



## **Housing Management and Almshouses Sub (Community and Children's Services) Committee**

**Date:** MONDAY, 4 JULY 2016  
**Time:** 1.45 pm  
**Venue:** COMMITTEE ROOMS, WEST WING, GUILDHALL

**Members:** Randall Anderson  
Deputy John Barker  
Deputy Billy Dove  
John Fletcher  
Deputy the Revd Stephen Haines  
Ann Holmes  
Deputy Henry Jones  
Deputy Catherine McGuinness  
Gareth Moore  
Dhruv Patel  
Deputy Elizabeth Rogula  
Virginia Rounding  
Mark Wheatley

**Enquiries:** Philippa Sewell  
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**Lunch will be served in the Guildhall Club at 1pm**  
**NB: Part of this meeting could be the subject of audio or video recording**

**John Barradell**  
**Town Clerk and Chief Executive**

# AGENDA

## Part 1 - Public Reports

1. **APOLOGIES**
2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**
3. **ELECTION OF CHAIRMAN**  
To elect a Chairman pursuant to Standing Order 29.  

**For Decision**
4. **ELECTION OF DEPUTY CHAIRMAN**  
To elect a Chairman pursuant to Standing Order 30.  

**For Decision**
5. **TERMS OF REFERENCE AND ALLOCATED MEMBERS**  
To receive the Terms of Reference, as agreed at the 13 May 2016 meeting of the Community & Children's Services Committee, and for the Chairman to appoint the Allocated Members.  

**For Information**  
(Pages 1 - 6)
6. **MINUTES**  
To approve the public minutes and non-public summary of the meeting on 25 April 2016.  

**For Decision**  
(Pages 7 - 10)
7. **SOUTHWARK MEDIATION - LOOK AT MEDIATION SERVICE OVER LAST YEAR**  
Presentation of Southwark Mediation Service.  

**For Information**
8. **MAIS HOUSE DECANT PROGRAMME - UPDATE**  
Report of the Director of Community & Children's Services.  

**For Information**  
(Pages 11 - 16)
9. **WELFARE BENEFITS UPDATE & FINANCIAL INCLUSION PROGRAMME**  
Report of the Director of Community & Children's Services.  

**For Information**  
(Pages 17 - 26)

10. **HOUSING SERVICE REVIEW - LEASEHOLDERS AND FREEHOLDERS**

Report of the Director of Community & Children's Services.

**For Information**  
(Pages 27 - 30)

11. **HOUSING AND PLANNING ACT**

Report of the Director of Community & Children's Services.

**For Information**  
(Pages 31 - 34)

12. **MIDDLESEX STREET ESTATE PROGRAMME OF WORKS AND INTERNAL AND EXTERNAL REDECORATION**

Report of the Director of Community & Children's Services.

**NB: This report was considered by the Projects Sub Committee on 11 May 2016.**

**For Decision**  
(Pages 35 - 44)

13. **LIFT REFURBISHMENT - MIDDLESEX STREET ESTATE**

Report of the Director of Community & Children's Services.

**For Decision**  
(Pages 45 - 58)

14. **CITY OF LONDON ALMSHOUSES TRUST RISK REGISTER 2016**

Joint report of the Chamberlain and Director of Community & Children's Services.

**For Decision**  
(Pages 59 - 64)

15. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB COMMITTEE**

16. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

17. **EXCLUSION OF THE PUBLIC**

MOTION - That under Section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 3 of Part I of Schedule 12A of the Local Government Act.

## **Part 2 - Non-Public Reports**

18. **NON-PUBLIC MINUTES**

To approve the non-public minutes of the meeting held on 25 April 2016.

**For Decision**  
(Pages 65 - 66)

19. **NEIGHBOURHOOD PATROL SERVICE**

Report of the Director of Community & Children's Services.

**For Decision**  
(Pages 67 - 82)

20. **HOUSING - ALL ESTATES - DRAINAGE AND GULLIES WORKS**

Report of the Director of Community & Children's Services.

**NB: This report was considered by the Projects Sub Committee on 11 May 2016.**

**For Decision**  
(Pages 83 - 86)

21. **THAMES WATER**

Report of the Director of Community & Children's Services.

**For Information**  
(Pages 87 - 90)

22. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB COMMITTEE**

23. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE SUB COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

## **HOUSING MANAGEMENT & ALMSHOUSES SUB COMMITTEE**

### **Constitution**

- 8 Members to be elected by the Community & Children's Services Committee, including the Chairman and Deputy Chairman.
- It is convention for the Chairman and Deputy Chairman of the Grand Committee to be appointed to this Sub Committee as ex-officio Committee Members.

In accordance with Standing Order Nos. 29 & 30, no Member who is resident in, or a tenant of, any property owned by the City of London and under the control of this Sub Committee is eligible to be Chairman or Deputy Chairman.

### **Quorum**

Any three Members.

### **Terms of Reference**

To be responsible for:-

- (a) discharging the City of London Corporation's function in respect of the management of its existing social housing stock (with the Grand Committee retaining responsibility over policies affecting the City's Strategic Housing responsibilities);
- (b) approving schemes affecting the City's existing social housing and proposed stock in accordance with the policies and strategies for investment agreed by the Grand Committee and having regard to the City Corporation's Project Approval Procedure;
- (c) approve policies in relation to the management of housing services to tenants and leaseholders in City estates and review them as necessary;
- (d) the management of the City of London Almshouses (registered charity no 1005857) in accordance with the charity's governing instruments; and
- (d) advising the Grand Committee on:-
  - the general performance of the Social Housing Service and the Almshouses; and
  - its recommendations concerning the Allocation Scheme in the City's Housing Registration process.

**MEMBERS ALLOCATED TO ESTATES LIST**  
**List for 2015/16**

<b>ESTATE</b>	<b>ALLOCATED MEMBER &amp; PHONE NUMBER</b>
Avondale Square (Southwark)	Virginia Rounding
Small Estates: Dron House/Spitalfields (Tower Hamlets); Isleden House (Islington); Windsor House (Hackney)	Elizabeth Rogula
Golden Lane (City)	Gareth Moore (Ward Member) Deputy John Barker (Ward Member)
Holloway & York Way (Islington)	Deputy Catherine McGuinness  Barbara Newman  Deputy Michael Welbank
Middlesex Street (City)	Deputy Henry Jones (Ward Member)
South Bank Estates: Southwark Blocks (Southwark) William Blake (Lambeth)	Randall Anderson
Sheltered Schemes & Almshouses: Harman Close (Southwark); Mais House (Lewisham); City of London & Gresham Almshouses (Lambeth)	Mark Wheatley Ann Holmes
Sydenham Hill: Lammas Green/Otto Close (Lewisham)	Mark Wheatley

# **Community & Children's Services Housing Service**

## **Guidelines for Allocated Members**

### **1. Background**

- 1.1 The Allocated Members Scheme matches Members from the Community & Children's Services Committee to each of the City's social housing estates. There are eight Allocated Member positions, with some covering more than one small estates. It is possible for more than one Members to share the Allocated Member role on a large estate if they wish to do so.
- 1.2 The purpose of the Scheme is to:
- Give residents and staff a named Member to 'champion' their estate;
  - Allow Members to take an interest in the estate, its residents and staff;
  - Develop a group of members with housing knowledge & experience to contribute to the CC&S Committee.
- 1.3 Allocated Members are appointed each year by the Chairman of the Housing Management Sub-Committee.

### **2. Role of the Allocated Member**

- 2.1 The Allocated Member exists to champion the estate and its whole community, covering staff and all residents. This involves:
- Making occasional visits to the estate and attending some events, to ensure familiarity with the estate, its residents and staff.
  - Promoting the interests of the estate within the City – raising its profile by drawing attention to new developments, initiatives and good practice.
  - Liaising with other departments, outside agencies, and home local authorities over matters which are of concern to the whole estate community. For example, a general rise in anti-social behaviour, affecting many residents on an estate might be helped by the involvement of the Allocated Member, working with managers, to encourage intervention from the police or home borough.
- 2.2 Allocated Members exist to champion the whole estate community, not the interests or issues of individual residents. If an individual attempts to raise an issue with an Allocated Member, they should be referred to local staff or managers. If the matter is a complaint, the resident must be referred to the formal complaints process.

Managers and staff cannot discuss individual residents with Allocated Members, for confidentiality reasons. Allocated Members should not normally meet privately with residents, or visit them in their homes, unless part of a formal visit with managers. The Allocated Member Scheme is not a forum through which residents can seek to challenge management decisions, and it is not appropriate for residents to request this of the Allocated Member, thus putting them in a difficult position.

- 2.3 There is a clear difference between the role of a Ward Member and that of an Allocated Member. A Ward Member has a democratic responsibility for protecting the interests of residents in his/her ward, and can, therefore, take up a matter with officers on behalf of an individual. Residents outside the City will have their own ward councillors whom they have elected to represent them, and who, therefore, can take up an issue on their behalf.

Allocated Members, however, have not been elected as democratic representatives, and, therefore, officers cannot discuss individual issues or complaints with them. The Allocated Member is selected to represent the estate as a whole, not individuals.

- 2.4 If an individual raises a personal issue with an Allocated Member, the Member will either:
- a) give the resident details of the appropriate local manager so that they can contact them, or
  - b) bring the matter to the attention of the local manager and ask them to contact the resident direct in order to resolve the issue through proper processes.

### **3. Responsibilities of Allocated Members**

- 3.1 An Allocated Member makes an initial commitment to a familiarisation visit to the estate, to be shown around and to meet staff.
- 3.2 Following the familiarisation visit, the Allocated Member is expected to visit the estate on two occasions during the year. One of these occasions will be a formal estate walkabout, organised by the Area Manager and open to residents to take part. The other visit may be an informal one, or might be to attend the Annual General Meeting of a recognised Residents' Association, to chair an estate meeting, or to be at a social event for all residents.
- 3.3 Further visits to the estate are at the discretion of the Allocated Member. The Area Housing Manager should always be informed, as a matter of courtesy, when the Allocated Member proposes to visit the estate.
- 3.4 Officers will prepare a six-monthly report on activities on the estate and will circulate this to Allocated Members for comment in advance of it being presented to the Housing Sub-Committee, and referred to the Grand Committee. Allocated Members should be prepared to answer questions on any matter included in the estate at the appropriate Committee meeting.



3.5 The contact details for Allocated Members will be displayed on notices on the estate and in relevant publications. From time to time, Allocated Members may be asked to contribute a piece for the estate newsletter or other publication.

#### **4. Support for Allocated Members**

4.1 The Area Housing Manager responsible for an estate will contact the Allocated Member at least on a quarterly basis to discuss issues and activities on the estate.

4.2 The Area Housing Manager will also e-mail the Allocated Member at the end of each month with a short update on estate matters.

4.3 The Area Housing Manager will also contact the Allocated Member if there are any significant issues on the estate, over and above those which are purely management matters. Examples might be an emergency situation on the estate such as a fire, flood or major crime.

4.4 Allocated Members will be informed about forthcoming estate events as so as these are arranged, and will be given the dates of estate walkabouts at least six months in advance.

4.5 Briefing events will be held for Allocated Members at appropriate times. These might be to discuss matters of national housing policy and how they affect estates, or to talk about a general issue.

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## HOUSING MANAGEMENT AND ALMSHOUSES SUB (COMMUNITY AND CHILDREN'S SERVICES) COMMITTEE

Monday, 25 April 2016

**Minutes of the meeting of the Housing Management and Almshouses Sub (Community and Children's Services) Committee held at the Guildhall EC2 at 1.45 pm**

### **Present**

#### **Members:**

Virginia Rounding (Chairman)	Deputy the Revd Stephen Haines
Ann Holmes (Deputy Chairman)	Deputy Henry Jones
Randall Anderson	Deputy Catherine McGuinness
John Fletcher	Gareth Moore

#### **Officers:**

Philippa Sewell	- Town Clerk's Department
Mark Jarvis	- Chamberlain's Department
Chris Keesing	- Chamberlain's Department
Ade Adetosoye	- Director of Community & Children's Services
Jacquie Campbell	- Community & Children's Services Department
Wendy Giaccaglia	- Community & Children's Services Department
Robert Jacks	- Community & Children's Services Department
Paul Jackson	- Community & Children's Services Department
Anne Mason	- Community & Children's Services Department
Paul Murtagh	- Community & Children's Services Department

### **1. APOLOGIES**

Apologies were received from the Revd Dr Martin Dudley, Dhruv Patel, Deputy Elizabeth Rogula, and Mark Wheatley.

### **2. MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**

Mr Gareth Moore declared an interest in housing matters, as a tenant of Golden Lane Estate, and Deputy Henry Jones declared an interest in matters relating to the Middlesex Street Estate, as he was a residential and business lease holder.

### **3. MINUTES**

**RESOLVED** – That the public minutes and non-public summary of the meeting held on 18 January 2016 be approved as a correct record.

#### **Matters Arising**

Members noted that the work on Great Arthur House was progressing well, and officers were impressed with the contractors so far. With regard to the comparison data requested for the Satisfaction Survey, Members noted this would be coming to a future meeting.

4. **CITY OF LONDON ALMSHOUSES UPDATE**

The Sub Committee received a report of the Director of Community & Children's Services which provided an update on the City of London Almshouses. Members noted that officers and residents were continuing to work with Southwark Mediation Centre and, during non-public session later in the meeting, queried the rent arrears.

**RESOLVED** – That the report be noted.

5. **HOUSING ESTATES - ALLOCATED MEMBERS' REPORT**

The Sub Committee received a report of the Director of Community & Children's Services which provided an update on events and activities on the City of London Corporation's social housing estates. Members congratulated the three estates that won grants from the Groundwork and Tesco's grant-giving initiative "Bags of Help", and praised the skills exchange held for residents at Isleden House.

**RESOLVED** – That the report be noted.

6. **HOUSING UPDATE**

The Sub Committee received a report of the Director of Community & Children's Services providing the six-monthly update on Housing Service performance. Members congratulated officers on the performance on responsive repairs, rent collection, and benefit claims, which had exceeded targets. Members discussed gas servicing, the Corporation's policy objective to deliver 3700 new homes over the next 10 years, and the impact the introduction of Universal Credit would have on rent collection and arrears.

Members queried the suspension of the waiting list for sheltered housing, and officers undertook to provide further detail at the next meeting. Members noted that priority was being given to residents displaced from Mais House, but agreed this was not a reason to suspend the waiting list altogether. Members also noted the incidents of anti-social behaviour, and requested Police figures regarding crime on City estates.

**RESOLVED** – That further information regarding the sheltered housing waiting list and Police figures regarding crime on City estates be provided at a future meeting; and the report be noted.

7. **DECANT POLICY - SHELTERED HOUSING REVIEW PART 2**

The Sub Committee considered a report of the Director of Community & Children's Services proposing the adoption of a Decant Policy, and an initial budget for the decant of residents of Mais House. Members considered the policy and the report, receiving clarification that all Mais House residents would be eligible to receive the Home Loss payment. Members sought, and were given, assurance that no residents would be financially disadvantaged in the longer term. Officers also stated that any further measures needed would be brought back to Members for approval at a later date.

**RESOLVED** – That the decant policy be approved, and an initial budget of £450,000 be created for home loss and disturbance payments for residents of Mais House over the life of the decant programme.

**8. TACKLING SOCIAL HOUSING TENANCY FRAUD**

The Sub Committee received a joint report of the Director of Community & Children's Services and Chamberlain which provided information of how the City of London Corporation was investigating and tackling Social Housing Tenancy Fraud. It also provided an analysis of the cases investigated by the Anti-Fraud & Investigation Team during the 2015/16 financial year.

Members noted that two fraud preventative measures had been introduced, and 15 illegally sub-let CoL social housing properties had been recovered. In response to Members' questions, officers advised that the Corporation supported the victim of the illegal sub-let, providing them with advice and information about organisations that could help them (e.g. Citizens Advice Bureaux).

**RESOLVED** – That the report be noted.

**9. RIGHT TO BUY SOCIAL MOBILITY FUND (CITY HOME PURCHASE GRANTS)**

The Sub Committee received a report of the Director of Community & Children's Services regarding the City of London's City Home Purchase Grant scheme. This scheme used funds from the Government's Right to Buy Social Mobility Fund to offer Right to Buy eligible tenants up to £30k to purchase a home on the open market. Members noted that there had been a lower level of take-up than was anticipated, but a total of five grants had been agreed and, for the successful applicants, it had been a life-changing experience.

**RESOLVED** – That the report be noted.

**10. CCTV INSTALLATION IN CITY HOUSING ESTATES**

The Sub Committee received a report of the Director of Community & Children's Services regarding the Corporation's approach to installing CCTV systems in City Housing Estates.

**RESOLVED** – That the report be noted.

**11. CITY OF LONDON ALMSHOUSES REFURBISHMENT PROGRAMME**

The Sub Committee considered a report of the Director of Community & Children's Services regarding the refurbishment required on the City of London Almshouses in Brixton. Members discussed the report, and agreed that the two-year timescale was preferable to ensure the least amount of disruption for residents.

**RESOLVED** – That:

- a) a two-year refurbishment programme for the City of London Almshouses be approved in principle, at an estimated cost of £898,000; and
- b) the Assistant Director, Barbican & Property be requested to commence the procurement and Gateway processes with a view to appointing a single contractor to deliver the programme.

**12. WATER SYSTEM SAFETY WORKS AT RESIDENTIAL HOUSING ESTATES**

The Sub Committee considered a report of the Director of Community & Children's Services regarding water safety works.

**RESOLVED – That**

- a) Option 2, to complete a planned programme of works using the results of the risk assessments to prioritise the works, be approved;
- b) the estimated budget of £562,000 for HRA Housing Estates and £900,000 for Barbican Estate be noted; and
- c) the additional budget now requested to reach Gateway 5 (£25,000 for HRA Housing Estates and £40,000 for Barbican Estate) be approved.

**13. QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB COMMITTEE**

There were no questions.

**14. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

There was no other business.

**15. EXCLUSION OF THE PUBLIC**

**RESOLVED –** That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Local Government Act.

<b>Item</b>	<b>Paragraph</b>
16 & 17	3
18 & 19	-

**16. NON-PUBLIC MINUTES**

**RESOLVED –** That the non-public minutes of the meeting held on 18 January 2016 be approved as a correct record.

**17. DRON HOUSE COMMUNITY CENTRE CONVERSION**

The Sub Committee considered a report of the Director of Community & Children's Services.

**18. QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB COMMITTEE**

There were no questions.

**19. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE SUB COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

There was no other business.

**The meeting closed at 2.51 pm**

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Chairman

**Contact Officer: Philippa Sewell**  
**tel. no.: 020 7332 1426**  
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<b>Committee</b>	<b>Date:</b>
Housing Management and Almshouses Sub Committee	4 July 2016
<b>Subject:</b> Mais House Decant Programme - Update	<b>Public</b>
<b>Report of:</b> Director of Community and Children's Services	<b>For Information</b>
<b>Report author:</b> Paul Jackson – Department of Community and Children's Services	

## Summary

On 15 January 2016 Members approved a proposal to redevelop the Corporation's sheltered housing scheme at Mais House in Lewisham. Subsequently on 25 April 2016 Members approved a decant policy for the implementation of the rehousing and financial compensation of residents. Officers have since begun to implement that policy and this report summarises progress. To date three units have been vacated and a further three residents who have accepted offers are waiting to move. The current number of occupied units at Mais House is forty-nine.

## Recommendation

Members are asked to note the report.

## Main Report

### Background

1. On 15 January 2016 Members approved a proposal to redevelop the Corporation's sheltered housing scheme at Mais House in Lewisham. Subsequently on 25 April 2016 Members approved a decant policy to govern the implementation of the rehousing and financial compensation of residents.
2. It was agreed that regular update reports would be brought to the Housing Management and Almshouses Sub- Committee. This is the first such report.

### Current Position

3. An initial housing needs survey of all Mais house residents has now been completed. Almost all residents have completed a housing application and have been registered for rehousing. As part of the survey, visits were arranged to other City sheltered schemes and estates and residents were interviewed to discuss their area preferences and support and other requirements for rehousing. These details have been confirmed in writing to all residents in a letter dated 11 May. This included an information sheet for residents detailing their entitlement to claim compensation for home loss, a disturbance payment to cover the cost of

removals, and information about the rehousing and support arrangements for all residents. This is attached for Members' information as Appendix 1.

4. A majority of residents have expressed a preference to be rehoused within the Corporation's own social rented stock, either in sheltered or general needs accommodation. Some of these have limited their preference to one area or estate only; others have expressed a willingness to consider several areas. Officers have created a display at Mais House providing visual and other information about the Corporation's City and Out-Of-City estates and other rehousing schemes. The aim of this is to help residents get a clearer understanding of the housing available and encourage them to provide as broad a choice of area preferences as they can to ensure suitable opportunities for housing are not missed.
5. A number of residents have expressed a wish to be rehoused in areas in which the Corporation does not have any social rented housing. This is likely to prove challenging and will require the cooperation of other housing providers in the social rented and charitable sector if we are to meet these requirements. Officers have established an in-principle agreement with LB Lewisham for a reciprocal rehousing agreement to try to meet some of the demand; similar arrangements will be explored with other providers where appropriate to try to develop similar agreements to meet the remaining demand.

### **Rehousing activity and current levels of occupation**

6. At the date of approval for the redevelopment of Mais House 52 units were occupied. Subsequent movement and rehousing activity is shown at Table 1.

Occupied units at period start	Rehousing Activity			Vacated units	Occupied units at period end
	Offers	Refusals	Acceptances		
52	5	1	4	3	49

7. Of the four offers accepted one resident has been offered and rehoused into Corporation general needs accommodation and three have been offered Corporation sheltered accommodation;
8. Of the three units vacated in this period one is due to a completed move, one is due to a resident moving abroad, and one is due to a deceased resident.

### **Corporate & Strategic Implications**

9. The redevelopment of Mais House is a key objective in the Community & Children's Services Business Plan and contributes to the delivery of Strategic Priority 4 - *Supporting homes and communities: Developing strong neighbourhoods and ensuring people have a decent place to live.*
10. The development will contribute to the corporate commitment that the City will build 700 new homes on Housing Revenue Account land within the next 10 years.



## **Appendices**

- **Appendix 1: Mais House Rehousing - Resident Information Sheet**

## **Background Papers**

None

## **Paul Jackson**

Programme Manager

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## **Mais House Rehousing Resident Information Sheet**

This information sheet provides answers to questions you may have about the redevelopment of Mais House your rehousing. We will provide updates as necessary.

### **1. I have filled out an application form for rehousing. What happens next?**

Since the Committee decision to redevelop Mais House we have been holding initial meetings with you all individually to discuss your options and requirements for rehousing. Most residents have now completed their application form and we are beginning the process of reviewing these to help us identify suitable new homes. We are also assessing what ongoing support residents might need in their new home. If you have completed an application form the details you gave us about where you would like to move to and any other special requirements are set out in the letter you received with this information sheet. Once we have reviewed what everyone has told us we may contact you again if we need more information or we need to discuss your options in more detail. If you have not yet completed an application form please contact your scheme manager so we can arrange this.

### **4. How will offers of rehousing be made to me?**

If you have completed your application form you don't need to do anything else. We will contact you directly once we have identified a suitable property and agree a convenient time to take you for a viewing. We will accompany you on the viewing if requested so that we can help with any questions or queries you may have about the property. We will make every effort to provide you with a new home that meets your essential needs and preferences. We will try to get this right first time although there may be occasions where this doesn't happen. If you do not wish to accept the property offered for any reason we will discuss this with you to help us check whether the offer is reasonable and meets your essential housing needs or whether we need to make you another offer. In the event of repeated refusals of offers the Director of Community and Children's Services may be asked to decide on the reasonableness of any offers.

### **4. What size property am I entitled to?**

We will aim to offer you a flat which meets your housing and support needs and is at least the same size (ie number of bedrooms) as you have now. Under the City's allocation policy single-person households over the age of forty-five are entitled to be considered for a one-bedroom property. So, if you currently have a one-bedroom flat we will aim to offer you a one bedroom flat; if you currently have a studio flat we aim to offer you either a one-bedroom flat or a studio flat, unless you tell us you wish be considered only for a one-bedroom flat.

There may be circumstances in which we offer you accommodation which meets a number of your needs but is smaller than what you have asked for. This may happen

if, for example, you require specialist accommodation (such as sheltered or mobility housing, some of which is only available as studio flats) or you are offered accommodation by another housing provider (eg because you have asked to be rehoused in a particular area) and their policy is to offer studio flats to single-person households. Where residents accept an offer of accommodation smaller than they are entitled to they may be eligible for compensation under the City of London's shift allowance scheme.

### **3. When can I expect to move?**

We are beginning the process of rehousing residents now. Although all Mais House residents have top priority for rehousing, it won't be possible for all residents to move at the same time. How long you have to wait will depend on what you have told us about your requirements and preferences, and the availability of suitable housing to meet these. Some residents have asked to be rehoused on City of London estates; others have asked for areas where the City does not currently have any properties and we will need to approach housing providers in these areas to see what (if any) options there might be. Some residents may move in the next few months; others may need longer to find something suitable. We expect that the whole rehousing programme may take up to two years.

### **7. What other financial and practical support will I get to help me move?**

Residents can claim financial compensation (known as a home loss payment) where they are required to move out because their landlord is demolishing or redeveloping their homes. To be eligible you need to have been living at Mais House for 12 months prior to the decision to proceed with the proposal to redevelop Mais House. Residents will need to make a claim for a home loss payment. This can only be done once you have moved. We will help you to do this when you move. The amount of home loss payable is set by law and reviewed periodically. At present the amount payable is £5,300. Any rent arrears or other debts owing to the City of London at the time of the claim will be deducted from home loss payments.

### **8. Will I also get help with moving and the cost of moving?**

Yes, we will help you to make the necessary arrangements for your move and help with the expenses involved in moving. This is known as a disturbance payment and includes things such as:

- Removal costs including packing service
- Lifting and refitting of existing carpets/curtains or provision of new ones if existing goods cannot be re-used or cut down after the move
- Disconnection and reconnection of utilities
- Redirection of post
- Disconnection and reconnection of existing kitchen appliances.

To make things easier for you and for us you may wish to use our approved contractors to undertake removals and the reconnection of kitchen appliances, and provide any floor covering or carpet required as a result of your move. We will talk to you about your requirements and agree what we will pay for and deal with the

contractors on your behalf. They will visit you to discuss the move and any other requirements and we will pay them directly without the need for you to get estimates. We will also help you sort out things such as redirecting your mail and we will liaise with other agencies such as care providers you may use or housing officers at the property you are moving to. We will explain all this to you again fully when it is time for you to move.

**9. What if I want to make arrangements to move myself? Will you still help with the expense?**

Yes, though we will need to assess the cost beforehand. The amount of disturbance payment is not fixed by law – landlords are required only meet reasonable expenses. If you wish to use your own contractors to move you will need to submit written quotations for the work for us to approve before going ahead. Quotations will be assessed and we will take into account the cost of using our approved contractors before deciding how much we will pay. If you use your own contractors you will need to pay them yourselves, provide us with the receipts before we can reimburse you the agreed cost. Alternatively you may wish to accept a flat rate, one-off payment as full and final compensation against all the costs of arranging the jobs noted in paragraph 8 above. The rate for moving to a studio flat is currently £1145, and for a one bedroom flat, £1545. You won't need to submit quotes or receipts but you will need to organise contractors and all removal arrangements yourself and ensure your existing flat is completely cleared on the date you move. We would reserve the right to deduct from your home loss payment any clearance costs we incur if you were unable to do this. Again, we will explain all this to you again fully when it is time for you to move.

**10. When will the works to Mais House start?**

Not for quite a long time. At this stage we don't expect to have initial plans and proposals for works ready for our Committee to consider until autumn 2016 at the earliest. We also need to talk to other agencies such as the planning authority.

**11. Will I be able to move back to the Mais House site once it's been redeveloped?**

All residents will be offered the opportunity to return to Mais House following the redevelopment. It is not intended to be a sheltered housing scheme when it is redeveloped but a lifetime homes scheme of one-bedroom flats prioritised for older people. Any housing-related support provided would be through floating support, rather than an on-site manager.

**12. Will I be consulted about the new development at Mais House?**

Yes. We will talk to you about what features might be incorporated to make the development more suitable for older people. We will stay in touch with you once you have been rehoused to enable this.

*May 2016*

<b>Committee</b>	<b>Date:</b>
Housing Management and Almshouses Sub Committee	4 July 2016
<b>Subject:</b> Welfare Benefits Update & Financial Inclusion Programme	<b>Public</b>
<b>Report of:</b> Director of Community & Children's Services	<b>For Information</b>
<b>Report author:</b> Liane Coopey, Benefits Manager	

## Summary

This report gives an update on the papers previously brought to the Sub-Committee in 2014 and 2015. It gives Members the latest information about:

- the impact of reforms to date,
- outlines the work taking place to help residents cope with the introduction of Universal Credit
- updates on the Financial Inclusion programme

Housing Benefit and Council Tax Reduction Scheme for City of London residents, and Housing Benefit for tenants of CoL estates in other boroughs, are administered by the Benefits Team within the Housing Service. Since proposals for benefit reform were first raised, the Benefits Team has worked closely with the Housing Management Team and other colleagues, to ensure that the implications, both for residents and for the City's Housing Revenue Account (HRA) have been identified and addressed.

As a result, in 2015 we developed a Financial Inclusion Programme which groups together a number of projects designed to assist residents. An update on this programme is included in this report.

## Recommendation:

Members are asked to note the report.

## Main Report

### Background

1. The Welfare Reform Act 2012 and the Welfare Reform & Work Act 2016 have introduced a number of changes aimed at reforming the welfare benefits system. Chief amongst these are:
  - Reductions in housing benefit to households considered to be occupying accommodation with more bedrooms than needed – known as the Bedroom Cap;
  - An overall cap on total benefits payable to a household, limiting these to £26,000 per annum for couples and lone parents and £23,000 per annum for

single adults – known as the Benefits Cap (A further reduction in the household benefit cap in London to £23,000 per annum for couples and lone parents and £15,410 per annum for single adults will come into force during 2016);

- The introduction of Universal Credit;
- Backdating of Housing Benefit claims limited to a maximum of four weeks from April 2017;
- The annual uprating of working age benefits frozen for 4 years;
- Payment of Housing Benefit whilst tenant is absent abroad limited to 4 weeks to be introduced during 2016;
- Various changes to tax credits and benefit premiums which will impact on housing benefit calculation rules;
- From April 2017, 18-21 year olds will not be entitled to claim the housing element of Universal Credit (may apply to Housing Benefit too);

2. To help mitigate these changes, the government:

- Will provide £800 million of funding to local authorities for Discretionary Housing Payments over the next 5 years (though DWP funding to the CoL has been cut by 15% to £18,391 for 16/17)
- Additionally, a national living wage of £7.20 per hour has been introduced for employees over 25 in 2016. This will be compulsory for most employers
- From April 2016, social rents have been reduced by 1 per cent compared to the preceding year. This will continue for the next four years
- From September 2017, free childcare entitlement will be doubled from 15 hours to 30 hours a week for working parents of three- and four-year-olds

3. Extensive work has taken place to support residents affected by the Bedroom Cap and Benefits Cap. A summary of this work was presented to your Sub-Committee in January and September 15 and an update on the impacts to date can be found below. Support for households affected continues.

4. We are now focussing on Universal Credit. The City was part of the first tranche of national rollout of Universal Credit in March 2015. This affected only a small group of residents in the east of the City (new claims from single people seeking work who would previously have applied for Jobseeker's Allowance) who were directed to apply for Universal Credit. From November 2015, a much wider rollout began in our Southwark Estates under the UC Digital Service. This affects all tenants of working age, including singles, couples and families. The introduction of UC is therefore now happening more quickly than had previously been anticipated. As at the end of May 2016, 70 households have moved on to UC

### **Bedroom Cap and Benefits Cap Updates**

5. As at June 2016:

- a total of 112 households had been affected by the Bedroom Cap.
- 63 are no longer affected.

- 49 households are being currently affected (38 subject to a 14% reduction and 11 subject to a 25% reduction)
6. As at June 2016:
- a total of 11 households had been affected by the benefit cap.
  - 6 households are affected at the present time.
7. As a result of the lower benefit caps announced in the summer budget the DWP have advised that a further 9 households will be affected by the reduced cap amount. It is anticipated that this will be introduced in autumn 2016, though this has yet to be confirmed.
8. To date, there have been no evictions as a result of benefit reform. Our protocol is that we only move to serve a notice to quit on a tenant whose arrears are due to benefit changes, if they have been offered a smaller property and have refused to accept it or to engage with us. We use Discretionary Housing Payments (DHP) in many cases to cover the shortfall while we work with households to help them decide on a long-term solution.

### **Universal Credit**

9. We are now managing the introduction of Universal Credit. Universal Credit will be a single monthly payment to each household which will replace:
- Jobseekers Allowance
  - Employment Support Allowance
  - Income Support
  - Child Tax Credit
  - Working Tax Credit
  - Housing Benefit
10. It will be personalised according to every household's circumstances and is designed to make sure that households are better off in work than unemployed.
11. It will not affect people of pension age.
12. Unlike Housing Benefit, which, for social tenants goes direct to the landlord to pay rent, Universal Credit will be paid direct to the claimant, who will be responsible for managing all their household costs, including rent, themselves.
13. Whilst many households will be capable of dealing with this, there will be others who struggle and, in the face of competing demands for their money, may prioritise the most immediate pressures and not their rent.
14. If a tenant has the equivalent of one month's rent arrears, the decision to pay Universal Credit directly to them will be reviewed, and if the arrears reach the equivalent of two months' rent, the payment of housing related support will automatically revert to the landlord. This is a welcome change but direct payments will still pose many challenges for landlords.

15. To prepare for the introduction of Universal Credit, the Housing & Neighbourhoods Service has implemented a Financial Inclusion Programme of measures designed to:
- support residents
  - help them to manage their money effectively
  - ensure that rent arrears remain low
  - minimise evictions
16. We have also entered into a Delivery Partnership Agreement with the DWP. This commits us to a number of measures to support residents with digital access and personal budgeting support. Most are already covered by our Financial Inclusion Programme and day to day work, but we will work with the DWP to ensure that we provide all the assistance they recommend.
17. We have been monitoring rent arrears for 20 households in receipt of UC on the Avondale Estate to get an understanding of the impacts that UC may have in the long term.
- On the date they first claimed UC the average rent arrears for this cohort was £395.15;
  - After approximately 6 months the average rent arrears had risen to £644.48;
  - 19 out of the 21 households were, by then, in rent arrears.

### Financial Inclusion Programme

Financial inclusion is defined as the ability of an individual, household, or group to access appropriate financial services or products. Without this ability people are often referred to as financially excluded.

People that are financially excluded might;

- not be able to access affordable credit
- not want or have difficulty obtaining a bank account
- be financially at risk through not having home insurance
- struggle to budget and manage money or plan for the unexpected
- not know how to make the most of their money

Anyone can be financially excluded. The key to our work in this area is catching problems before they become larger and helping people become more prepared and better equipped for the future.

The 2015/16 Financial Inclusion Programme is attached as Appendix 1 to this report. All those measures are on-going, but, in addition, in 16/17 we aim to achieve the following:

Financial Inclusion Programme		
Project	Outline	Aimed at
Financial Inclusion	<ul style="list-style-type: none"> <li>• Use funding from the DWP to engage with tenants suffering financial hardship to ensure</li> </ul>	Referred clients



Worker	that there are no evictions for rent arrears without the offer of support	
Income Recovery Officer	<ul style="list-style-type: none"> <li>Employ a new Income Recovery Officer to support the work done to ensure that rent collections figures are maintained</li> </ul>	All residents
Charities	<ul style="list-style-type: none"> <li>Broaden awareness of local charities amongst residents and staff</li> <li>Run a stall at the City Community Fair on 16<sup>th</sup> July for the Housing the Homeless Central Fund – a local charity used by the Tenancy Support Team and Homeless Team to access grants for clients in need</li> </ul>	Individuals and families requiring support
Furniture store	<ul style="list-style-type: none"> <li>Tenancy Support Team set up and run 2 furniture stores to access basic household items for vulnerable and impoverished tenants – where grants are not otherwise available</li> </ul>	Vulnerable tenants
Utility bills	<ul style="list-style-type: none"> <li>Continue to publicise and encourage take up of the Water Sure Plus scheme which reduces water rates charges by up to 50%</li> <li>Ensure maximum take up on schemes which reduce energy bills</li> </ul>	Tenants in receipt of qualifying benefits
Time Credits	<ul style="list-style-type: none"> <li>Minimise social isolation by encouraging tenants to take part in activities which earn Time Credits that allow them to take part in social activities that they may otherwise be financially excluded from</li> </ul>	All residents
Universal Credit	<ul style="list-style-type: none"> <li>Tenancy Support Team to ensure representation for vulnerable residents on UC who are undergoing DWP UC Sanctions, Tribunals and Reviews</li> <li>Provide specialised Benefit Surgeries on Southwark estates to support tenants through making and maintaining Universal Credit claims</li> <li>Signpost UC claimants for appropriate support when staff action is not appropriate eg City Advice or the Money Advice Service</li> </ul>	Vulnerable tenants or tenants in receipt of UC

### Strategic Implications & Risks

18. We are now getting a better insight into the risks the programme of Welfare Reform poses to the City of London.
19. The principal risk from a financial perspective is that, as a result of direct rent payments under Universal Credit, rent arrears will rise. This will impact on the 30 year Housing Revenue Account Business Plan and restrict our ability to carry out repairs and improvements to our homes. An allowance has been made within the current Business Plan for increased rent arrears and we will continue to monitor this closely and make amendments to reflect changes. On 7<sup>th</sup> June

2016 *Inside Housing* reported that “Three out of four Universal Credit tenants in rent arrears”.

20. Increased rental arrears will result in more evictions, additional void and staffing costs. This will affect not only City housing but from privately rented homes and from other housing providers such as the Guinness Trust. There will be an impact on the City’s Homelessness Service. People evicted due to rent arrears are considered to be ‘intentionally homeless’, which means there is no duty to rehouse them. However, we **do** have a statutory duty to rehome and of those households which contain children and vulnerable adults. At present, we have low numbers of people in temporary accommodation and the budget available reflects this.
21. When the impact of Universal Credit begins to be felt, it is likely that we will see a surge in the demands on the Temporary Accommodation budget and on the staffing resource. The direct loss in Housing Benefit subsidy to the City of London rose from £9,134 in 14/15 to £20,844 in 2015/16, a 228% increase. It is anticipated that this will increase dramatically under UC
22. The freeze in Local Housing Allowance rates and a buoyant rental market are leading to private landlords withdrawing from renting to benefit claimants making accommodation more difficult and more costly to secure. This results in more people presenting as homeless, increasing strain on an already limited temporary accommodation market
23. Government funding to support local authorities through the impact of welfare benefit reform is reducing. Our Discretionary Housing Payments budget was reduced by 13% in 2015-16, with a further reduction of 15% in 16/17 in DWP grant of £18,391. £25,914 was spent on Discretionary Housing Payments in 15/16. The cuts will severely limit our ability to support vulnerable households.
24. Long term the reforms could have an impact on crime and anti-social behaviour. We are already seeing an increase in chaotic lifestyles, as households and individuals are affected by benefits sanctions and struggle to find secure employment, severely limiting their ability to manage their finances. Proposals to reduce and even discontinue support for single males of working age may well increase this problem further, and make them more vulnerable to illegal moneylending activity and drug and alcohol abuse.

## **Appendices**

- Appendix 1 : Financial Inclusion Programme – measures introduced in 2015

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## Appendix 1 – Financial Inclusion Programme – measures introduced in 2015

<b>Financial Inclusion Programme</b>		
<b>Project</b>	<b>Outline</b>	<b>Aimed at</b>
Staff training & support	<ul style="list-style-type: none"> <li>All estate staff attended basic training on money management to help them to provide a support and signposting service to residents.</li> <li>The Tenancy Support Team, working with the most vulnerable residents, attended debt counselling training.</li> <li>In partnership with Toynbee Hall, two-day courses run for staff so that they can be Money Management Champions and can give practical support to residents.</li> <li>Equipping our Income Recovery Officers and Tenancy Support Officers with mobile technology so that they can review rent accounts, carry out benefit assessments and help people submit claims online during home visits.</li> </ul>	All residents
Digital Support	<ul style="list-style-type: none"> <li>Started upgrading our IT facilities and internet access in our estate offices so that residents can be helped to make benefits applications on-line</li> <li>Mapped free digital access for all City of London estates</li> <li>Referred residents to Digital Inclusion training run by the Library Service.</li> </ul>	All residents
Access to information	<ul style="list-style-type: none"> <li>Benefits team surgeries on our estates. Residents can make an appointment to see an advisor or can drop in and get help to make sure they are claiming all appropriate benefits.</li> <li>Raised the profile of our Tenancy Support Team to estates staff to ensure that all households who need support get an appropriate referral</li> </ul>	All residents
Local Welfare Assistance (LWA) Funding	<ul style="list-style-type: none"> <li>This allows crisis loans and payments to be made to low income families in an emergency. The City scheme is entitled the Emergency Support Scheme (ESS); it is administered on our behalf by the London Borough of Lambeth.</li> <li>Direct funding ended in April 2015. However, the City of London is continuing to support the ESS (Local Government Settlement Grant)</li> </ul>	Individuals and families experiencing a crisis or emergency
Pre-tenancy Training	<ul style="list-style-type: none"> <li>Engaged on a project with Broadway St Mungo where we will require first-time tenants to attend a two day money management training course before they are offered a property.</li> </ul>	Prospective tenants on the waiting list for a first tenancy
Community	<ul style="list-style-type: none"> <li>A project in partnership with Toynbee Hall. A</li> </ul>	All residents

Money Mentors	total of 60 hours training for resident to improve money management skills	
Care Leavers Support	<ul style="list-style-type: none"> <li>Improved support for looked after children, when they leave care and moved into independent living.</li> <li>We have worked with Children's Services to produce a new policy and procedure, whereby money management support starts to be given to look-after children from the age of 16 onwards.</li> <li>By the time they are 18 and able to leave care, they will have received sufficient support and training to enable them to sustain their tenancy – but we also provide a package of support for a further six months and longer if needed.</li> <li>Monitor the position of each care-leaver carefully, in liaison with their social worker.</li> </ul>	Looked-after children and care-leavers
Kineara Rent Support Programme	<ul style="list-style-type: none"> <li>This project provided intensive support and training over a 10 week programme to households with serious and long term rent arrears.</li> </ul>	Tenants at risk of eviction for rent arrears
Illegal Moneylending support	<ul style="list-style-type: none"> <li>Worked with the National Illegal Moneylending Team, to raise awareness of how to spot and deal with illegal moneylending activity.</li> <li>All estate staff received training and presentations given to residents on every estate at their estate meetings, as well as promotional materials being widely displayed.</li> </ul>	All residents
Credit unions	<ul style="list-style-type: none"> <li>Worked closely with the London Capital Credit Union (LCCU).</li> <li>LCCU officers have attended estate meetings and held surgeries on our estates, talking to both residents and staff to encourage them to make use of the low-cost loans provided by them and to encourage them to develop a savings habit.</li> <li>LCCU membership forms were sent to all tenants in January 2015.</li> </ul>	All residents
Essential items support	<ul style="list-style-type: none"> <li>Identified a budget to help residents in financial difficulties to purchase essential items, in particular carpets and curtains.</li> <li>Residents often complain to estate staff that neighbours are covering windows with sheets, or that hard floors are noisy. These issues indicate that a household is in poverty.</li> <li>By providing grants to assist households in these circumstances, we can not only help them</li> </ul>	Residents identified by estate staff as being in need of support

	to avoid being singled out, but by offering this support, we can get access to the household to provide further support.	
Ongoing information	<ul style="list-style-type: none"> <li>We provide a range of information for residents to use at any time.</li> <li>We also have a subscription to 'Quids In' magazine, a publication which aims to provide financial information in a chatty, easy to read format, alongside celebrity news and other popular items. We make 'Quids In' available to residents free on a quarterly basis.</li> </ul>	All residents
Personal budgeting support	<ul style="list-style-type: none"> <li>As part of the Delivery Partnership Agreement entered into with the Department for Work and Pensions, we will offer Personal Budgeting Support to tenants on Universal Credit who have been referred to us by the DWP.</li> <li>Individuals who require intensive budgeting support will be referred to City Advice</li> </ul>	Referred clients
Credit unions	<ul style="list-style-type: none"> <li>Support residents in receipt of Universal Credit who do not have transactional bank account to open an appropriate credit union account.</li> </ul>	All residents
Rental Exchange	<ul style="list-style-type: none"> <li>Participate in a programme led by Experian, the credit-rating agency, allowing all our tenants to have a credit rating.</li> <li>A tenant who has no previous borrowing history has no credit rating, regardless of their rent payments. This affects their ability to sign up to contracts for services such as mobile phones and utilities. Without a credit rating, they cannot take advantage of cheaper rates offered through contracts and have to use more expensive, pay-as-you-go options.</li> <li>The Rental Exchange project allows rent accounts to be taken into account so that tenants with a good rent payment history can get a credit rating.</li> <li>A test of our data revealed that over 50% of tenants would benefit from the sharing of their data. A report asking for approval to implement the scheme will be brought to the Housing Management &amp; Almshouses Sub-Committee in November.</li> </ul>	All tenants
Local Welfare Assistance (LWA) Funding	<ul style="list-style-type: none"> <li>Widen the scope of the scheme to ensure that anyone in receipt of a state benefit eligible to apply. Funding can be critical to recipients in a crisis.</li> <li>Improve take up of the ESS scheme</li> </ul>	Individuals and families experiencing a crisis or emergency

Estate information	<ul style="list-style-type: none"> <li>• Make Universal Credit packs available in all estate offices to ensure all appropriate information and forms are available to staff to support residents as the move onto direct payments under Universal Credit</li> </ul>	All tenants
Charities	<ul style="list-style-type: none"> <li>• Create a list of local charities and their criteria in order to support residents in need</li> </ul>	Individuals and families requiring support
Income maximisation	<ul style="list-style-type: none"> <li>• Providing support and information to assist individuals and households to maximise their income</li> </ul>	All tenants

<b>Committee</b>	<b>Date:</b>
Housing Management & Almshouses Sub Committee	4 July 2016
<b>Subject:</b> Housing Service Review – Leaseholders and Freeholders	<b>Public</b>
<b>Report of:</b> Director of Community & Children’s Services	<b>For Information</b>
<b>Report author:</b> Amy Carter, Projects & Improvements Manager	

## Summary

Across the City of London Corporation’s housing estates there are over 900 leaseholders and freeholders. This is a third of our residents and represents a significant client group. The Housing Services provided to all residents are the same in many respects; however, in a number of areas, we have identified a need to tailor services to meet the requirements of each tenure in a slightly different way. The purpose of this review is to ensure the City of London Corporation Housing Service is offering the best possible and most cost-efficient services to leaseholders and freeholders.

## Recommendation

Members are asked to note the report.

## Main Report

### Background

1. The Right to Buy discounts have been increased in recent years, and the number of leaseholders and freeholders on our housing estates will continue to rise. There is a recognition that as the numbers increase the service needs to adapt to meet this client groups’ needs.
2. A high level of correspondence is received from leaseholders and freeholders. It has been noted that enquiries are often driven by a lack of understanding, or challenges are raised to practices that are not possible to change – for example, service charge invoicing in accordance with the lease terms. A strong focus of this review is reducing the level of correspondence and enquiries.

### Current Position

3. There are four key themes which this service review intends to address:
  - Providing Information – in a timely, relevant and transparent way.
  - Engagement – both within each community and in a wider capacity across our estates.
  - Leaseholders/Freeholders as Customers – addressing negative perceptions and improving satisfaction.

- Service Charge setting and recovery – within the parameters of the lease, both for annual service charges and for major works.

## Options

4. This service review is optional. We are confident that we are meeting our statutory responsibilities and there is no cause for concern. The review poses an opportunity to improve the services we offer in accordance with the Departmental aims towards improving services, as outlined in the Business Plan.
5. The risks/opportunities associated with this review are broken down by each key theme:

### **Providing Information**

Risk: increase in information provision leads to more enquiries and more challenges to practices and charges.

Opportunity: greater transparency leads to higher levels of trust, and a reduction in complaints, non-constructive challenge and Freedom of Information (FOI) requests. The provision of greater information will generate more specific enquiries which may be more readily answered.

### **Engagement**

Risk: demand for greater control of services – leads to dissatisfaction when leaseholders/freeholders are not able to determine as much as they would like.

Opportunity: Communications around engagement will be carefully managed to ensure it is clear what leaseholders/freeholders can determine, the clauses within the lease will remain a clear parameter. By engaging leaseholders in service planning and delivery they will be more satisfied with the end result.

### **Leaseholders/Freeholders as Customers**

Opportunity: improve relationships between the City and a large group of our residents.

### **Review of Service Charge setting and recovery**

Risk: assessment of the service charge setting and recovery processes leads to a reduction in that which may be re-charged to leaseholders, leading to a loss of income.

Opportunity: based on initial assessments, there may be some undercharging for the appropriate proportion of some services owing to difficulties separating costs. Therefore, after this review, it is anticipated that there may be some adjustments to be made so that the services received and the amount paid are in line.

## Proposals

6. There is a detailed, service-level action plan which sets out all actions which are proposed to contribute to this service review. The highlight actions are:
  - Review of the service charge setting process undertaken by Internal Audit, to ensure it is fully compliant and appropriate.
  - Appoint a Home Ownership Manager – this service manager will work solely on the Housing Revenue Account (HRA). The post will be vital to



several aspects of the service review, in particular bringing their expertise to the review of service charge recovery processes.

- Develop a protocol, in consultation with leaseholders and freeholders, to support and enable engagement about changes on estates.
- Review of the service charge recovery process. Leaseholders and freeholders will have the opportunity to be involved in aspects such as reviewing payment methods.

## **Corporate & Strategic Implications**

7. This service review forms a key part of our Departmental Business Plan, contributing to two strategic priorities:  
**Priority 4 Homes and communities:** Developing strong neighbourhoods and ensuring people have a decent place to live.  
**Priority 5 Efficiency and effectiveness:** Delivering value for money and outstanding services.

## **Implications**

8. Legal implications: The lease is the key document which underpins this service review. This review does not currently propose any changes to the lease. One of the planned outcomes of this review is to increase leaseholders' and freeholders' understanding of their contractual rights and responsibilities.
9. Financial implications: In a period of declining rental income, owing to the recent government decision to lower social rents by 1% per year, it is vital that the appropriate financial recovery is secured from leaseholders and freeholders, to ensure the ongoing viability of the Housing Revenue Account.

## **Conclusion**

10. In conclusion, this service review is designed to increase efficiency in communications and revenue collection and increase satisfaction and engagement with leaseholders and freeholders across our Housing Service. The outcome of the review is to ensure the City of London Corporation Housing Service is offering the best possible and most cost-efficient services to leaseholders and freeholders.

## **Appendices**

None

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<b>Committee</b>	<b>Date:</b>
Housing Management and Almshouses Sub Committee	4 July 2016
<b>Subject:</b> Housing and Planning Act	<b>Public</b>
<b>Report of:</b> Director of Community and Children’s Services	<b>For Information</b>
<b>Report author:</b> Adam Johnstone, Strategy Officer	

## Summary

The Housing and Planning Act received Royal Assent in May this year and will have wide ranging implications for the work of the Committee.

The Act requires the sale of higher value council homes to fund the Right to Buy for Housing Association tenants, increases social housing rents for tenants earning over £40k, replaces lifetime tenancies with fixed-term tenancies and introduces a new type of affordable housing, Starter Homes.

## Recommendation

Members are asked to note the report.

## Main Report

### Sale of higher-value council housing

1. The Government has pledged to extend the Right to Buy to Housing Association tenants and a deal to this effect has been agreed with the National Housing Federation. The Act enables the discounts to be funded through the sale of high-value local authority housing, as it falls vacant. Local housing authorities will in effect have to pay an annual levy to the Government, based on an estimate of the total value of their high-value housing likely to fall vacant during the year. Councils will in principle, therefore, have a choice not to dispose of housing, if they fund the payment in some other way.
2. Details of how ‘higher-value’ is to be defined, and how the levy is to be calculated, are not yet known. The change in language from ‘high-value’ to ‘higher-value’ was made in response to concerns raised by peers about the severe impact the policy may have in Central London if a regional definition of high-value were applied. Higher-value is instead thought to indicate that local market conditions will be taken into account which may slightly lessen the impact on the City of London Corporation.
3. A quantitative assessment of the specific impact on the City Corporation must wait for these details to be clarified. Whatever definition of higher-value is used, it is likely that a substantial amount of the City Corporation’s housing stock will be

subject to the levy. If homes are sold to pay the levy, this would reduce the capacity to rehouse households on the waiting and transfer lists, increase the number of households in temporary accommodation and reduce long-term Housing Revenue Account (HRA) income. It could also undermine the viability of future social housing investment.

4. The Government has committed to building two new homes for every one sold in London under the policy. However, funding for this is not guaranteed as the Government said this would reduce the money available to cover the Right to Buy discounts. Local authorities would have to draw on their own resources if any replacement homes are to be built.
5. The Regulations setting out the detail of the plans along with what definition of higher-value will be used are due to come back before Parliament. Further information on the timescales for implementation is also expected at this point.

### **Higher rents for households earning over £40k**

6. The Act provides for higher income social tenants to pay market rents. Following consultation with the housing sector and amendments in the House of Lords, this will work on a taper basis, with rents increasing by 15 pence in the pound for every pound of household income over the £40k threshold.
7. Additional revenue raised through the policy will go to the Treasury. Local authorities will be allowed to retain a reasonable amount to cover administration costs.
8. Significant work will be required to verify tenant incomes and modify rents. Although local authorities will be able to cover their administrative costs, there are likely to be increased arrears and legal costs that are not included in this. Those tenants who can afford to do so may seek to use their Right to Buy to avoid paying higher rents.
9. The Government's aim is to implement the mandatory pay to stay scheme from April 2017. The Department for Communities and Local Government have advised that technical advice is likely to be published in July.

### **Flexible tenancies**

10. The Localism Act 2011 introduced flexible tenancies, which could be offered by local authorities alongside or instead of secure tenancies. The City Corporation chose to offer flexible tenancies in very limited circumstances and secure tenancies have remained our predominant offer to new tenants.
11. The Act requires the City Corporation to offer flexible tenancies to most new tenants. These will be subject to fixed-terms from as short as two years to up to when the youngest child in the household turns 19. Local authorities will need to carry out tenancy reviews prior to the end of the fixed-terms to decide if they will renew the tenancy and if so, for how long.

12. Where a local authority requires a tenant to move, for example as part of a regeneration scheme, they will retain their secure tenancy if they have one. Where tenants choose to move, either via the transfer list or by mutual exchange, the local authority will have discretion as to which type of tenancy is offered.
13. The City Corporation will need to review its Tenancy Strategy and standard tenancy agreement when the regulations are set out.
14. Regulations setting out suitable fixed-term lengths, renewal criteria and when local authorities can exercise their discretion to offer lifetime tenancies are expected in winter 2016/17.

### **Starter Homes**

15. The Act introduces Starter Homes as a new type of affordable housing. Developers will be required to designate 20 per cent of a new development as Starter Homes. There is provision in the Bill for commuted sums, which would enable the Starter Homes to be delivered off site.
16. The homes can be bought by qualifying buyers at a 20 per cent discount. The buyer can sell the property at market value after a period of time, originally proposed at five years and now subject to consultation.
17. The requirement to build Starter Homes is likely to crowd out other types of affordable housing. This includes s106 payments provided by developers for affordable housing provision off-site, on which the City Corporation's affordable housing schemes have typically relied.
18. The East London Housing Partnership estimate that all development funding previously available through s106 will now be diverted to Starter Homes. Alternative funds would need to be found if the City Corporation wished to provide new affordable housing for those who cannot afford to purchase homes at 80 per cent of the market price.
19. Secondary legislation, together with Parliamentary debate and public consultation, is required before the Starter Homes provisions of the Act will come into force. This may take until the end of the year.

### **Conclusion**

20. Much of the detail of the provisions contained in the Housing and Planning Act will only be clarified in the regulations. However, the City Corporation should anticipate;
  - the requirement to pay an annual levy equal the value of a large amount of vacant housing stock, likely funded by its sale;
  - the need to assess all tenants' incomes and implement a system of personalised rents for those earning over £40k;
  - moving from a system based on lifetime tenancies, to a system based on fixed-term tenancies;

- the loss of at least the majority of future s106 contributions and subsequent loss of capacity to deliver affordable housing other than Starter Homes.

**Adam Johnstone**

Strategy Officer – Housing and Adult Social Care

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<b>Committees:</b>		<b>Dates:</b>
Projects Sub-Committee		11/05/2016
Housing Management & Almshouses Sub Committee		04/07/2016
<b>Subject:</b> Middlesex Street Estate Programme of Works and Internal and External Redecoration	<b>Combined Issues Report and Gateway 3/4 Options Appraisal</b>	<b>Public</b>
<b>Report of:</b> Director of Community & Children's Services		<b>For Decision</b>
<b>Report author:</b> Jason Crawford, Community & Children's Services Department		

## Summary

### Dashboard

Project Status	Amber
Time Line	Procurement – Estimated to complete by end of January 2017. Gateway 5/contract letting – February 2017. Works – until 2022.
Programme status	Pending Approval of Gateway 3/4 – Options Appraisal
Latest estimated costs	£310,000
Expenditure to date	£5,320 on surveying £1,000 on staff costs

### Issues

Following the decision not to proceed with the Middlesex Street Sustainability Project (MSSP), a Gateway 1/2 Project Proposal for internal and external refurbishment works programme at the Middlesex Street Estate was submitted and approved in December 2014.

The programme comprises the following works:

- lift refurbishment £900,000
- electrical rewire (both landlord and tenant supplies) £800,000
- communal heating system replacement £1,900,000
- ventilation system replacement £250,000
- Internal and external redecorations £310,000. This progression of this project is covered later in this report.
- replacement balcony doors and adjacent glazing £610,000
- Concrete repairs £500,000. This project is already underway (estimated overall budget is £500,000 for testing and major repairs) and £250,000 budget has already been approved at Gateway 3 to cover the testing and immediate repairs element.

As envisaged, the works will be progressed as separate projects, working their way through the gateways as appropriate.

The project costs included above are estimates and are subject to change depending on the options chosen and actual tender costs. These will be firmed up on the individual project reports at the appropriate gateway stages.

The budget agreed at Gateway 1/2 is insufficient to cover the cost of surveys and staff time required to reach the next gateway for all of the schemes listed above. A reassessment of the likely costs, based on experience gained from similar projects, is set out below (as the concrete testing project has already been approved separately the budget costs are not included in the following breakdown):

**Budgets required to reach the next Gateways**

	<b>Surveys</b>	<b>Staff Costs</b>	<b>Total</b>
	£	£	£
<b>Budget approved at Gateway 1 / 2</b>	<b>10,000</b>	<b>1,000</b>	<b>11,000</b>
<b>Revised Budgets now requested:</b>			
Lift Refurbishment	5,000	1,000	6,000
Rewire	12,000	400	12,400
Heating & Ventilation	17,500	1,750	19,250
Redecorations	5,320	1,000	6,320
Doors and glazing	7,500	0	7,500
Concrete Repairs	0	0	0
<b>Total Revised Budgets</b>	<b>47,320</b>	<b>4,150</b>	<b>51,740</b>
<b>Increase in budget to reach next gateway</b>	<b>37,320</b>	<b>3,150</b>	<b>40,470</b>

The additional cost is anticipated to be funded as follows:

**Proposed Funding of Additional Costs**

Long Lessees	11,196	945	12,141
HRA Reserves	26,124	2,205	28,329
<b>Total</b>	<b>37,320</b>	<b>3,150</b>	<b>40,470</b>

Approval is therefore sought to the increased budgets required in order to progress the various schemes.

**Recommendations** in connection with the issues raised:

- Note that there will be separate Gateway 3/4 reports submitted for each project.
- Note that the options appraisal for each project may vary slightly to the original options appraisals outlined in the Gateway 1/2 report, as the original options may no longer be relevant.



- Approve revised budgets totalling £51,740, an increase of £40,470, as set out in the table above.

### **Gateway 3 / 4 Options Appraisal – Internal and External Redecorations**

#### **Progress to date including resources expended and any changes since previous gateway**

The internal and external redecoration works to which this option appraisal relates were originally included in the 'Project Proposal - internal and external refurbishment works programme at the Middlesex Street Estate', approved at Gateway 1/2 in December 2014.

The cost of survey of minor repairs and redecorations has amounted to £5,320, together with staff costs of £1,000.

#### **Overview of Options**

Option 1 – Undertaking works reactively. This is effectively a piecemeal approach and, from a financial perspective, is unlikely to demonstrate the best value for money due to the higher costs associated with reactive repairs. As there is a significant level of work required this option would not meet the expectations of residents who are anticipating a programme of works to bring the estate up to standard.

Option 2 – Planning an initial 5 year programme and procuring a contract to address the internal and external redecorations sequentially in accordance with highest priority. Based on the survey it was found that certain items in the communal areas were in widely divergent states of repair and decoration. Addressing these under a single contract would be far more cost efficient and less disruptive as a whole.

#### **Proposed way forward**

It is not recommended to undertake any further consideration of Option 1; therefore the options appraisal matrix below solely reflects exploration around option 2.

Option 2 offers the most appropriate approach. The redecoration and minor repairs works are usually carried out on a cycle of 10 years for internal redecoration works and 7 years for external. However, addressing these initially under a 5 year contract would address all of the items noted in the survey as well as providing an initial platform from which to plan the subsequent 7 and 10 year cyclical works programmes.

#### **Procurement approach**

The works will be advertised on the London Tenders Portal.

#### **Financial Implications**

<b>Description</b>	Option 2: 5 year programme
Works Costs	£268,000
Fees & Staff Costs	£42,000
<b>Total</b>	£310,000
<b>Funding Strategy</b>	The works will be funded from the Housing Revenue Account (HRA) which includes circa

	30% service charge recovery (approximately £93,000) from leaseholders for most works.
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### **Recommendations**

1. Approval to proceed with Option 2 – procurement of an initial 5 year programme
2. Note the estimated budget maximum of £310,000.

### **Options Appraisal Matrix**

See attached.

### **Background Report**

Gateway 1/2 Project Proposal – internal and external refurbishment works programme at the Middlesex Street Estate.

### **Appendices**

1. PT4 Procurement Report.

### **Contact**

<b>Report Author</b>	Jason Crawford, Asset Programme Manager
<b>Email Address</b>	Jason.Crawford@cityoflondon.gov.uk
<b>Telephone Number</b>	0207 332 3010

## Options Appraisal Matrix

	<b><i>Option 2 – 5 year programme</i></b>
<b>1. Brief description</b>	A five year programme will be scheduled which addresses all necessary minor repairs and redecoration in priority order in order to meet freeholder duties and maintain the building appropriately.
<b>2. Scope and exclusions</b>	Scope – the decorated surfaces of the interior and exterior of the Middlesex Street Estate. Including railings, painted concrete surfaces, internal corridors and stairwells. Exclusions – all other estates, currently undecorated surfaces.
<b><i>Project Planning</i></b>	
<b>3. Programme and key dates</b>	Procurement – Estimated to complete by end of October 2016. Gateway 5/contract letting – November 2016. Works – until 2021. Internal redecorations (including lift lobby area) to Petticoat Tower to commence in year 1 (early 2017) whilst the external concrete testing is underway. The remaining works to be undertaken in years 2 to 5 subject to the results of the concrete testing.
<b>4. Risk implications</b>	(1) Both approaches are low risk. Any specific on-site risks relating to the works will be assessed, and where possible, designed-out in the pre-works phase. (2) The outcome of the concrete testing and any subsequent repairs may have an impact on the start dates for the external redecoration works. Again, any specific on-site risks relating to the works will be assessed, and where possible, designed-out in the pre-works phase.
<b>5. Benefits and disbenefits</b>	<b>Benefits:</b> (1) Strong cost certainty. (2) Giving confidence to residents that works are scheduled and will take place.

	<p><b>Disbenefits:</b></p> <p>(1) Careful planning required to ensure the sequence is appropriately scheduled around other works on the estate.</p>
<p><b>6. Stakeholders and consultees</b></p>	<p>Members and Ward Members.</p> <p>Residents, including leaseholders via statutory Section 20 consultation. Consultation has already been carried out with all residents of the estate. A number of optional works – including decorating previously undecorated surfaces to improve appearance – were offered, however a majority of residents did not vote for the optional works, meaning only required works will proceed at this point.</p> <p>Departments of City Surveyor's, Comptroller and City Solicitor, Town Clerks and Chamberlain's (including City Procurement).</p>
<p><b>Resource Implications</b></p>	
<p><b>7. Total Estimated cost</b></p>	<p>£310,000</p>
<p><b>8. Funding strategy</b></p>	<p>Housing Revenue Account (HRA) including 30% (circa £93,000) recovery from long leaseholders.</p>
<p><b>9. Estimated capital value/return</b></p>	<p>N/A.</p>
<p><b>10. Ongoing revenue implications</b></p>	<p>Redecoration work is required on a cyclical basis; the standard cycle is 10 years for internal works and 7 years for external.</p>
<p><b>11. Investment appraisal</b></p>	<p>Programming and procuring an initial 5-year programme will offer a better value and cost certainty for these essential works and a starting platform from which to plan the 7 and 10 year cyclical programmes.</p>
<p><b>12. Affordability</b></p>	<p>The cost of these works has been factored into the Asset Management plan for the HRA Estates.</p>

<b>13. Legal implications</b>	Maintaining the assets in a compliant way discharges the City's regulatory and statutory obligations.
<b>14. Corporate property implications</b>	It is important that the City's assets remain in good, safe and statutory compliant condition. Therefore all necessary action should be taken to ensure that assets are kept as such throughout the assets' lifetime.
<b>15. Traffic implications</b>	The detail of the traffic plan for the works phase of the project will be agreed with the successful contractor.
<b>16. Sustainability and energy implications</b>	N/A.
<b>17. IS implications</b>	N/A.
<b>18. Equality Impact Assessment</b>	The proposed works will not have an impact on equality or protected characteristics. The delivery phase of the works will be carefully planned and implemented in conjunction with residents to ensure no adverse impacts.
<b>19. Recommendation</b>	Recommended
<b>20. Next Gateway</b>	Gateway 5 - Authority to Start Work

<b>21. Resource requirements to reach next Gateway</b>	<b>Item</b>	<b>Reason</b>	<b>Cost (£)</b>	<b>Funding Source</b>
	Staff Time	Scheduling, resident consultation procurement	£5,000	HRA (inc. proportional recovery from long leaseholders)
	Principal Designer	Required by regulations	£4,000	
	Specification	To prepare works schedule for tender	£5,000	

## PT4 - Committee Procurement Report

This document is to be used to identify the Procurement Strategy and Purchasing Routes associated with a project and only considers the option recommended on the associated Gateway report.

### Introduction

<b>Author:</b>	Michael Harrington		
<b>Project Title:</b>	Middlesex Street Estate Redecoration		
A 5 year programme on the basis of the recent survey of the estate. Procuring a contract to address the internal and external redecorations sequentially in accordance with highest priority.			
<b>Contract Duration:</b>	5 Year	<b>Contract Value:</b>	£310,000
<b>Stakeholder information</b>			
<b>Project Lead &amp; Contract Manager:</b> Jason Crawford	<b>Category Manager:</b> Michael Harrington	<b>Lead Department:</b> Community and Children's Services	
<b>Other Contact</b>		<b>Department</b>	

### Specification Overview

<b>Summary of the Specification:</b> A 5 year programme on the basis of the recent survey of the estate. Procuring a contract to address the internal and external redecorations sequentially in accordance with highest priority.
<b>Project Objectives:</b> To provide our tenants with the internal and external redecorations sequentially in accordance with highest priority.

### Customer Requirements

<b>Target completion date</b>		<b>Target Contract award date</b>	TBC
<b>Are there any time constraints which need to be taken into consideration?</b> Not at this present time.			

<b>Efficiencies Target with supporting information</b>
To ensure an efficient contractor is appointed to provide this service to the City's customers and act as ambassadors on our behalf. We are also using this contract to drive engagement with suppliers to ensure we engage with the local communities and drive the City's Corporate and Social Responsibilities.

### City of London Initiatives

<b>How will the Project meet the City of London's Obligation to</b>
<b>Adhere to the Corporation Social Responsibility:</b> We will positively promote the City's policy to the tendering parties to engage with the local communities.
<b>Take into account the London Living Wage (LLW):</b> We will.
<b>Consideration for Small to Medium Enterprises (SME):</b> This will be included within the Corporation Social Responsibility.
<b>Other:</b>

### Procurement Options

<b>Option 1: Below OJEU Tender</b>
<b>Advantages to this Option:</b> <ul style="list-style-type: none"> <li>Allows us to engage with the market as a whole.</li> <li>Allows the City to build the specification it requires and work to the timescales it requires.</li> <li>Allows us to engage with SME's as opposed to using a framework, which stereotypically have larger suppliers appointed to them.</li> </ul>
<b>Disadvantages to this Option:</b> <ul style="list-style-type: none"> <li>Will take longer to engage with the market.</li> </ul>

## APPENDIX 1

<ul style="list-style-type: none"><li>Tender may be seen as too much of a strain on resources for parties to participate.</li></ul>
<b>Please highlight any possible risks associated with this option:</b> <ul style="list-style-type: none"><li>No guarantee of the quality of responses returned.</li><li>Responses could possibly be over OJEU threshold.</li></ul>
<b>Option 2:</b> Appoint via a framework supplier
<b>Advantages to this Option:</b> <ul style="list-style-type: none"><li>Quicker engagement with the market.</li><li>Pre-vetted suppliers on the framework.</li></ul>
<b>Disadvantages to this Option:</b> <ul style="list-style-type: none"><li>Less engagement with SME's</li><li>Larger Suppliers will subcontract the work as opposed to having employees working directly on the project.</li></ul>
<b>Please highlight any possible risks associated with this option:</b> <ul style="list-style-type: none"><li>The quality of the service and works carried out could be lower than expected.</li></ul>

### Procurement Route Recommendation

<b>City Procurement team recommended option</b>
Option 1: Below OJEU Tender – The budgets have been well worked and the possibility of an increased budget would require further Committee approval.

### Sign Off

<b>Date of Report:</b>	24/03/2016
<b>Reviewed By:</b>	Jason Crawford
<b>Department:</b>	DCCS
<b>Reviewed By:</b>	Michael Harrington
<b>Department:</b>	Chamberlain's Department



<b>Committees:</b>		<b>Dates:</b>
Housing Management & Almshouses Sub Committee Projects Sub Committee		04/07/2016 29/06/2016
<b>Subject:</b> Lift refurbishment – Middlesex Street Estate	<b>Gateway 3/4 Options Appraisal</b>	<b>Public</b>
<b>Report of:</b> Director of Community & Children's Services		<b>For Decision</b>

### Summary

Project Status	Green
Time Line	Autumn 2016 – formalise specification December 2016 – commence procurement Summer 2017 – appoint contractor Autumn 2017 – commence works Autumn 2018 – complete works
Programme status	Pending Approval of Gateway 3/4 Options Appraisal
Estimated cost of works	£900,000 (as per Gateway 1/2)
Total estimated project budget	£1,012,500 (including fees and staff costs)
Expenditure to date	None

#### **Progress to Date**

The refurbishment of lifts at the Middlesex Street Estate (4 lifts at Petticoat Square, 2 in Petticoat Tower) were part of the package of works included in the five year asset management plan approved at Gateway 2 by Committee on 23<sup>rd</sup> February 2015. There are no changes to the project scope since the last Gateway and no expenditure has occurred.

#### **Overview of Options**

There is only one practicable option. The lifts at Middlesex Street have reached the end of their recommended life cycle and require full refurbishment. The requirement for refurbishment at this time has been confirmed by an independent lift consultant. Ongoing reactive maintenance beyond this point will become increasingly expensive and challenging as replacement parts move towards obsolescence.

#### **Proposed Way Forward**

To procure a consultant to formalise the specification for the lift refurbishment and then a contractor to complete the works.

### **Procurement Approach**

It is recommended that these works are advertised on the City of London's E-sourcing portal with Contractors invited to express an interest in the works by submitted a complete tender. The process would be managed by City Procurement.

### **Financial Implications**

<b>Description</b>	<b>Option 1: Refurbishment</b>
Works Costs	£900,000
Fees & Staff Costs	£112,500
<b>Total</b>	<b>£1,012,500</b>
<b>Funding Strategy</b>	
Source	Housing Revenue Account (HRA) with 31.9% recoverable from Leaseholders via Service Charges

### **Recommendations**

1. That Option 1 is approved for proceeding to Procurement and Gateway 5.
2. That the estimated budget of £1,012,500 is noted.
3. That a budget of £8,000 is approved to reach the next Gateway.

### **Options Appraisal Matrix**

See attached.

### **Appendices**

<b>Appendix 1</b>	PT 4
<b>Appendix 2</b>	Gateway 2 – Housing Asset Management Plan

### **Contact**

<b>Report Author</b>	David Downing
<b>Email Address</b>	david.downing@cityoflondon.gov.uk
<b>Telephone Number</b>	0207 332 1645

## Options Appraisal Matrix

	<b><i>Option 1</i></b>
<b>1. Brief description</b>	Refurbishment of the lifts including the replacement of the lift car and landing doors. Installation of features to modernise, improve safety, ease of use and compliance with accessibility requirements.
<b>2. Scope and exclusions</b>	Scope: All residential lifts at Middlesex Street Estate; 6 in total (4 located in Petticoat Square, 2 in Petticoat Tower). Exclusions: None.
<b><i>Project Planning</i></b>	
<b>3. Programme and key dates</b>	Autumn 2016 – formalise specification December 2016 – commence procurement Summer 2017 – appoint contractor Autumn 2017 – commence works Autumn 2018 – complete works
<b>4. Risk implications</b>	Low overall risk. <ul style="list-style-type: none"> <li>• Risk of lift failure prior to project.</li> <li>• Risk of reputational damage caused by failing to comply with modern access requirements.</li> </ul>
<b>5. Benefits and disbenefits</b>	Benefits <ul style="list-style-type: none"> <li>• Preservation of the City of London Corporation's assets.</li> </ul>

	<b><i>Option 1</i></b>
<b>6. Stakeholders and consultees</b>	<ul style="list-style-type: none"> <li>• Members and Ward Members.</li> <li>• Officers including City Surveyors, Chamberlain's, Housing and Neighbourhood Management and Town Clerk's.</li> <li>• Residents of the relevant properties.</li> </ul>
<b><i>Resource Implications</i></b>	
<b>7. Total Estimated cost</b>	£1,012,500
<b>8. Funding strategy</b>	The works will be funded from the Housing Revenue Account (HRA) with 31.9% recoverable via service charges from leaseholders.
<b>9. Estimated capital value/return</b>	None
<b>10. Ongoing revenue implications</b>	There will be no increase in future revenue implications. Following defects monitoring, the lift performance should improve and require lower spend on reactive repair. The maintenance arrangements will continue as previously.
<b>11. Investment appraisal</b>	Timely intervention and replacement of components at the identified end of their recommended life cycle reduces spend on reactive repairs and maintenance.
<b>12. Affordability</b>	These works are a necessary part of the rolling maintenance of the City of London Corporation's Housing stock. The works have been anticipated and budgeted for in the 5 and 30 year Asset Management Plans.

	<i>Option 1</i>
<b>13. Legal implications</b>	None
<b>14. Corporate property implications</b>	None
<b>15. Traffic implications</b>	None
<b>16. Sustainability and energy implications</b>	None
<b>17. IS implications</b>	None
<b>18. Equality Impact Assessment</b>	The proposed works will not have an impact on equality or protected characteristics. The delivery phase of the works will be carefully planned and implemented in conjunction with residents to ensure no adverse impacts.
<b>19. Recommendation</b>	Recommended
<b>20. Next Gateway</b>	Gateway 5 - Authority to Start Work

		<i>Option 1</i>		
<b>21. Resource requirements to reach next Gateway</b>	<b>Item</b>	<b>Reason</b>	<b>Cost (£)</b>	<b>Funding Source</b>
	Staff Costs	Undertaking tender process, completing the contract letting and pre-start processes.	£3,000	HRA
	Fees	Formalising specification, providing expert advice in tender review process.	£5,000	HRA

## PT4 - Committee Procurement Report

This document is to be used to identify the Procurement Strategy and Purchasing Routes associated with a project and only considers the option recommended on the associated Gateway report.

### Introduction

<b>Author:</b>	Michael Harrington		
<b>Project Title:</b>	Lift refurbishment – Middlesex Street Estate		
<b>Summary of Goods or Services to be sourced</b>			
Refurbishment of the lifts including the replacement of the lift car and landing doors. Installation of features to improve safety, ease of use and compliance with accessibility requirements.			
<b>Contract Duration:</b>	12 Months	<b>Contract Value:</b>	£900,000
<b>Stakeholder information</b>			
<b>Project Lead &amp; Contract Manager:</b>	<b>Category Manager:</b>	<b>Lead Department:</b>	
David Downing	Michael Harrington	DCCS - Housing	
<b>Other Contact</b>		<b>Department</b>	

### Specification Overview

<b>Summary of the Specification:</b>
Refurbishment of the lifts including the replacement of the lift car and landing doors. Installation of features to improve safety, ease of use and compliance with accessibility requirements.
<b>Project Objectives:</b> Please see description.

### Customer Requirements

<b>Target completion date</b>	31/10/2018	<b>Target Contract award date</b>	31/07/2017
<b>Are there any time constraints which need to be taken into consideration?</b>			
None			

<b>Efficiencies Target with supporting information</b>	

### City of London Initiatives

<b>How will the Project meet the City of London's Obligation to</b>
<b>Adhere to the Corporation Social Responsibility:</b>
No
<b>Take into account the London Living Wage (LLW):</b>
Yes
<b>Consideration for Small to Medium Enterprises (SME):</b>
Yes
<b>Other:</b>

### Procurement Route Options

Make v buy to be considered; also indicate any discarded or radical options

<b>Option 1: Below OJEU Tender</b>
<b>Advantages to this Option:</b>
<ul style="list-style-type: none"> <li>Allows us to engage with the market as a whole.</li> <li>Allows the City to build the specification it requires and work to the timescales it requires.</li> <li>Allows us to engage with SME's as opposed to using a framework, which stereotypically have larger suppliers appointed to them.</li> </ul>
<b>Disadvantages to this Option:</b>
<ul style="list-style-type: none"> <li>Will take longer to engage with the market.</li> <li>Tender may be seen as too much of a strain on resources for parties to participate.</li> </ul>

<p><b>Please highlight any possible risks associated with this option:</b></p> <ul style="list-style-type: none"> <li>• No guarantee of the quality of responses returned.</li> <li>• Responses could possibly be over OJEU threshold.</li> </ul>
<p><b>Option 2: Appoint via a framework supplier</b></p>
<p><b>Advantages to this Option:</b></p> <ul style="list-style-type: none"> <li>• Quicker engagement with the market.</li> <li>• Pre-vetted suppliers on the framework.</li> </ul>
<p><b>Disadvantages to this Option:</b></p> <ul style="list-style-type: none"> <li>• Less engagement with SME's</li> <li>• Larger Suppliers will subcontract the work as opposed to having employees working directly on the project.</li> <li>• Supplier could be appointed who has no specialist experience in lift works.</li> </ul>
<p><b>Please highlight any possible risks associated with this option:</b></p> <ul style="list-style-type: none"> <li>• The quality of the service and works carried out could be lower than expected.</li> </ul>

**Procurement Route Recommendation**

<p><b>City Procurement team recommended option</b></p>
<p>Option 1: Below OJEU Tender – The budgets have been well worked and the possibility of an increased budget would require further Committee approval.</p>

**Sign Off**

<b>Date of Report:</b>	09/05/2016
<b>Reviewed By:</b>	David Downing
<b>Department:</b>	DCCS – Housing
<b>Reviewed By:</b>	Michael Harrington
<b>Department:</b>	<b>Chamberlain's Department</b>



<b>Committee:</b>	<b>Date:</b>
Projects Sub Committee	23 February 2015
<b>Subject:</b> Gateway 2 Project Proposal: Housing Asset Management Plan	<b>Public</b>
<b>Report of:</b> Director of Community & Children's Services	<b>For Decision</b>

**Project Summary**

<p><b>1. Context</b></p>	<p>The City of London owns and manages 11 housing estates, two within the Square Mile:</p> <ul style="list-style-type: none"> <li>• Golden Lane Estate</li> <li>• Middlesex Street Estates</li> </ul> <p>and the other nine across neighbouring boroughs:</p> <ul style="list-style-type: none"> <li>• Windsor House, Hackney</li> <li>• Holloway Estate, Isleden House, York Way Estate, Islington</li> <li>• William Blake Estate, Lambeth</li> <li>• Sydenham Hill Estate, Lewisham</li> <li>• Avondale Square Estate, Southwark Estates, Southwark</li> <li>• Dron House, Tower Hamlets.</li> </ul> <p>There are 2,761 properties in total, of which 1,889 are lived in by our tenants and 872, which have been bought and are lived in by leaseholders or their tenants.</p> <p>Substantial capital investment over the past few years has delivered improvements to the internal elements of many of our tenanted properties, e.g. replacement kitchens and bathrooms, through the decent homes programme and other improvements such as lift refurbishment and new door entry systems on some estates.</p> <p>In December 2014 the Community &amp; Children's Services Committee approved the Housing Services Asset Management Strategy and 5-year Asset Management Plan.</p> <p>The priorities within the strategy are to:</p> <ol style="list-style-type: none"> <li>1. Increase the supply of Homes</li> <li>2. Complete the implementation of decent homes standards, to homes where this is not already in place and to enhance this</li> </ol>
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	<p>standard by developing a new City of London Housing Standard.</p> <p>3. Provide homes that are: secure, can be economically heated, are free from damp and can be adapted to accommodate changing needs.</p> <p>4. Deliver a new Letting Standard to all empty properties.</p> <p>5. Deliver value for money across capital investment, responsive repairs and the re-letting of empty properties</p>
<b>2. Brief description of programme</b>	<p>The Asset Management 5-year major works programme, which has been developed using recommendations from Health &amp; Safety Risk Assessments, Savills Stock Condition Survey and other surveys and feasibility studies, aims to deliver Priorities 2 and 3 of the Asset Management Strategy.</p> <p>Whilst not exhaustive, the programme of works will include a range of projects, such as replacement heating systems, installing double glazed windows, refurbishing or replacing door entry systems, lift refurbishments, major roof repairs or replacements and redecorations of common parts (internal and external).</p> <p>The Asset Management Plan has been developed in accordance with the Housing 30-year Business Plan.</p>
<b>3. Consequences if project not approved</b>	<p>The various estates that make up the City's Housing stock were built between the 1920's to 1970's. As such many are now showing signs of aging and deterioration. The major works projects are required to counter the negative affects of having an ageing stock, meet our statutory obligations under the Landlord and Tenants Act 1985 (and revisions) and modernise our properties to provide secure homes that can be economically heated, are free from damp and can be adapted to accommodate changing needs.</p>
<b>4. Success criteria</b>	To be defined within each individual project
<b>5. Notable exclusions</b>	To be defined within each individual project
<b>6. Governance arrangements</b>	<p><b>Spending Committee:</b> Community and Children's Services Committee</p> <p><b>Senior Responsible Officer:</b> Karen Tarbox</p> <p><b>Project Board:</b> Yes</p> <p>Housing Programme Board – Chaired by Director of Community &amp; Children's Services.</p>

**Prioritisation**

<b>7. Link to Strategic Aims</b>	3. To provide valued services to London and the nation
<b>8. Links to existing strategies, programmes and projects</b>	Housing Strategy Asset Management Strategy Asset Management Plan Decent Homes Programme
<b>9. Project category</b>	7a. Asset enhancement/improvement (capital)
<b>10. Project priority</b>	A. Essential

**Options Appraisal**

<b>11. Overview of options</b>	Not Applicable
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**Project Planning**

<b>12. Programme and key dates</b>	<b>Overall programme:</b> 5-years – see attached programme of works <b>Key dates:</b> to be confirmed within individual projects <b>Other works dates to coordinate:</b> Co-ordination of projects will be managed through the Housing Programme board and / or individual Project Boards.
<b>13. Risk implications</b>	<b>Overall project risk:</b> Green
<b>14. Stakeholders and consultees</b>	Community & Children's Services Committee Housing & Alms Houses Management Sub Committee Ward Members Resident Consultation on Asset Management Strategy and 5-year plan. Chamberlains City Surveyors

**Resource Implications**

<b>15. Total estimated cost</b>	3. £5m+ <b>Likely cost range:</b> Please refer to Appendix 2 Asset Management Plan for individual project cost estimates, where known.
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<b>16. Funding strategy</b>	Housing Revenue Account. Where applicable works will be proportionately recharged to LeaseHolders.
<b>17. On-going revenue implications</b>	In some areas the major works will reduce revenue repair and maintenance costs in the short and medium term, e.g. fewer boiler breakdowns, leaking / drafty windows, lift breakdowns etc.  New installations will attract appropriate life expectancy and warranties / guarantees.  Revenue maintenance costs will form part of the lifetime cost of the individual projects.
<b>18. Investment appraisal</b>	Not carried out
<b>19. Procurement strategy/Route to Market</b>	The Housing Service is working closely with City Procurement on each of the individual projects within the programme to ensure the most suitable procurement approach is applied.
<b>20. Legal implications</b>	Need to comply with statutory obligations under the Landlord and Tenants Act 1985 (and revisions).
<b>21. Corporate property implications</b>	The 5-year Major works programme is to ensure the maintenance and enhancement of the City Housing Assets.
<b>22. Traffic implications</b>	To be considered for each individual project or programme of works
<b>23. Sustainability and energy implications</b>	To be considered for each individual project or programme of works
<b>24. IS implications</b>	None expected
<b>25. Equality Impact Assessment</b>	An equality impact assessment will be undertaken for each individual project or programme of works as applicable.

### **Recommended Course of Action**

<b>26. Next steps</b>	Individual Projects will be submitted to the Project Sub Committee for consideration and approval
<b>27. Approval track and next Gateway</b>	<b>Approval track:</b> 1. Complex <b>Next Gateway:</b> Gateway 3 - Outline Options Appraisal (Complex)

	or as agreed for each individual project.
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**Appendices**

<b>Appendix 1</b>	Housing – Asset Management Strategy inc 5-Year Asset Management Plan (Appendix B)
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**Contact**

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<b>Committee</b>	<b>Date:</b>
Housing Management & Almshouses Sub Committee	4 July 2016
<b>Subject:</b> City of London Almshouses Trust Risk Register 2016	<b>Public</b>
<b>Report of:</b> Chamberlain Director of Community & Children’s Services	<b>For Decision</b>

## Summary

This report provides a risk register for The City of London Almshouses Trust charity, which is attached at Appendix 2, for your review.

## Recommendation

Members are asked to review the Register and confirm that:

- it satisfactorily sets out the risks faced by the charity;
- appropriate measures are in place to mitigate those risks.

## Main Report

### Background

1. In accordance with the Charity Commissioner’s recommended practice (SORP) Trustees are required to confirm in the charity’s annual report that any major risks to which the charity is exposed have been identified and reviewed and that systems are established to mitigate those risks.
2. The Charities SORP requires that risk registers are reviewed annually to ensure that existing risk are reconsidered and any new risks are identified.

### Current Position

3. The method of assessing risk reflects the City of London’s standard approach to risk assessment as set out in its Risk Management Strategy as approved by the Audit and Risk Management Committee. The section of the Strategy which explains how risks are assessed and scored is reproduced at Appendix 1 of this report.
4. Each risk in the register has been considered by the responsible officer within the Corporation who is referred to as the ‘Risk Owner’.

### Conclusion

5. The various risks faced by the charity have been reviewed and Members are asked to confirm that the attached register satisfactorily sets out the key risks

together with their potential impact and that appropriate measures are in place to mitigate the risks identified.

## **Appendices**

- Appendix 1 - City of London Risk Management Strategy
- Appendix 2 – City of London Almshouses Trust Risk Register 2016

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### City of London Corporation Risk Matrix (Black and white version)

Note: A risk score is calculated by assessing the risk in terms of likelihood and impact. By using the likelihood and impact criteria below (top left (A) and bottom right (B) respectively) it is possible to calculate a risk score. For example a risk assessed as Unlikely (2) and with an impact of Serious (2) can be plotted on the risk scoring grid, top right (C) to give an overall risk score of a green (4). Using the risk score definitions bottom right (D) below, a green risk is one that just requires actions to maintain that rating.

#### (A) Likelihood criteria

	Rare (1)	Unlikely (2)	Possible (3)	Likely (4)
Criteria	Less than 10%	10 – 40%	40 – 75%	More than 75%
Probability	Has happened rarely/never before	Unlikely to occur	Fairly likely to occur	More likely to occur than not
Time period	Unlikely to occur in a 10 year period	Likely to occur within a 10 year period	Likely to occur once within a one year period	Likely to occur once within three months
Numerical	Less than one chance in a hundred thousand (<10-5)	Less than one chance in ten thousand (<10-4)	Less than one chance in a thousand (<10-3)	Less than one chance in a hundred (<10-2)

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#### (B) Impact criteria

Impact title	Definitions
Minor (1)	<b>Service delivery/performance:</b> Minor impact on service, typically up to one day. <b>Financial:</b> financial loss up to 5% of budget. <b>Reputation:</b> Isolated service user/stakeholder complaints contained within business unit/division. <b>Legal/statutory:</b> Litigation claim or find less than £5000. <b>Safety/health:</b> Minor incident including injury to one or more individuals. <b>Objectives:</b> Failure to achieve team plan objectives.
Serious (2)	<b>Service delivery/performance:</b> Service disruption 2 to 5 days. <b>Financial:</b> Financial loss up to 10% of budget. <b>Reputation:</b> Adverse local media coverage/multiple service user/stakeholder complaints. <b>Legal/statutory:</b> Litigation claimable fine between £5000 and £50,000. <b>Safety/health:</b> Significant injury or illness causing short-term disability to one or more persons. <b>Objectives:</b> Failure to achieve one or more service plan objectives.
Major (4)	<b>Service delivery/performance:</b> Service disruption > 1 - 4 weeks. <b>Financial:</b> Financial loss up to 20% of budget. <b>Reputation:</b> Adverse national media coverage 1 to 3 days. <b>Legal/statutory:</b> Litigation claimable fine between £50,000 and £500,000. <b>Safety/health:</b> Major injury or illness/disease causing long-term disability to one or more people <b>Objectives:</b> Failure to achieve a strategic plan objective.
Extreme (8)	<b>Service delivery/performance:</b> Service disruption > 4 weeks. <b>Financial:</b> Financial loss up to 35% of budget. <b>Reputation:</b> National publicity more than three days. Possible resignation leading member or chief officer. <b>Legal/statutory:</b> Multiple civil or criminal suits. Litigation claim or find in excess of £500,000. <b>Safety/health:</b> Fatality or life-threatening illness/disease (e.g. mesothelioma) to one or more persons. <b>Objectives:</b> Failure to achieve a major corporate objective.

#### (C) Risk scoring grid

		Impact			
		Minor (1)	Serious (2)	Major (4)	Extreme (8)
Likelihood	X				
	Likely (4)	<b>4 Green</b>	<b>8 Amber</b>	<b>16 Red</b>	<b>32 Red</b>
	Possible (3)	<b>3 Green</b>	<b>6 Amber</b>	<b>12 Amber</b>	<b>24 Red</b>
	Unlikely (2)	<b>2 Green</b>	<b>4 Green</b>	<b>8 Amber</b>	<b>16 Red</b>
	Rare (1)	<b>1 Green</b>	<b>2 Green</b>	<b>4 Green</b>	<b>8 Amber</b>

#### (D) Risk score definitions

<b>RED</b>	Urgent action required to reduce rating
<b>AMBER</b>	Action required to maintain or reduce rating
<b>GREEN</b>	Action required to maintain rating

This is an extract from the City of London Corporate Risk Management Strategy, published in May 2014.

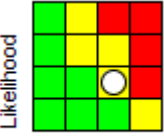
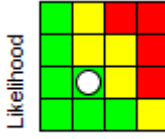
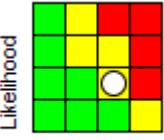
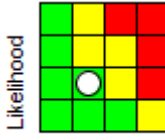
Contact the Corporate Risk Advisor for further information. Ext 1297

October 2015

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## Appendix 2 – Housing Management & Almshouses Sub-Committee Risk Register - Almshouses



Risk No. & Title	Risk Description (Cause, Event, Impact)	Risk Owner	Current Risk Rating & Score	Risk Update	Target Risk Rating & Score	Target Date	Risk Trend
003 Financial/ Operational Almshouses become unstable/unusable due to lack of maintenance	<b>Cause:</b> historic lack of planned maintenance <b>Event:</b> system/serious building component failure; <b>Effect:</b> significant unplanned increase in maintenance revenue costs.	Director of Community and Children's services	 Likelihood Impact	8 Planned maintenance and asset management plan now in place; includes works to communal areas and internal upgrades to homes; inspection regime in place to trigger responsive maintenance and targeting of financial resources if risk of system or component failure is identified. Two-year refurbishment programme agreed with Trustees and now being planned.	 Likelihood Impact	4 31-Mar-2017	↔
004 Health & Safety/Legal Accident/injury & litigation	<b>Cause:</b> inadequate assessment, management and mitigation of on-site fire, health and safety risk; trip hazard; falls; <b>Event :</b> accident, injury; illness <b>Effect:</b> personal loss, injury to employees, residents or visitors on-site; reputational risk; risk of litigation.	Director of Community and Children's services	 Likelihood Impact	8 Regular on-site risk assessments and inspections are carried out by City of London staff; Survey of all homes and surrounding site has been carried out and improvements to the road area have been made.	 Likelihood Impact	4 31-Mar-2017	↔

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