so there is no demand for their use as temporary accommodation.
- 5.10 A mixture of up to twenty studios and one-bedroom homes not needed for temporary accommodation will be let through the Council's Rent Incentive Scheme. This provides a valuable resource for the Council's Single Homeless Intervention Project, SHIP, to help people who may otherwise find it difficult to secure their own accommodation.
- 5.11 The remaining homes, almost all studios and one-bedroom flats, will be let on Assured Shorthold Tenancies at low rents and managed by an appointed partner

agency. The scheme will be promoted locally to Lewisham residents and workers such as those working at the nearby Lewisham University Hospital.

- 5.12 The properties will be let at below the local housing allowance rent, which means they will be at rents lower than the independently assessed average for the area.
- 5.13 The scheme developed for Milford Towers is not simply low cost; it makes a small surplus that can be recycled within the Council's Housing Revenue Account to contribute towards the Mayor's commitment to building new Council housing.
- 5.14 There were five submissions for the scheme, however, one organisation asked us not to consider their submission and another did not submit a valid bid and so could not be considered. The other three bids were valid and to be evaluated. However, just before the first stage of evaluation had been completed one of the remaining organisations withdrew their submission.
- 5.15 The remaining two submissions have been through the first stage of evaluation and the process is expected to be completed in the coming weeks.
- 5.16 In late 2012 M&C approved a report that detailed the current status of the negotiations with Tesco and means that the decant is being extended until the end of 2015. The 22 leaseholders have been informed that they will not be bought back until there is a commercial deal in place for the development of the site.

## 6 Cash Incentive Scheme

- 6.1 Major changes to the Cash Incentive Scheme (CIS) are set to be discussed at Mayor and Cabinet shortly. The CIS can help Lewisham council tenants who are just short of the money they need to buy a home in the private sector. By helping Council tenants become homeowners their empty Council home will be let to a family in priority housing need.
- 6.2 The CIS grant allowance has not changed since the inception of the scheme despite the economic changes and subsequent difficulties in households obtaining mortgages. The table below illustrates current grants

Type of property you will be returning to the Council	Buying within Lewisham borough	Buying outside Lewisham borough	<i>Fast mover bonus*</i>
4 bed (or larger) ground floor flats and houses	£29,000	£27,000	£1,000
3 bed ground floor flats and houses	£25,000	£23,000	£1,000
2 bed ground floor flats and houses	£22,000	£20,000	£1,000
3 bed (1st, 2nd, 3rd floor) with lift	£20,000	£18,000	£1,000
2 bed (1st, 2nd, 3rd floor) with lift	£19,000	£17,000	£1,000
2 and 3 bed other	£16,000	£15,000	£1,000
1 bedroom	£14,000	£12,000	£1,000

- 6.3 The introduction in April 2012 of the revised Right to Buy Scheme saw some major policy changes including the maximum discount allowed increased from £16,000 to £75,000 depending on the type and size of property purchased.
- 6.4 The advantages of the CIS versus RTB scheme are that the Council retains ownership or the property for letting purposes and the CIS applicant can locate anywhere within the UK, meeting their housing need in an area where they are

more likely to secure a mortgage.

- 6.5 The proposal is to increase the CIS to approximately 15% of the average market value based on the size of property they are releasing. On current average market values the new allowance given would be up to £30,000 for a 1 bed and £37,000 for a 2 bed. It should be noted, that on average valuations for council properties will tend to be below those of similar type (flat, terraced, detached etc) and bed size in the private sector. Which will have the effect of dropping down the averages above.
- 6.6 The amount of grant would no longer depend on whether the property purchased is a house or flat or within the borough or not. An extra £4,000 has been added in addition to the 15% allowance for residents moving from a 4 bedroom property to reflect the value of this size property to Lewisham compared to a 3 bedroom.
- 6.7 The grant will continue to be used as assistance to bridge the shortfall for a household to buy a property on the open market. There will be a maximum grant level of £44k, to maximise the number of moves from the available budget of £565,869.

## **7 FINANCIAL IMPLICATIONS**

- 7.1 This report is intended to inform members of current issues and, therefore, has no direct financial implications
- 7.2 The financial implications of each issue will be considered in specific reports as matters progress

## **8 LEGAL & HUMAN RIGHTS IMPLICATIONS**

- 8.1 There are no additional specific legal implications arising from this information report.

## **9 EQUALITIES IMPLICATIONS**

- 9.1 There are no specific equality implications for this report as its an information report and refers to other reports that, where necessary, will have an Equalities Analysis Assessment.

## **10 CRIME AND DISORDER IMPLICATIONS**

- 10.1 There are no specific crime and disorder implications.

## **11 ENVIRONMENTAL IMPLICATIONS**

- 11.1 There are no specific environmental implications.

## **12 BACKGROUND DOCUMENTATION AND REPORT ORIGINATOR**

If you have any queries relating to this report please contact Louise Spires (Strategy, Policy and Development Manager) on x46649