

<b>Committee</b>	<b>Dated:</b>
Housing Management and Almshouses Sub- Committee	16 May 2017
<b>Subject:</b> Mais House Decant Programme - Update	<b>Public</b>
<b>Report of:</b> Director of Community and Children's Services	<b>For Decision</b>
<b>Report author:</b> Paul Jackson – Department of Community and Children's Services	

### Summary

This report is in two parts. Part A provides an update for information on the decant programme currently underway at the Corporation's sheltered housing scheme at Mais House. Part B sets out situations in which some residents may be considered to be financially disadvantaged as a result of being rehoused under the decant programme and asks Members to decide whether additional payments may need to be offered by way of compensation.

#### **Part A - Update on the decant programme**

The decision to redevelop the sheltered housing scheme at Mais House was made by Members at a meeting of the Community and Children's Committee on 16 January 2016. The decanting of the scheme (ie the rehousing of all residents) began in May 2016. Part A of this report notes rehousing activity between December 2016 and April 2017 and the current status.

There were 52 occupied flats at Mais House at the start of the decant programme. Since the last report 13 units were vacated. The current number of occupied units is now 25.

#### **Part B - Residents financially disadvantaged by the decant programme.**

A Decant Policy, setting out the arrangements for financial compensation and other payments to residents of Mais House to ensure compliance with the Land Compensation Act 1972 was approved at a meeting of your Sub-committee on 25 April 2016.

Members considered the policy and the report, receiving clarification that all Mais House residents would be eligible to receive a statutory Home Loss payment. Members sought, and were given, assurance that residents would not be financially disadvantaged in the longer term. Officers stated that any further measures needed would be brought back to Members for approval at a later date.

### Recommendation

Members are asked to:

- note the update report in Part A of the main report;
- approve the recommendation in paragraph 22 of Part B of the main report.

## **Main Report**

### **Part A – Update on the decant programme**

#### **Background**

1. Mais House is a sheltered housing scheme located on the City's Sydenham Hill estate in Lewisham. In 2014, the Community & Children's Services Committee made a decision that the City's aspiration for the future would be to build 'Lifetime Homes' suitable for older residents, on all estates. Your committee identified Mais House as being the existing sheltered scheme which was in the worst condition and, due to its location, in low demand and therefore asked for Phase 2 of the Sheltered Housing review to look at options for Mais House.
2. In January 2016, your Committee received the Phase 2 report. This identified a number of issues, including the fact that there is an over-supply of sheltered housing in Lewisham. Members considered options and decided that Mais House would be closed and redeveloped as general needs housing. This decision required officers to commence a decant programme for Mais House, working with residents to identify suitable new homes and to support them through a move.
3. A major programme of work and support was put into place, with residents given intensive support to identify their needs and wishes, every effort being made to find homes to meet those, and a generous package of compensation and expenses being provided. The decanting of Mais House began in May 2016. It was agreed to bring regular progress reports on the decant programme to the Housing Management and Almshouses Sub- Committee. This is the fifth report and reflects activity between December 2016 and April 2017.
4. A majority of residents have expressed a preference for the City to continue as their landlord, and to be rehoused within our social rented stock, either in sheltered or general needs accommodation. It has largely been possible to rehouse these residents. Other residents wish to be rehoused in areas in which we do not have any social rented housing. This will require the cooperation of other housing providers in the social rented and charitable sector if we are to meet these requirements.
5. Officers have established reciprocal rehousing agreements with LB Lewisham and the LB Greenwich to try to meet some of the demand and have also rehoused some residents with a housing association. Officers have also held exploratory discussions with a large charitable provider of a newly-developed scheme at St Clement Heights in Sydenham. Although the City has no nomination or reciprocal agreements with this provider officers have written to all residents offering assistance should they wish to register an interest in it.

## Current Position – rehousing activity in this period and cumulative totals

6. There are 62 units at Mais house. Thirty-eight were occupied at the end of the last reporting period (November 2016). Since then 13 more properties have been vacated. A summary of the total number of vacated units and occupancy levels at end of April 2017 is shown in the table below.

Occupied units at start of programme - May 2016	Total number of vacated units at the end of Nov 2016	Occupied units at the end of April 2017
52	27	25

7. Rehousing activity has been greater than usual in recent months. This is due to several factors:
- a higher than average number of vacancies at the City's other sheltered schemes;
  - newly developed properties at the Avondale estate becoming available;
  - the rehousing of some tenants through other social housing providers.
8. This rate of movement is not expected to be sustained. Most residents wishing to stay in City properties have now been accommodated, and we will need to find homes through other landlords for the other residents. The rate at which properties become vacant at Mais House is therefore expected to slow through the remainder of 2017.
9. We are extremely pleased to report that feedback from residents who have moved has been very positive. A number of residents have told us that they are pleased with the level of support provided, and that they are happy in their new homes. One former Mais House resident recently spoke at the Residents' Celebration day, saying that she had dreaded the move, but was now delighted with her new home and estate.

## **Part B - Financial compensation for Mais House residents under the decant scheme**

### **Background**

10. The Land Compensation Act 1973 provides for compensation and other financial assistance to be paid to residents as a result of being required to leave their accommodation. These payments have a fixed purpose and definition: home loss payments are made by way of compensation for the loss of home and associated inconvenience; disturbance payments are made to meet the reasonable costs incurred in moving. A decant policy for Mais House setting out the Corporation's arrangements to comply with these statutory requirements was adopted by your Sub-committee in April 2016. The amount of statutory home loss payment payable currently stands at £5,800.
11. At that meeting Members sought, and were given, assurance that no resident would be financially disadvantaged in the longer term as a result of having to move. Officers stated that any further measures needed would be brought back to Members for approval at a later date. Since that time a number of residents have sought clarification about this assurance with regard to the accommodation charges they are, or will be, required to pay at their new home.
12. It is not possible to forecast the precise financial impact of moving into a higher-rent property or a property in another local authority area where council tax may be higher prior to moving. Residents have to make fresh claims and declarations of income and savings to the local authority in respect of housing and council tax benefit at the point at which they move. Eligibility for these benefits can vary dependent not only on income and savings but also on the composition of the accommodation charge for the new property and local rules for calculating council tax.
13. Residents who receive full housing benefit are unlikely to be worse off as a result of moving, as their benefits will increase to cover all increased costs. Those in receipt of partial housing benefit may have to pay more in council tax if their new borough charges more. Residents who do not receive housing benefit but are 'self-funders' may find that they do have to pay an increase in accommodation charges and council tax.

### **Current position**

14. The majority of Mais House residents were in receipt of full or partial housing benefit. To date we are not aware of any resident in this category who has been financially disadvantaged in any way by the move.
15. Thirteen residents at Mais House were not in receipt of housing benefit. Nine of these have now been rehoused in City properties and six have incurred increased accommodation charges of between £3 to £12 per week. For the four remaining residents it is likely that accommodation will have to be sought through other social housing providers. If so, the increase in overall weekly charge for these residents is likely to be higher than those noted above. One resident

recently refused a suitable offer from a social housing provider, which he would have otherwise been likely to accept, on account of a weekly charge around £40 more than he is currently paying. This outcome is likely to recur if there are similar differences in accommodation charges from other providers.

16. Given that the City is working with residents to try to achieve mutually satisfactory housing solutions for Mais House residents as far as possible on a voluntary basis, we would not enforce acceptance of such offers for these residents. The potential for rehousing some of our residents through these providers would therefore be lost. Ultimately, this could mean that those residents have to accept a City property, regardless of their own wishes.

17. Members are asked to consider the following to address the situation noted above.

### Options

18. In view of the assurance sought by Members, it is considered appropriate at this stage to make some provision for self-funding residents who are faced with increases in their overall weekly accommodation charges from their own finances. Officers have analysed the position and believe there are two options.

19. Option 1 - It is proposed that the City meet the full difference of any increase in accommodation charge incurred as a result of a move from Mais house for the full length of the tenancy. For the six residents already rehoused this will cost a total of approximately £2,800 a year. If the remaining four residents were also to be rehoused in similar City property with similar accommodation charges it is estimated that the overall annual cost of this option would total approximately £5,500 per year. However this option would require residents to move into City properties only, regardless of their preference.

20. Option2 - Alternatively, Members may wish to enable the remaining four residents to have the option of rehousing with other providers which better meets their preferences by providing financial assistance to meet any higher rents or charges irrespective of their landlord. The table below shows the estimated total annual cost of a range of possible cash payments up to a maximum of £40 per week including the rebates proposed for those residents who have already moved.

Amount of extra payment per week	Max annual total (4 residents)	Rebates for residents already moved	Total annual cost
£20	£4,160	£2,800	£6,960
£30	£6,240	£2,800	£9,040
£40	£8,320	£2,800	£11,120

This option would broaden the potential supply of suitable housing likely to meet the area preferences of remaining residents and be more likely to avoid the necessity of enforcing offers of suitable accommodation in the event of refusal.

21. For either option the ongoing costs would be borne by the HRA, offset by the increase in rental revenue from additional, newly developed homes on the site of Mais House. For City tenants, rebates in charges would be applied through credits to their rent account. For those residents accepting tenancies with other social providers, provision would be made through quarterly cash payments in arrears direct to the resident. Proof of rent and continued occupation would be required on a regular basis.

### **Recommendation**

22. Members are recommended to approve Option 2 and give officers delegated authority to offer financial assistance to residents receiving offers of accommodation from other providers, up to a maximum of £40 per week, where charges for that accommodation exceed current charges at Mais House.

### **Corporate & Strategic Implications**

23. 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.*

24. 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.

### **Appendix**

Decant Policy for Social Housing Secure Tenants

### **Background Papers**

Decant Policy – Sheltered Housing Review Part 2.

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