

**SUBJECT:** LMCH Response City of London Housing Service Review: Proposed Action Plan

**DATE:** September 12, 2019

**FOR:** Strategic Priorities and Policy Committee (SPPC) Meeting on September 16, 2019

**FROM:** London & Middlesex Community Housing (LMCH) Board of Directors and Senior Leadership Team

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**Recommendation:**

- a) That this report be **RECEIVED** in response to the report “City of London Service Review: Review of Service Delivery for Housing.” It being **NOTED** that LMCH has raised significant concerns related to risk, questionable data and methodology of the KPMG service review and subsequent report, the implications of the staff report and action plan as it pertains to the City of London’s Strategic Plan.

**Background:**

LMCH’s has significant concerns with the public KPMG report provided to council through the SPPC meeting on August 26, raised by both the written submission in response to the same report and subsequent communication with civic administration, (Appendix A). Notwithstanding those issues and dissatisfying responses from KPMG, the recommendations of the report echoed messages that previous reports provided to council by LMCH directly had been articulating around capacity and operational challenges.

It is critical to note that over the last 4 years the LMCH has undertaken significant change supporting greater organizational capacity to operate in an ever increasingly sustainable manner in discharging its mandate as set out in the Shareholder Agreement (Appendix C) which can be broadly defined as providing and maintaining social housing and provide tenant support services recognizing the dynamic and complex service needs of our tenants. These changes have included but are not limited to:

- Development of the comprehensive 2017-2020 strategic plan (appendix D) which accounted for and articulated path forward for social housing in London and Middlesex.
- Development of LMCH’s first ever Asset Management Plan – supporting strategic evidenced based decisions, impact capital and operating investment decisions
- Development of multiple operating plans such as the Regeneration strategy, Tenant Engagement and Community Development Strategy, Financial Plan, and Strategic Resource Plan all in support of furthering the strategic plan and supporting the Multi-Year Budget (MYB) request.
- Review and restructuring of roles, responsibilities, processes supporting disciplined oversight, transparency and public accountability
- Development of improved Key Performance Indicators

Progress on these changes are reflected in and supports a LMCH Multi-Year Budget (capital and operating) as set out in (Appendix B).

These changes and others reflect the shared understanding of both Municipal Council and civic administration that London & Middlesex Community Housing is committed to providing the best social housing possible within funding constraints on behalf of the shareholder and service manager for the city of London and Middlesex County.

#### **Board of Directors of LMCH RESPONSE:**

**LMCH wants to partner with Council to achieve better outcomes for our tenants, organization and city. We need council's help:**

- Civic Administration and the LMCH want the same things; safe, adequate, accessible, affordable housing
- there are multiple areas of service that require improvement within the organization and look forward to working together to address the capacity and resource needs to achieve new outcomes
- The entire housing services spectrum needs clarification, prioritization, and alignment to address any number of issues in the system succinctly and council can set that direction for they system as a whole
- LMCH recognize council is rejecting the status quo, and wishes to partner on a path forward under clear objectives and community outcomes
- Recognizing that we cannot re-organize the same resources and expect better outcomes, we need to remove bureaucracy and add tools to meaningfully address the infrastructure, support and development needs of community housing

**Vacancy and Turnover are well documented. Pro-active solutions are in motion:**

- LMCH is executing on a vacancy plan that will achieve 3% vacancy by the end of September and 2% by the end of the year. See (Appendix E) for June and September board reports on this subject.
- Addressing vacancy will meaningfully address the housing need for each person placed, however, if we filled every vacant unit today, we would affect less than 1% of the social housing waitlist
- Prioritizing building and life safety needs over vacancy is a fact of operations for LMCH, and those issues are increasing as the infrastructure ages
- Work orders are rising by approximately 12.5% per year, and these additional 2000 work orders compete for time, staff and resources that otherwise can be focused on vacancy
- Once we achieve 2% vacancy, we will be housing an average of 33 people from the waitlist monthly.
- Capital funds are not utilized for vacancy management as there are clear definitions for both operational and capital, LMCH will deliver on 10.7M of Capital projects between outstanding capital projects, committed projects, and SHAIIP provincial investments. (Appendix F)

**Governance Issues- Alternative Option:**

- LMCH Board has many skilled board members, each appointed by city council and with expertise in areas such as Leadership, Governance, Legal, Human Resources, Engineering, Public Service, Not-for- Profit, Procurement and lived experience.
- We have concerns with the recommendations related to timelines, how long will interim solutions be in place, how does this address the broad and systemic issues that have prevailed within housing services and deliver more housing and
- Council must be very clear about the intention of any governance changes, the timelines of such and the deliverables anticipated based on such changes. Accountability will be critical given the risk embedded with the assets and governance needs of LMCH.

- There has been a disconnect between the board, the political process (council) and civic administration, however, together we can improve upon this.
- LMCH suggests council consider an alternative option to the ones proposed in civic administrations report:

**That LMCH maintain the current composition of the Board and expand membership to include one additional member of council (as previously requested by the board) and one member of Civic Administration.**

- This approach brings together political, administrative, and voluntary board members view points, and provide long-term stability to the organization.

#### Action Plan: There is a Path Forward, Results can be Achieved

- LMCH has been clear in what our resource and capital needs are moving forward in our Multi-Year budget request as communicated to civic administration (see Appendix
- The Operating budget request of \$69.6M over 4 years and is an average of 17% increase year over year
- This increase shifts LMCH into a position to deliver more than 3 times the amount of direct service to tenants, achieve 2% vacancy rate and improves customer service and satisfaction, addresses safety concerns, delivers service standards for response times for maintenance, delivery of capital programs, tenant stability and housing supports, strengthens reporting capacity and communication with civic administration and key stakeholders, and allows for facilitation of community partnerships and collaborative supports within housing.
- The Capital budget request for the years 2020-2023 equals \$71.4 M, which represents approximately eight times the current annual capital allotment by the city of London
- This investment begins to meaningfully address the asset requirements that are at critical risk of failure, meaning potentially closing units if not done or posing significant health and safety risks for tenant and staff as outlined in our Asset Management Plan

#### Conclusion

Managing/addressing competing complex issues in constrained environment & moving from a reaction based organization to a strategic based organization, is and will continue to be challenge regardless of the governance model.

LMCH aligns with the approach to “implement a coordinated and improved approach to both issue resolution and current and future service delivery....creating greater alignment with the city’s housing service, homeless Prevention service and Social services, [to provide] increase opportunities for coordination, collaboration and collective oversight with respect to the provisions of services for those seeking housing supports in the community.” as articulated by civic administration. However the board encourages council to be clear on deliverable outcomes and timelines for this clarity and alignment to take place. All of the organizations and services impacted by this review have always reported to the service manager, it is incumbent on council to determine what difference the actions that are taken will truly make, as our community is demanding and deserving of more.

#### Appendix:

- A [LMCH Letter to Civic Administration regarding Concerns with KPMG Report & KPMG Responses as Provided by Civic Administration to LMCH.](#)
- B [Multi-Year Budget Request for Capital and Operating with Overview of Business Cases for Improved Service Delivery and Financial Rationale](#)
- C [Declaration of the Sole Shareholder for London & Middlesex Community Housing](#)
- D [London Middlesex Community Housing Strategic Plan 2017-2020](#)
- E [Vacancies Reports June & September](#)
- F [Capital Allocations and Expenditures 2019 \(Q2 results\)](#)
- G [Key Performance Indicator Framework](#)