

Report to the Council

Committee: Cabinet

Date: 25 April 2017

Subject: Housing

Portfolio Holder: Councillor S Stavrou

Recommending:

That the report of the Housing Portfolio Holder be noted.

Outcome of the Stage 1 HRA Financial Options Review – Resumption of Council Housebuilding Programme and reversion to the Government's Decent Home Standard

At its meeting on 6th April 2017, the Cabinet agreed the recommendations of the Finance and Performance Management Cabinet Committee following its Stage 1 HRA Financial Options Review. The Cabinet Committee was informed by a report from the Council's HRA Business Planning Consultant, Simon Smith.

The Cabinet Committee considered the following four main options as part of its review, with some options having further sub-options:

- Option 1: Continuing with the full Housing Building Programme (at least until the completion of Phase 6) and maintaining the Modern Homes Standard for existing Council homes (the Council's current policy);
- Option 2: Continuing with the full Housing Building Programme and reverting to the Decent Homes Standard for existing Council homes;
- Option 3: Ceasing the current Housing Building Programme and maintaining a Modern Homes Standard for existing Council homes; and
- Option 4: Ceasing the current Housing Building Programme and reverting to the Decent Homes Standard for existing Council homes.

After detailed consideration, and taking into account the views of the Epping Forest Tenants and Leaseholders Federation, the Cabinet Committee recommended Option 2 to the Cabinet, which the Cabinet subsequently agreed. Accordingly, the Cabinet has now lifted the moratorium that it placed on the Council Housebuilding Programme, in order to enable Phases 4-6 of the Programme to be undertaken.

The Cabinet also agreed the recommendation of the Cabinet Committee that the phasing of the Housebuilding Programme be appropriately paced, with an acceptance that, in view of the anticipated continuation of a high rate of 141 Receipts for the foreseeable future, it is likely that some 141 Receipts will need to be paid over to the Government, since they will not be able to be spent within the required 3-year timescale. The Director of Resources has also been asked to report to a future meeting of the Cabinet Committee on the most appropriate way to arrange the required additional Housing Revenue Account borrowing.

Finally, the Cabinet agreed that, when it considers the marketing strategy for the proposed sale of land at the Pyrles Lane Nursery development site in Loughton, consideration be given to whether the proposed sale should be subject to a requirement that the purchaser must enter into a separate Development Agreement with the Council requiring the completed affordable homes on the development to be sold to the Council.

Letter to the Minister of State for Housing and Planning - Use of "one-for-one replacement" Right to Buy receipts ("141 Receipts")

Following the Finance and Performance Management Cabinet Committee's decision to recommend the resumption of the Council Housebuilding Programme, the Leader of Council wrote to Gavin Barwell MP, Minister of State for Housing and Planning, regarding the use of "one-for-one replacement" Right to Buy receipts ("141 Receipts"). The letter covered two main issues.

Firstly, it requested the Minister to review a decision made by his officials not to refund to the Council around £1.4million of 141 Receipts that the Council "temporarily" paid over to the DCLG (in accordance with advice and guidance received from one of his officials), in order to avoid the Council potentially having to pay interest to the DCLG whilst we paused our Council Housebuilding Programme and reviewed the likely resources we would have available to resource the Programme.

Secondly, it explained the real difficulties that we are experiencing with the restrictive terms of the Standard Agreement that us, and many local authorities, have entered into with the DCLG regarding the use of 141 Receipts - which is severely hampering the Council's ability to maximise the amount of council housebuilding that we are able to undertake and fund. The letter went on to suggest a couple of ways that the situation could be alleviated.

A copy of the letter was reproduced in a recent issue of the Council Bulletin for all members' information. Copies were also sent to the three MPs covering the Epping Forest District, as well as the Local Government Association (LGA) and the Association for Retained Council Housing (ARCH), for their information and support.

I will advise all members of the Minister's response to the Leader's letter when it is received.

Pilot Scheme for the provision of modular accommodation for single homeless people – Norway House, North Weald

In my last Portfolio Holder Report to the Council, I explained that I had asked the Director of Communities to investigate the feasibility of undertaking a small Pilot Scheme in the grounds of Norway House, North Weald to provide around 3 units of modular accommodation for single homeless people (referred to as "pods") together with a storage unit, stacked two-storied, to provide temporary accommodation for 6 single homeless people who would otherwise be accommodated in bed and breakfast accommodation, at a cost to the General Fund of around £8,280 per person per year.

The pods provide a good level of insulation that meets current Building Regulations, have flexible internal configuration arrangements, with the provision of carpets and white goods.

Following a feasibility study on the proposal by the Director of Communities, I reported on the proposed Pilot Scheme to the Cabinet in March 2017 which, subject to the receipt of planning permission, was approved by the Cabinet.

The next stage is for competitive tenders to be invited from contractors to supply and install the pods (supplied by the Council's Nominated Supplier, locally based at North Weald Airfield) and to undertake all the ground and infrastructure works.

The estimated cost of the Pilot Scheme is £345,000, with 30% of the costs being funded from the Council's 141 Receipts. The Cabinet also agreed that a review of the success of the Pilot Scheme should be undertaken 12 months after occupation.

Government introduction of additional requirements for licensing Houses in Multiple Occupation (HMOs)

The Government recognises that while the majority of private sector landlords provide a good service, this is not universal and certain parts of the sector, particularly at the lower end, house some of the most vulnerable people in our society. As an alternative, affordable housing is often not available to them, so tenants are sometimes housed illegally and unsafely in houses in multiple occupation (HMOs). In addition, some landlords exploit vulnerable tenants by renting sub-standard and dangerous accommodation, sometimes in overcrowded conditions.

Local authorities are currently required under the Housing Act 2004 to licence houses that consist of three storeys or more and are occupied by five or more people living as two or more households. While this legislation has been effective in tackling the larger high risk properties, some unscrupulous landlords have now moved into letting large one and two storey HMOs.

As a result, the Government has said that it intends to increase the number of properties that are required to be licensed by local authorities, so that:

- All houses (regardless of the number of floors) with 5 or more people, from 2 or more households, will require a licence.
- Mandatory licensing will be extended to flats above and below business premises (regardless of the number of storeys).
- There will be a minimum room size of 6.52m² in order to prevent landlords from letting rooms that are too small for an adult to occupy.

The Government consulted on these, and a number of other, proposals in December 2016. The responses are currently being analysed and the outcome of the proposal will be published shortly.

When introduced, it is likely that there will be a need to increase the amount of staffing resources in order to take on the additional work, which would be funded from the increased income from the additional licence fees received.

Flexible Homelessness Support Grant from the Government

The Government's new Flexible Homelessness Support Grant (the "new Grant") was introduced this month (April 2017) to replace the former Department of Work and Pensions' (DWP's) Temporary Accommodation Management (TAM) funding. The reason for this is that the Government wants to "encourage local authorities to spend money on stopping homelessness, instead of on costly temporary accommodation." The Government therefore no longer meets the cost of councils paying management fees to housing providers to lease private rented accommodation to accommodate homeless families through TAMF funding, but now provides a new grant, in the form of a "lump sum", to enable local authorities to tackle homelessness in more flexible and creative ways.

Through the new Grant, the Council will be receiving £277,000 in 2017/18 and £313,000 in 2018/19, compared to around £60,000 per annum previously received under the former TAM funding – a significant increase. I will be presenting a report to the Cabinet meeting in June 2017 on proposals for the use of the new Grant.

However, in the meantime, I have approved the use of a small amount of the Grant for the three months leading up to the Cabinet meeting, for the following urgent homelessness initiatives:

Zinc Arts, Ongar

As members will be aware, the Council is having to increasingly use bed and breakfast accommodation. At the time of writing this report, the Council is accommodating 30 homeless households in this way, primarily single vulnerable people.

Zinc Arts in Ongar has a residential block, comprising 25 units, which were originally designed for the use of students attending Zinc Arts' programmes. However, as there was limited interest from such students, many of the units are unused. Following the recent receipt of planning permission, Zinc Arts intends to let the rooms to people who require support through a "health and wellbeing" project - with a Duty Manager on-site 24 hours a day, 7 days a week.

The Council has therefore discussed with Zinc Arts a proposal that the Council uses some of the available accommodation for either homeless single people or single parents with a child. The accommodation is of a good standard and would be suitable for this purpose, thereby reducing B&B costs whilst also providing better accommodation.

Since the licence charge for each unit is above the Local Housing Allowance (LHA - the maximum amount of housing benefit that can be provided to occupants), I have agreed to the Council entering into an agreement with Zinc Arts to provide "top-up" funding, representing the difference between the licence charge and LHA. Initially, three homeless applicants will be placed in this accommodation for a pilot period of 3 months, with the total top-up cost of around £1,400 for the 3-month period being met from the Grant, resulting in an overall saving to the General Fund of around £4,800 for the 3-month period. I will be asking the Cabinet to consider the success of the scheme, and whether further placements should be made, at its meeting in June 2017.

Housing Association Leasing Direct (HALD) Scheme

The Council currently pays management fees of around £60,000 per annum to Genesis Housing Association to lease and manage 17 privately rented properties to some of the Council's homeless applicants. This cost has previously been met by the TAM funding. However, as this funding has been replaced by the new Grant, I have agreed that the cost of the management fees between April and June (around £15,000) should be met from the new Grant, until the Cabinet is able to consider whether or not this Scheme should continue to be funded at its June meeting.

Norway House Homeless Persons' Hostel, North Weald

Following the Cabinet's decision to undertake a pilot scheme for the provision of the 3 homelessness pods at Norway House, which I have explained above, a formal Risk Assessment will now be produced to identify any risks that arise as a result of the pilot scheme and how they can be mitigated.

The Council currently employs a Hostel Manager and two Deputy Hostel Managers, based at the Hostel, who provide support to homeless households living there and who also visit and provide support to homeless households living at Hemnall House, Epping and in B&B hotels.

Each of the staff are on-call for 1 week in every 3 weeks (including the weekend), which increases when there are absences through leave, sickness or vacancies which must be covered by the remaining staff.

When taking into account all of the additional pressures around the provision of temporary accommodation generally, the additional burdens of the Homelessness Reduction Act and the fairly onerous on-call arrangements, I have concluded that some additional staffing resources are required at the hostel. I have therefore agreed that the new grant should fund the

appointment of an additional part-time Deputy Hostel Manager for a temporary period of 2 years, in order to deal with the additional workload at the Hostel.

Proposed appointment of an independent consultant to advise on the future delivery of Housing Repairs Service

The existing Repairs Management Contract with Mears is now entering its final 3-year term, ending in 2020. How the Council provides its Housing Repairs Service for tenants beyond 2020 needs to be considered over the coming months to ensure that there is sufficient time to plan, consult, procure and appoint new arrangements from April 2020.

To this end, the Director of Communities is currently in the process of appointing an independent consultant to undertake a review of the options available for the future delivery of the Housing Repairs Service.

Without wishing to pre-empt what options may come out of the review, it is likely to include consideration of the following options:

- Outsourcing the whole of the Housing Repairs Service to a contractor
- Appointing a new Repairs Management Contractor (which is the arrangement the Council currently operates with Mears)
- Bringing the operation in-house
- Operating a shared service with another housing provider

I am working with officers on the formulation of the Brief for the consultant's appointment and will also be involved in the selection process as well.

Extension of services and opening hours at the Limes Centre, Chigwell

Following the re-development of the Limes Farm Hall, Chigwell, the Limes Centre was opened in February 2012. The Limes Centre is an important community facility on the Limes Farm Estate which, when first opened, accommodated a number of services, including a Housing Management Estate Office (open in the mornings), Benefits and Council Tax advisors available to give advice one day a week and a Debt Advice Service provided by the Epping Forest Citizens Advice Bureau one morning each week.

In 2015, the Cabinet agreed that an additional temporary part-time Housing Officer post should be created for a period of 18 months to enable the expansion of services and increased opening hours at the Council Office in the Limes Centre for a pilot period. At its meeting in March 2017, around 14 months after the new arrangement was introduced, the Communities Select Committee reviewed the success of the pilot.

The Select Committee were advised that, in advance of the pilot period commencing, the additional services and increased opening hours (closing at 4.40pm instead of 12.30pm, Mondays to Fridays) were publicised in a number of ways. A chip and pin facility has also been introduced in order to enable residents to pay their council tax, rent and other payments at the Limes Centre for the first time, resulting in payments of £132,000 being made there during the pilot period. Other additional services provided include:

- The introduction of a new local periodic newsletter for all local residents
- Additional properties being managed from the Limes Centre, through the transfer of a part-time member of staff from the Civic Offices to the Limes Centre, which has also further facilitated the extension of hours
- A weekly "surgery" being provided by the Housing Related Support provider, Family Mosaic

- The Citizens Advice Bureau's Debt Advisor Service being extended to two half days each week
- London and Quadrant Housing Trust, who own and manage properties on the estate, providing a monthly surgery for their tenants based at the Office

As a result of the expansion of hours and services, the number of residents accessing services at the Limes Centre has increased substantially, by more than double, from 933 visitors in 2015 to 1,982 in 2016.

A customer exit survey was undertaken throughout 2016, which established that 93% of respondents were in favour of the extended opening hours and 100% were satisfied with the service provided.

Following the review of this success, I was pleased to formally agree to the continued provision of extended services, longer opening hours and the additional part-time Housing Officer post on a permanent basis.

Introduction of a weekly HomeOptions choice based lettings cycle

The Council's Choice Based Lettings Scheme, HomeOptions, was introduced in November 2007. The Scheme is administered through an agency arrangement with Locata Housing Services (LHS), following an EU-compliant procurement process. Under the Scheme, all vacant Council and housing association properties are advertised to applicants through the HomeOptions website and a published Property List - giving details of location, type, rent, service charge, council tax band and landlord of the available accommodation. Applicants then express an interest in a vacant property by "bidding" for up to three properties for which they have an assessed need - either in person, by telephone, text, email or on-line.

Until recently, vacancies were advertised on a fortnightly cycle. At the end of the cycle, officers analyse the "expressions of interests" received and provide tenancy offers, following a prioritisation and selection process, in accordance with our Housing Allocations Scheme. In general terms, the property is offered to the applicant in the highest band, who has been registered the longest, who has expressed an interest for the specific vacancy.

Following discussions with LHS, officers have now been able to introduce a new *weekly* advertising cycle, which should assist with reducing void turn-around periods, as properties will be able to be advertised as soon as they become available rather than waiting for the next cycle.