Overview and Scrutiny Committee
10 December 2009

Clapham Park Homes Update

Wards Affected: Thornton, Clapham Common, Streatham Hill

Report authorised by: Dorian Leatham, Interim Executive Director HRE

Executive summary

At the Overview and Scrutiny Committee meeting on 23 July, it was requested that a report be presented to the next meeting on Clapham Park Homes. This paper has particular emphasis on community engagement and the impact of the credit crunch as requested. Owen Thompson, Chief Executive of Clapham Park Homes is to attend the Committee meeting to answer any questions directly.

Summary of financial implications

The main areas of financial focus relate to the assumptions included in the business plan. These are sensitive to the general economic climate felt nationally and to local housing market considerations. Clapham Park Homes are mindful of these sensitivities and have procedures in place to ensure that the latest information is reflected in the business plan and tested regularly with partners.

Recommendations

(1) That the report is noted

Consultation

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Report history

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Report author and contact for queries:
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Background documents

1. CPH Monitoring Framework

Appendices
None
Clapham Park Homes Update

1. Background

1.1. The Clapham Park Stock Transfer took place on 26\textsuperscript{th} June 2006. Lambeth Council transferred 1968 dwellings to Clapham Park Homes (CPH), a Registered Social Landlord set up within the Metropolitan Housing Partnership group especially for the stock transfer.

1.2. Under the Transfer Agreement the Council has the right to demand information relating to the performance of the Business Plan in year 4 following the transfer and request that changes be made. In addition to this, CPH produce an annual review Board Report which the Council reviews along with progress against the Business Plan, the original offers to residents and taking on board emerging matters from Councillors and resident representatives.

1.3. The three year review took place in September 2009. CPH's full four year review will take place in summer 2010.

2. Current Status

2.1. The Board Report was circulated to key stakeholders for comment and these were addressed in the annual review with CPH along with matters raised by local Councillors and resident representatives.

2.2. Ahead of the annual review in September 2009, officers met with Councillors and residents to ensure that their concerns were picked up in the review. Headline issues were rent increases, resident participation, communications around changing timelines for the building works and delivery of the promises in the offer document during a recession.

2.3. Rent

2.3.1. The rent is set to increase by the following formula:

\[ \text{RPI} + 0.5\% + £2 \]

Annually until the target rent is reached. In September, the RPI was -2\% so some tenants will have seen some reduction to their rent. This reduction in rental income has been built into CPH's business plan. However the final rental determination that will support rent setting for 2010/11 is not yet available and will impact on this decision.

2.3.2. New tenants to CPH will pay the target rent, transfer tenants will start by paying the same rent they were paying in their previous home or an equivalent pre transfer home and move to the target rent through the use of the above formula.

2.4. Resident Participation

2.4.1. CPH recognise that the role of a housing association shouldn't simply be limited to traditional housing management related services, but also that they can play an important role as a 'community anchor'.

2.4.2. Consultation activities as well as work undertaken by the Clapham Park Project (CPP) also highlighted the acute challenges facing the area particularly linked to socio-economic indicators.

2.4.3. Following the stock transfer, CPH and CPP jointly delivered the Construction Scheme which identified 12 local residents who were placed on a college course with Lambeth College with the intention of subsequently being employed with contractors working on the Master Plan. Unfortunately, due to higher than anticipated drop-out rates, only three of these individuals successfully completed the necessary training and are now currently employed with the contractors.

2.4.4. In 2008, CPH also completed the delivery of the DISPELS project (Disabled People Engaged in Learning through Sport) in partnership with Lambeth College and other training providers. This project targeted people with disabilities across Lambeth to access basic skills and football coaching training. Outcomes from this project included:

- 22 qualifications in Level 2 Certificate in Teaching and Fitness Exercises
- 19 certificate in coaching
- 22 skills for life
- 27 into work placement or employment

2.4.5. CPH successfully secured the European Social Fund (ESF) funded project – Lambeth Construction Training, with 50% match funding by CPH, to deliver a two year employment and training project. The project started in Q1 2009/10. The focus of this Lambeth wide project will be linked, but not exclusively, to the construction sector.

2.4.6. The project has brought together a number of Lambeth-based partners to support the delivery of this project including: Building Partnerships, Hightrees Community Development Trust (based in St. Martins), Lambeth College, and MHT. In addition, CPH is working closely with our contractor partners including Rydens, Wates, Inspace and Durkan to identify and secure employment/trainee opportunities for residents. Rydens and Durkans have committed to offering 6 apprenticeship positions to project participants.

2.4.7. The project aims to support 110 Lambeth residents over the next two years in order to deliver the following outcomes:

- 32 participants achieving a qualification at NVQ Level 1 (or equivalent)
- 16 participants achieving a qualification at NVQ Level 2 (or equivalent)
- 36 participants in employment on leaving the project
- 20 participants in employment 6 months after leaving project
- 20 participants into further job search and training
2.4.8. To date, the project has achieved the following outcomes:

- 34 participants enrolled into the project and provided with information, advice and guidance on employment and training opportunities
- 4 participants have secured employment, with a further 6 through Building Partnerships
- 4 participants into further training (NVQ Level 3)
- MHT has negotiated 5 trainee opportunities with its construction contractor for LCT project participants to access.

2.4.9. In October 2009, CPH has submitted a Future Jobs Fund bid in partnership with Lambeth Council. If successful, this will result in the creation of 5 trainee positions within CPH covering areas including housing, lettings, surveying, customer services and volunteering.

2.4.10. CPH has also submitted a proposal to CPP to jointly fund the CPH Block Champions project. This project proposes to recruit and train 45 volunteer residents over 3 years to act as Block Champions on the Clapham Park estates. It is hoped that the training and support during given to this residents, the majority of whom are likely to be inactive in the labour market, will help equip them with valuable skills which will enhance their CV and act as a important stepping stone to engaging in the labour market in future.

2.4.11. As CPH’s ten-year Master Plan programme matures, there will be employment opportunities arising particularly in the construction sector. CPH will continue to work closely with contractor partners to identify and promote these opportunities to residents.

2.5. Communications

2.5.1. Communications were a clear concern of both residents and Councillors. Residents had received conflicting information in the form of letters and advice from staff.

2.5.2. The Council and CPH are due to meet again on 1st December to review regeneration priorities for the site in light of the financial constraints. Annually CPH writes to all its residents, in providing each of them with a personal and specific update to the programme. Additionally, CPH produces regular newsletters (3 times a year), website updates, block posters and provides resident consultation meetings in keeping residents abreast of changes to the programme. This will also include reasons for the changes, explaining that in a different economic climate to that seen at the date of transfer, difficult decisions need to be made. It will also set out where residents have had the opportunity to feed into these decisions through consultation.

2.5.3. The Council received numerous queries from individual residents and CPH have agreed to answer these directly.

2.6. Performance as of September 2009
2.6.1. A breakdown of CPH’s performance can be seen in Appendix 1. Eight indicators were assessed as being at high risk including: BME overall satisfaction, overall satisfaction with repairs, BME satisfaction with the repairs service, percentage of post inspections undertaken, current tenant rent arrears as a percentage of rent debit, former tenant rent arrears as a percentage of rent debit, percentage of voids available to let and the turnaround times for open market rental voids (AST). However, the number of ASB cases has remained low, having halved with the introduction of a new management procedure.

2.6.2. Other notable improvements include complaints handling, call handling, responding to repairs in time, the collection of purchased and leaseholder arrears and the management of its commercial properties. Lift availability remains excellent.

2.6.3. Since transfer, the percentage of non decent homes has decreased from 92% to 69%. CPH are on target to deliver decent homes by June 2014.

3. Emerging Issues Affecting Delivery of Business Plan

3.1. Current market conditions have resulted in restraints on the availability of loans for a wide range of purposes, but this has particularly hit mortgage lending to investors and lending to purchasers of new homes with limited equity to invest.

3.2. The Clapham Park business plan is based on the private sale of 1,407 homes, which in the latest approved plan generates gift aid of £178 million to subsidise the regeneration of the estate. The delivery of the business plan is very sensitive to changing property prices and the timing of sales. If this is a slight decline after which the market stabilises, with values and activity returning to assumed levels, then the current effects of the property market can be accommodated in the existing plan.

3.3. The initial phase of the programmed was supposed to deliver dwellings for private sale. However, due to changes in the economic environment since the transfer and the constraints placed on CPH by their funders, this phase has been converted in to 100% social rented units and in the process has drawn down £13.7m of Social Housing Grant from HCA. The objective to deliver a mixed housing scheme remains and future phases will still include the delivery of private units.

3.4. CPH have applied for Kickstart 2 funding to enable the delivery of phase 2 of the Master Plan. The condition of this funding needs to include a proportion of private dwellings for sale. This bid is for £7.4m of grant to support a range of tenures that include affordable / intermediate rent and Homebuy Direct as well as £2.14m of loan finance to develop housing for outright sale. A decision is expected by the end of November 2009.

3.5. During the review, CPH raised concerns around delivering some aspects of the transfer agreement, particularly in relation to the S106 obligations supporting the development of new community facilities. In a much more buoyant market these are largely funded through private for sale units. Obviously market conditions have changed significantly and this has a material financial impact on both the timing and the size of cash flows received from the sale of property, which could
impact on the ability to meet some of the original promises. A meeting is planned with the Council and CPH in December to resolve these issues

4. Community Engagement

4.1 CPH was awarded the TPAS Resident Involvement Accreditation in May 2009. This process as helped further develop the organisation’s revised Resident Involvement and Consultation Strategy which was published in October 2009. The strategy sets out CPH’s commitment to placing residents at the heart of its decision-making. Residents will be provided with greater choice and influence over their homes, services and the environment in which they live. The key objectives of this approach to community engagement are to:

- Obtain resident feedback to support service improvements
- Provide training and support for involvement
- Enable residents to play a part in decision making
- Ensure that CPH is accountable to residents for its decisions
- Ensure that the wider needs of CPH residents are addressed as part of the engagement process

4.2 CPH delivers neighbourhood wide consultation to residents on the estate. In response to the resident consultation CPH community engagement activities offers the following:

- More targeted consultations – working with on a block by block basis
- Increased frequency of Community Forums (from 3 to 6 a year)
- Working with focus groups (on specific themes)
- Improving resident input into identifying new ways of involvement. This included 32 separate events and 3 telephone surveys
- The introduction of a consultation framework which strengthens the link between resident’s priorities and corporate service priorities and improvements.

4.3 CPH’s Area Based Consultation events, geographical targets specific parts of the estate which is divided into East, West and South. The purpose is to update residents and consult on the implementation and progress of the new build and refurbishment programmes, as well as the delivery of housing management services. The key is to ensure that those issues that are relevant to the different parts of the estate are dealt with as part of the engagement process. This approach has resulted in 106 residents attending 3 events held over last 6 weeks. It also gives an opportunity for CPH to update other key stakeholders such as the local councillors.

4.4 Clapham Park Homes Residents Panel & TRA’s & Other Involvement Mechanisms
4.4.1 The Clapham Park Homes Residents Panel and TRA’s form in integral of CPH’s wider involvement structures. As a consultative forum, the Residents Panel continues to feed into the development of policy and service improvements making recommendations to the CPH Board. The TRA’s are also consulted on service improvement issues by staff members attending meetings to update and receive feedback.

4.4.2 CPH offers various opportunities for involvement for residents, including working with hard to reach groups, such as the Spanish & Portuguese communities and residents with disabilities. We are about to establish a Disability group which aims to improve access to services.

5. Results of consultation

5.1 Between April – October 2009 CPHs has involved 957 individual residents through their involvement structures. This was achieved by hosting 32 separate events and 3 telephone surveys. This approach has enabled us to:

- Identifying new ways for residents to be involved, examples of this include;
  - Organising cultural events – films from different parts of the world – for people with ESOL
  - Supporting residents to be Good Neighbour’s
  - Sports Days – this could involve adults and children from right across the estate
  - Parents and children – Pamper days
  - Developing our recycling project for the elderly
  - Wider resident involvement in contractors tendering process/ setting standards
  - More You Said – we did feedback
  - Provide PC (computer) in CPH reception area for residents to use for booking appointments etc
  - Undertake further consultation with residents from the K Zone - to discuss how to approach the redevelopment of Lycett, Lafone and Lucraft.
  - Smoothing the impact of the refurbishment programme on leaseholders at Tilson
  - Developing a Community Contract to address issues such as residents behaviour and dealing with ASB
• To build on lesson to be learnt from the residents decanted from Rigg, Picton and Whitley to inform the future programme
• To review the potential of developing interim review meetings with residents as part of the Refurbishment Programme

5.2 CPH undertakes telephone surveys of residents on a quarterly basis. The September telephone survey indicated an increase in the percentage of residents who felt that their views are being taken into account, which rose from 46% in March 09 to 55%, in September 09. Our Business Plan and Business Plan Summary (page 5) provides a comprehensive list of satisfaction levels compared to benchmark groups at December 2008/09 (this is on the website) Further surveys in 2009 have also confirmed repairs satisfaction has increased.

5.3 Tenant spaces on the board are not pre-designated to any specific area and as such, any resident on the estate is eligible to put themselves forward for membership. CPH Board meets once every two months, meeting are open to observers by appointment and agreement, further the association board minutes are publicly available on request.

5.4 CPH has in place a TRA policy framework which supports the establishment of associations on the estate. CPH offers grant support together with access to community facilities for meetings. This is widely promoted to the residents. There are at present limited levels of TRA activity currently operating on the estate, which CPH report as being a consequence to the numerous other forms of engagement activity available to local residents. Through the wider involvement structures residents are not only able to take a global view of issues affecting their estate but raise issues specifically affecting their blocks with the organisation through the different channels of involvement outlined above.

5.5 The Leaseholders Forum meetings have increased to taking place 4 times a year as opposed to twice a year. These meetings are very well attended and provide an opportunity to update residents on the master plan, service charges and estate services. Over the last year CPH has responded to leaseholders issues ranging from reviewing payment options for refurbishment works extending the interest free period from 2 to 3 years, to preparing quarterly repair breakdowns so that leaseholders can query or challenge repairs throughout the year instead of waiting for your service charge bill.

5.6 A CPH Community Festival has been organised, which this year was delivered in partnership with Mears and Clapham Park Project. Based on the estate, the festival enabled the organisations to exchange information about service delivery as well as consult on a number of areas. One on the key successes of the Festival was the opportunity to recruit resident Board Members for CPH and other governance structures across the MHP Partnership. CPH was also able to promote the Block Champions programme which resulted in several residents signing up. Positive outcomes of this event included the appointment of a local resident to the CPH Board, and one to the MHT Quality and Accountability Committee, and residents signing up for Mystery Shoppers Training.

5.7 Work continues to develop community based programmes to improve the quality of life for residents on the estate. A key part of this is the identification of funding
to support these activities and to identify best practice. This includes:

5.7.1 Grundtvig Programme: Sports as a Means of Motivation: This project is a partnership between CPH (UK) Denmark and Turkey. The programme aims to identify best practice in the skills necessary to motivate young people – through the medium of sports. A project team took place in the UK in June 09 which enabled the partnership to familiarise itself with the different approach adopted by CPH through partnership working in addressing issues affecting young people on the estate. A number of key partners in the Borough were able to support this objective, which included:

- Lillyan Baylis Sports Centre & Community Hub
- Lambeth’s Sports Action Zone & London Active Communities
- High Trees Community Development Trust
- Clapham Park Project
- Youth Forum
- Ebony Horse Club
- Metropolitan Housing Partnerships

The project requires that each partner needs be aware of the different approach adopted by each member state, using this information to learn from best practice. The process enables partners to identify any future partnership working. Early indications suggest that there is the potential to develop a Youth Exchange programme which will enable young people to gain personal development skill and training opportunities.

5.7.2 Lambeth Construction Training (LCT) Project: This project is a partnership between the London Borough of Lambeth, CPH Contractors and a range of service providers. The LCT project has been slightly delayed in order to respond to a number of queries, clarifications and requested changes to the original tender by the funder before the contract can be issued. These are in the final stages of being addressed and expect the contract to be issued soon. To date 32 people have signed up to this project.

5.7.3 CPH Block Champions: This project will see the recruitment of up to 40 volunteers over the next 3 years who will provide a range of services to engage with local residents and support service improvements in CPH. The Block Champion appraisal was submitted to CPP in order to secure a contribution of £9k which was approved. The funding will be used to support accredited training that will be delivered to 9 Block Champions.

5.7.4 Closer Neighbours Programme: This project is a partnership between CPH, MHT and Birmingham University Centre for Urban and Regional Studies. The purpose of this programme is to identify what are the drivers and behaviours, which enables Housing Associations to have, an effective neighbourhood focus. This type of project supports CPH approach to benchmarking and identifying best practice. To date several workshops have taken place which were designed to discuss the results of a self-assessment that was done by all the HA's involved in the research. Comparisons are being made between housing associations in the
UK and Holland. The UK housing associations includes, Clapham Park Homes, Maidstone Housing Trust, Trafford Housing Trust and Yorkshire Housing Group.

6. Comments from Finance and Resources

6.1. The main areas of financial impact detailed within this report relate to the target rent setting for CPH residents and the financial delivery of the current business plan.

6.2. The report notes that target rent will be determined by RPI + 0.5% + £2, based on September RPI figures. This is the standard formula used to generate the target rent for an area and recognises that most residents within the CPH area are below current target rent. It is worth noting that the Subsidy Determination that confirms this approach has not yet been released by central government therefore the final formula and confirmation of the RPI to be used has not yet been confirmed. This is expected before the end of 2009.

6.3. The approach detailed in this report regarding rents and the assumptions built into the business model are therefore prudent but may need to be adjusted following the actual Determination.

6.4. The financial implications of the overall delivery plan for Clapham Park Homes are subject to considerable sensitivity to market conditions. The recent downturn in the housing market across Clapham and the overall restrictions in the level of funding available across the commercial sector given the recent performance of the economy have been built into the overall business plan. This has been tested against private sector assumptions and the current modelling appears robust. This will always be dependent on actual market conditions and Clapham Park Home has procedures in place to ensure that these are tested regularly and are still valid.

7. Comments from Legal and Democratic Services

7.1. Planning obligations can not be modified or discharge except by agreement by a deed under seal or in accordance with the provisions of s10B of the Town and Country Planning Act 1990. A person against whom a planning obligation is enforceable may make an application to have the obligations modified or discharged after a period of 5 years from the date the obligation was entered into.

7.2. Where a planning authority fails to make a determination on an application for modification or discharge within the prescribed period, or there is a determination that the obligation shall continue unmodified, the applicant can appeal to the Secretary of State.

8. Results of consultation

8.1. Ahead of the review in September, the Council met with ward Councillors and residents to ensure the review included their priorities. Key issues raised were:

• Responding to queries and complaints
• Lack of information on progress of works and reasons for time frame changes.

• Recognition of resident associations and involvement with them including a fair representation from both sides of the estate

• Tree Preservation Orders and new planting

• Schedule of works including revised dates for decants

• Consider a review of parking at Poynders Road / Clarence Avenue

• Where are CPH Board papers published?

• Door step recycling has been stopped.

• The effect of a reduction in private sales from 1471 to 1051 on the CPH business plan.

9. **Organisational implications:**

9.1. None

10. **Risk management:**

10.1. None

11. **Equalities impact assessment:**

11.1. None

12. **Community safety implications**

12.1. None

13. **Environmental implication**

13.1. The Tree Preservation Order that was made covers all of the trees within the Clapham Park Master Plan site.

13.2. Prior to the Order being made and as part of the original Outline permission, a full and comprehensive Tree Survey was undertaken by a firm of Chartered Arboriculturalists. The Survey identified those trees over the site that are of most important visual amenity and which should be retained as part of the Clapham Park development.

13.3. The Reserved Matter applications that are now being received all contain specific information relating to the retention of trees in the relevant precinct and measures that are to be taken by the developer to protect during the construction phase that CPH have to adhere to.

13.4. The Survey that was carried out has helped to inform the lay out and design to a certain extent, however, given the amount of open space and trees over the site and required level of new housing not every high quality tree can be retained.
New services and the internal road networks in particular have meant that groups of trees have required removal.

13.5. When the application was heard at the Planning Committee, great emphasis was put on new planting to soften the new housing. The soft landscape proposals submitted so far have been comprehensive and have been designed to provide visual benefits and bio diversity value to the site as a whole.

14. **Staffing and accommodation implications:**

14.1 None

15. **Any other implications:**

15.1 None

16. **Timetable for implementation**

16.1 N/A
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