

Circle Housing: Questions on Repairs and Regeneration Sustainable Communities Overview and Scrutiny Panel London Borough of Merton

Regeneration Projects

- 1. If, after the merger, the financial market were to take a downturn for any reason, what guarantees will the new combined Group give on minimising the length of time during which the regeneration projects are suspended and will Circle state what the maximum timescale for the three regeneration projects will actually be?**

The project's Business Plan performs best if the works are completed promptly and without delay. The main source of any potential delay is likely to be housing market downturn or other external economic changes. Any delay would depend on the nature and magnitude of the market change but the phasing plans for all three neighbourhoods are designed to rehouse existing residents first wherever possible.

The Circle Housing business plan makes allowance for market fluctuation and we understand that we will be working on regeneration for at least one housing market cycle.

Our current programme assumes that the proposed regeneration would be complete by the end of 2027.

- 2. Initial planning applications have been submitted for some small subplots of land on the regeneration estates. What is the timeline for development of the main bulk of the land?**

It has been agreed with the Council that for the full regeneration project to be delivered changes would need to be made to the Local Plan. As a result LBM have been developing the Merton Estates Plan, with a view to putting this to the Planning Inspectorate in the New Year.

We are submitting outline planning applications to the Council in December 2016. However if these applications are successful, they can only be acted upon after the Council have agreed to these changes to the Local Plan.

If our planning applications are successful we anticipate regeneration would be complete by the end of 2027.

- 3. How does Circle and its successor organisation expect residents to have confidence that they can successfully regenerate the three estates (High Path, Eastfields and Ravensbury) when the organisation often appears to struggle to deal with basic repairs and maintenance complaints?**

One of the main drivers behind regeneration is to replace poor quality social rented homes with new, modern, energy efficient homes which will provide high quality accommodation for decades to come.

4. Can Circle guarantee that under each phase of the proposed regeneration 40% of housing stock will be affordable?

Circle is proposing to replace all of the existing affordable housing as well as offering a Replacement Home Option for all qualifying homeowners in line with the Residents Offer published in May 2015. At the same time we will address the overcrowding issues which are particularly severe on Eastfields and High Path.

We plan to build homes for existing residents as quickly as possible. This means that in the early phases all or most of the homes will be existing CHMP tenants or resident homeowners who have accepted a Replacement Home. For example all 21 homes in Ravensbury Phase 1 and all 134 homes in High Path phase 1 will be offered to residents already living in those neighbourhoods – none are for sale. If we were to build only 40% affordable housing in the early phases it would mean existing residents waiting much longer for their new homes than is proposed in our current plans.

This approach enables us to rehouse residents early and in line with the 10 Commitments agreed by LBM and Circle Housing and our commitments to residents set out in our residents' offer of 2015.

5. If regeneration does take place can Circle commit now to ensuring that residents will be able to manage maintenance and cleaning contracts and that these will be accountable to them?

We are currently exploring ways in which residents can play a more active role in the future management and care of the new neighbourhoods. With the project moving forward and the construction of the first homes about to get underway, there is scope to extend what has been a community engagement process to date into one where residents help shape and take responsibility for their homes and surroundings.

This will become a major focus of our work over the coming few years, helping build up the capacity within the neighbourhoods and voluntary sector organisations to support us in the delivery of sustainable regeneration and communities.

6. What guarantees will Circle make that if regeneration goes ahead properties will meet building regulations and there will be no poor build quality as seen at other Circle developments?

All new development has to meet building regulations. The Council's own Building Control services will also have a role to play in this process.

The homes planned for the three neighbourhoods are being designed to an exceptionally high standard. We have retained some of the UK's leading architects, planning advisors and project managers to ensure we can deliver high quality homes.

We do not accept that poor build quality is an issue in Circle developments. We do accept that there are sometimes building defects and we work hard to put this right once any problems have been identified. We currently build circa 650 new homes a year across the UK to a very high standard.

7. Will Circle commit to ensure that decent homes standards are met across all estates and street properties? Regeneration will take at least 10 years and therefore many residents will be left in housing that does not meet this standard for another decade.

We have shared with LBM's officers the programme for ensuring we meet decent home standards across the three neighbourhoods during the regeneration programme. That programme includes anticipating where systems and materials will need to be replaced in the future.

We are committed to ensuring that all homes across our stock including those identified for regeneration are maintained as per residents' tenancy and leaseholder agreements. Any required repairs will be remedied within the current contractual timescales in accordance with the nature and urgency of the repair. In addition Circle carry out independent quality checks of repairs undertaken and routine property checks will be ongoing throughout the regeneration programme.

Where it is mandatory Circle Housing will continue to ensure serviceable items are inspected and certified safe within the required periodic timeframe to ensure statutory and regulatory requirements are adhered to. In addition periodic inspections and assessments will continue, with associated identified actions and or consequential works tracked and managed.

As noted previously, the phasing plan for the regeneration project allows us to rehouse existing residents early in the project. If the programme proceeds against the timelines we have set out all existing residents will be rehomed well before the final phases of development.

8. What is Circle doing to ensure that, through its housing stock and any potential regeneration, healthy outcomes for residents are embedded? Can Circle commit now to any health related outputs as part of proposed regeneration plans?

There are many aspects of the regeneration project which will make a positive contribution to residents' health and wellbeing.

- The new homes will be built to a modern standard, more energy efficient and not prone to the issues of condensation which affect many of the existing homes.
- Their lower energy consumption will help residents avoid fuel poverty issues.
- The regeneration project includes hundreds of new jobs in bespoke commercial buildings, retail and service sector accommodation. The importance of employment in helping generate and maintain healthy communities is well documented.
- Circle already have well developed apprenticeship programmes which will be extended to include employment and training opportunities for local residents and young people throughout the Merton Regeneration Project
- We will be introducing new high quality public spaces including parks, community gardens and courtyards and new play facilities.
- People will be housed in a home of the appropriate size, which in many cases will mean they are no longer living in overcrowded conditions.

- The High Path plans have previously been submitted as a Healthy Towns bid, drafted by Circle's Merton Regeneration Team on behalf of LBM and other stakeholders. There have also been discussions with colleagues in Public Health about tracking benefits through a before and after survey, analysing health and wellbeing improvements.

9. Focus has been on the three estates earmarked for regeneration but many of the issues across the borough come from street properties. Can Circle provide assurances on how it is supporting lone properties and smaller blocks?

We were not familiar with the term 'lone properties', however, Circle Housing have an Asset Database which holds a record of all properties and components, including when they were installed and expected remaining serviceable life. This database informs the planned maintenance programme for replacing components to ensure the whole housing stock is maintained to an appropriate standard.

10. Has Circle engaged with the Mayor of London on his best practice plans for estate redevelopment? Will Circle commit now to compiling with these when they are released?

Yes. Circle has had extensive contact with the GLA on developing best practice for estate redevelopment, though the Mayor has not yet published his recommendations. We have contributed to those guidelines directly, offering our Merton project's Residents Offer as best practice and attending GLA-organised workshops as part of their preparations for the guidelines. The Director of Merton Regeneration is part of the working group reviewing those guidelines ahead of publication.

We have also presented the Merton Regeneration Project to DCLG officers and Lord Heseltine, with a particular emphasis on our plans to retain the existing community in situ, our support for homeowners and the cross-subsidy at the heart of our business plan.

11. Can Circle clarify that any new homes will be the same size if not bigger than current properties – including garages and gardens?

Under our plans all of the new homes will have private outdoor space – most currently have no outdoor space at all. Every home will have a garden, balcony or roof terrace and all will be designed to meet the Mayor's standards as a minimum.

We have undertaken extensive surveys of the existing homes across all three estates to measure the room sizes and internal areas. No new home will be smaller than the home it replaces – most will be larger.

The provision of garages will depend upon the type of home the tenant or homeowner is offered and accepts. Some homes have integral garages, some will have car ports, and others will have dedicated parking undercroft parking. Most parking, however, will remain on street, as is the case now.

Major works

- 1. Why does CMPH impose major works on residents in their properties with no opportunity to question the need for the works, their costs or the contractor doing the work? The bills can run into many thousands of pounds for each household.**

Circle Housing has an obligation to maintain its' housing stock and prevent damage and deterioration. Works are undertaken only when they are required. Our asset database informs the programme of what work is expected to be required. However, validation surveys are then undertaken which informs the required scope of works, which are then priced. Leaseholder consultation is undertaken in accordance with Section 20 of the Landlord and Tenant Act 1985, giving leaseholders the opportunity to submit any observations prior to work being undertaken.

We do however acknowledge that there have been instances where the validation of works and subsequent consultation has fallen short of our expected standard, particularly relating to roofing and electrics

- 2. In relation to major repairs, to what extent is Circle able to provide payment plans or other schemes to assist leaseholders who are required to pay a share of the works?**

A 2 year interest free payment option for major works formed part of the promises made to leaseholders at the time of transfer from Merton Council to Circle Housing Merton Priory in March 2010. This applies to all leaseholders at the time of the stock transfer who are not absentee landlords. We are unable to offer any further extended payment terms.

Implementing and Monitoring Repairs

- 1. Is Circle in control of contractors? Whilst KPI's show that there is an improving picture local experience shows that appointments are regularly missed, that repairs are not complete and that residents regularly give up on the whole system.**

Appointment keeping has vastly improved consistently over the past 18 months, and is in tolerance or better in relation to the target of 90% performance for all urgent and routine works. On a weekly basis we review the appointments that were not kept to identify any lessons to be learnt.

More jobs are also being completed on time than was the position two years ago. In September this year, 95.2% of Routine jobs were completed within target time, which is more than 15% better than the same month in 2014.

- 2. What has the impact of moving the repairs and customer services team to Kent been and how are historic repairs issues being managed?**

The customer repairs calls were moved to the Kent Call Centre in July, however we have retained a local presence at the Grange as a transition, and this has helped

maintain the service levels over the period. The remainder of the repairs delivery remains at the Grange where our responsive repairs Technical Officers (surveyors) are co-located with Keepmoat staff. All complaints and issues are still managed until they are complete.

3. What plans does the new housing association group have to put into action in-house repairs for what were previously CHMP homes?

There are no plans at this stage to change the contractual arrangements in place at CHMP. As merger progresses this will be discussed and any proposals will be shared with LBM.

4. What strategy is currently in place in order to examine individual cases of serious and prolonged disrepair or neglect, prioritise them in the system, monitor implementation of that strategy and the quality of the outcomes? What changes to this policy are anticipated following the merger?

CHMP manage any issues of disrepair proactively, and visit any property at the earliest stage when any allegation or issue is presented us. Once identified that the issue can be dealt with as a responsive repair, we aim to resolve these within the target time of 28 days. We also work proactively with the London Borough of Merton if there is any report of Environmental Health or other statutory nuisance, and we can confirm that there are no formal notices in this area.

Specific repairs/maintenance issues

1. Why can't Circle organise straight forward repairs, such as replacing clothes dryers, deep cleaning staircases, making safe trip hazards, quickly and efficiently? If contractors are used, why isn't their work being monitored by Circle staff? Residents, whether rent-paying tenants or leaseholders paying service charge, are not getting an acceptable level of service.

Each of our Contracts (including the responsive repairs contract with Keepmoat) is monitored for quality and cost by our Technical Officers. These technical officers inspect around 10% of all repairs, and in addition the contractor inspects around 5% themselves. If a complaint is received we inspect all orders related to the complaint. We review the operations of the contract on a fortnightly basis, and include problem solving of any issue, to prevent re-occurrence. We produce a monthly set of Key Performance Indicators that are reviewed and actioned a Core Group meeting between Circle, Keepmoat and a resident representative.

In respect of the door entry system at Byfield Court, this particular door entry panel has been damaged by a blunt instrument on two occasions, and is currently being repaired again.

(Background to this question is provided by Councillor Jeanes with regard to Byfield Court: a fault with the entry phone on the door for the staircase to flats 14-22 was reported to Circle in mid-February. Despite a few attempts by contractors, the problem is still unresolved in mid-September. As a ward councillor,

Councillor Jeanes attends the "estate inspections" which happen four times a year. At each inspection, the list of problems that have been recorded at previous inspections but still await repair is gone through. If it would be of assistance, Councillor Jeanes can forward recent inspection reports to show that the same things are listed again and again.)

- 2. Councillor Neep reports there has been a significant reduction in the standard of cleaning on the High Path Estate mostly driven by the reduction in staff. Can Circle provide an action plan as to how it is going to improve standards and maintain them in the face of a proposed regeneration?**

Cllr Neep has recently met with Jane Bolton and Simon Gagen and both welcome the opportunity to work with her to help resolve issues of concern in her ward. The local cleaning team is now being supported by a mobile unit and is fully resourced with quality assurance checks being undertaken by the Estate Services Officer. Staff are being monitored and trained and will continue to provide a full service right up until regeneration. Some areas Cllr Neep has expressed concerns about are maintained by LBM.

- 3. Councillor Makin has asked if the person responsible for the maintenance contract would walk round Phipps Bridge and Cherry Trees estates with him so they can see for themselves the shoddy and incomplete work done by the contractors and offer a solution to residents about their problems (an evening visit to various residents' flats would be possible). Some residents have been waiting over a year for the work to be completed and some are even suggesting that they will get the work done and bill Merton Priory.**

We are happy to attend a walkabout with Makin to review the issues raised and agree action. If there are specific cases we are happy to review once details are provided.

- 4. Councillor Pearce reports that community areas in sheltered accommodation have been without hot water supply for months. Two contractors have surveyed the problems but failed to remedy them. Rather they pass the responsibility to each other. Is Circle happy to allow their elderly residents to be treated in this way which has resulted in external providers (community care, hair dressing etc) struggling to operate.**

There have been problems of this nature at the Yenston Close scheme which also affected one of the residents. The cause was identified and the problem has been resolved. On site, staff have been advised of the correct route for reporting issues of this kind to prevent future delays.

Costs of repairs and maintenance

- 1. What lessons has Circle Housing learnt from the Keepmoat whistleblowing investigation and subsequent report into alleged overcharging for repairs and maintenance? Can residents be reassured that all of the**

recommendations for improvement set out in the report have now been implemented and will be equally applied to the new housing association group?

All recommendations have been applied and a new structure and new management approach will ensure this situation does not recur.

Member contact

- 1. Will the new housing association group explain how elected members can contact them regarding housing repairs and general complaints (if this is different to the existing Member Enquiry arrangements)?**

The local team remain the same and the Head of Housing Jane Bolton and Head of Repairs Simon Gagen will continue to be the lead Officers based locally. The process for formal enquiries ensures that all contact from stakeholders will be recorded by our central contact centre and responses provided by local leads.

- 2. Please provide an update on Circle's new Council members' enquiry system that it is intended to implement. Is it possible to set out a process that all involved would follow to ensure that expectations are established and known to both Circle staff and members?**

As above. We also continue to meet face to face with stakeholders to ensure proactive communication on a face to face basis and continue to be open to the set up of these arrangements where not already in place.

Leaseholder/freeholder arrangements

- 1. Why is Circle insisting on an 11 year tie in clause for leaseholders and freeholders – how does this enable these residents to plan for the future and remain on the estate?**

As part of the regeneration plans resident homeowners who accept the Replacement Home Option on the three regenerated neighbourhoods own their new replacement home outright from the start at no cost. Existing freeholders are offered a new freehold. Existing leaseholders are offered a new 125 lease irrespective of how long they have to run on their existing lease.

As the freeholder or leaseholder they are free to sell their home at any point they wish. If they decide to move out of the neighbourhood within 11 years they will have to repay a proportion of the difference between the value of their existing home plus 10% and the sale value of the new replacement home at the point they accepted the Replacement Home offer.

Homeowners will benefit from any increase in the value of their home over time.

This Replacement Home Option was in direct response to comments made by residents during consultation about the Residents Offer when existing resident homeowners told us that they wanted to keep the existing community together

2. Can Circle clarify the situation with payment of stamp duty and all legal fees if a resident does wish to partake in the early buy back scheme?

If a resident chooses to sell their home we will pay the stamp duties payable on their new home up to the value of the home they have sold to us plus 10%. We will pay for surveys and any legal fees associated with the purchase (e.g. conveyancing and searches) up to certain limits, all of which are described in the Residents Offer document and on line at www.mertonregen.org.uk

3. On the calculation of 'market value' Circle has explained how this is done before the regeneration, i.e. on existing homes. However, how will the price of a house be determined post regeneration? Therefore providing the difference that current leaseholders/freeholders would have between now and then if they chose to move within the estate.

This is done in the same way, using an open market valuation provided by an independent RICS registered valuer. Residents retain the option of employing their own surveyor at our expense.

4. Can Circle provide reassurance that it operates the same level of duty of care with leaseholders as it does with tenants? Dealings with the Major Works program suggest this is far from the case. Many leaseholders have been and still are left in a great deal of distress and anger.

Recent experience on the Watermeads estate highlighted where improvements can be made to the way Circle consults with leaseholders over major works and this will be used to improve communications going forward. With regard to day to day management, a multi tenure approach is now in place with the same neighbourhood officer managing all properties on their patch regardless of tenure.

Circle Housing regard all residents regardless of tenure with the same duty of care. There is categorically no difference in the duty of care afforded to Leaseholders compared with Tenants.

Void Properties

1. There is a concern that void properties remain vacant for a time when housing need is high. Can Circle please confirm how many properties are currently void and how many have been filled?

At the time of writing there are 22 routine voids across the stock all of which are within target for completion of works. The voids process works well and there are no hard to let properties. LBM have 100% nomination rights to these properties.

In addition, properties that have been re purchased as part of the regeneration project are also being made available to LBM for discharge of Homeless duty on

Assured Shorthold Tenancies. To date 17 have been let in this way with another 45 in the pipeline.

Rents

1. As part of any regeneration proposals will Circle commit to changing variable rents which reflect individual household circumstances – like Dolphin Living have on the New Era Estate?

The rents for the new homes built through the regeneration project will be set in exactly the same way as we do now - social or affordable rents in line our agreement with LBM in 2012 and our commitment to residents in the Residents Offer of 2015.

The New Era variable rents were developed by Dolphin Living as a 'sub-market' alternative to much higher market rents. The social and affordable rents that Circle Housing charges are lower than those that were proposed on the New Era estate in Hackney.

Resident engagement and accountability

- 1. The new combined housing association needs a serious and open discussion with residents before they are likely to trust Circle Housing/Affinity Sutton with the regeneration. Will the decision makers within the Circle/Affinity organisation therefore commit to:**
- **meet separately with the relevant residents' associations for the Eastfields, Ravensbury and High Path estates so that residents can put their questions and concerns to Circle directly; and**
 - **attend a residents' meeting on each of the estates to advise/provide information on the development of the regeneration plans? (The meeting for the High Path Estate to include Stephen Hammond MP.)**

We are happy to attend existing RA meetings and discuss any merger questions that people may have and have also offered to do a Q&A for HPRA following recent contact

2. Please can Circle provide its intended alternative engagement strategy to replace the Neighbourhood Action Plans that are no longer supported.

The Neighbourhood Action Plans were how the Merton Neighbourhood Regeneration Strategy (MNRS) was delivered locally. Between 2010 and 2015 our team developed local Annual Neighbourhood Action Plans with stakeholders and partners (the Neighbourhood Partnerships) – these plans consisted of local projects that would ensure the strategy was delivered in each neighbourhood area (for example, routes2work and our money matters programme would have been projects in addition to a range of others we either commissioned or just supported).

After the evaluation and review of the strategy in 2015 and when the new strategy (2015-2025 was developed) we took a new approach and developed one universal action plan covering all Neighbourhood Partnership areas.

The matter of future leadership of the MNRA is currently under discussion with LBM colleagues

3. What guarantees are in place to ensure that residents are able to hold Circle to account with the removal of local boards and the merger with Affinity Sutton? Will resident voice be lost?

The proposed Community Panel will ensure a dedicated focus on Merton issues including the regeneration programme, local performance and wider operational issues. LBM have been pro-actively involved in the Terms of Reference for the panel which will be shared with Board members before final sign-off.

4. Can Circle confirm where the last five years' worth of LEAF funding has gone and how and when residents will be able to access the funding in order to support the work they do within the local community?

As at the 31 March 2016, a total of £503,365 has been spent on a whole range of resident led projects including community development activities such as Fun Days, outings and Christmas fairs, as well as practical things such as Landscaping and planting and additional fencing and lighting. A full schedule is available for each area.

Proposals for 2017/18 are in the process of being invited and local Neighbourhood Officers are leading on this .

Community support

1. What is Circle's commitment to increasing employability and skills within Merton?

Circle's commitment to increasing employability and skills within Merton has been consolidated this year as Circle Housing is part of an unprecedented partnership of 16 major Social Housing Providers, led by Affinity Sutton, which seeks to recruit 21,000 London residents and place them closer to the labour market through delivery of the three-year project Love London Working (LLW), which is part-funded by the European Union from the European Social Fund (ESF). Circle Housing is represented by Circle Housing Merton Priory (CHMP), Old Ford and Circle 33.

CHMP is targeting unemployed and economically inactive priority groups such as people aged over 50, lone parents, people with disabilities and those with poor basic skills. All participants receive an Individual Action Plan, followed by regular reviews.

ESF funding allows CHMP to provide financial support to participants; for example, a CHMP resident tore his trousers before an interview last week and was forced to wear jogging bottoms. He was offered a second interview so his adviser arranged to purchase a pair of trousers for him. Being suitably dressed boosted his confidence at the second interview; he was offered the post and started work the next day.

Current activities include:

- **Job clubs:** which provide local vacancies and support participants with their job search, writing CVs and applications and preparing for interviews.
- **Job Club Plus:** specifically tailored for participants with disabilities or long-term health conditions; provides a more supported employment approach.
- **Pre-employment training:** a range of short programmes that include work experience e.g.
 - Marks & Start, a programme for lone parents delivered by Gingerbread, the Charity for One Parent Families, in partnership with Marks & Spencer that includes a two-week work placement in an M&S store. Participants who successfully complete the programme will be considered for Christmas vacancies.
 - Intro to Construction, delivered by CHMP's contractors Keepmoat and United Living, which will provide a guaranteed interview for an apprenticeship with Keepmoat for successful participants.
 - CSCS course, delivered in partnership with Groundwork and Green Skills Partnership where participants can gain a Health & Safety Level 1 qualification, CSCS card and work trials with employers.
- **Job brokerage:** support for job ready participants through tailored links with employers.
- **Enterprise training and support:** through Start your Own Business courses with ongoing 1:1 mentoring, master classes and workshops.

Plans for 17/18

- **Accredited basic skills** to support participants in their preparation for employment.
- **Development of further partnerships** to maximise resources and access a wider skills base, including developing joint initiatives in partnership with other housing members of the LLW consortium.
- **Continue to expand** provision for residents who are ineligible for Love London Working.

Summary briefing on Love London Working attached for further info.



Love London
Working Project Sum