

Report to the Council

Committee: Cabinet

Date: 22 February 2018

Subject: Housing

Portfolio Holder: Councillor S Stavrou

Recommending:

That the report of the Housing Portfolio Holder be noted.

Housing Allocations Scheme

At its meeting on 1 February 2018, on the recommendation of the Communities Select Committee, the Cabinet agreed the Council's revised Housing Allocations Scheme.

The most significant changes to the Scheme are as follows:

- That any new applicant or applicants that have lived in the District for less than seven years (which is currently less than 5 years) will not qualify, with those already on the Housing Register being protected from this change
- Any person or member of an applicant's household who has committed acts of unacceptable behaviour within the last seven years (previously 3 years) as defined under the Scheme will be non-qualifying
- Any home seeker who refuses two offers of suitable accommodation for which they have expressed an interest within any period will be non-qualifying for a period of two years (which is currently one year)
- Homeless applicants to whom the Council has accepted the full duty will continue to be made one offer of suitable generally flatted accommodation. But, in order to discharge its main homelessness duty, the Council will offer homeless applicants a 2 year Secure (fixed-term) Tenancy to give some temporary stability in order to prepare them to make their own arrangements thereafter. The Council has separately sought external legal advice on this proposed change from Stephen Knafler QC who advised that this approach is legal provided the offer of accommodation is suitable and the Council retains its duty to provide housing advice and assistance to any applicant who becomes unintentionally homeless from the accommodation during the fixed-term

The revised Housing Allocations Scheme will take effect from the target date of 1 July 2018.

Housing Revenue Account (HRA) Financial Plan – Quarter 3 Review

The Council's HRA Business Planning Consultant undertakes a quarterly review of the Council's HRA Business Plan. The outcome of the review reports for Quarters 2 and 4 are reported twice a year to the Communities Select Committee in March and November, with the reports for Quarters 1 and 3 considered by officers and myself.

Due to the postponement of the previous meeting, the Select Committee considered the Quarter 2 Report at its meeting in January 2018. The Quarter 3 Review Report has now been received, which concludes that, in the long term, the HRA is viable in that:

- The HRA remains above the minimum £2million (inflated) balance throughout the period of the Plan;
- The HRA will be debt free and return to its prior position of a negative balance on the HRA CFR of £31.888million; and
- There are no unfunded capital works.

Initial Scoping Report on the rationalisation of sheltered housing assets

At its meeting earlier in February, the Cabinet considered an initial scoping report from the Communities Select Committee on a proposal that the amount of low-demand sheltered housing in the Council's ownership should be reduced and the resultant vacant land or buildings redeveloped.

In recent years, there has been a sharp decline in the popularity of sheltered housing, with older people tending to prefer to remain in their own homes for much longer, until they need to move directly into independent living, residential or nursing accommodation – which has resulted in many vacancies in sheltered housing becoming difficult-to-let. At the same time, the Council has increasing numbers of local people registered on its Housing Register in need of general needs housing.

The Cabinet therefore agreed in principle that, in the long term, the Council should reduce the amount of its low-demand sheltered housing, through decanting the existing residents at some sheltered housing schemes to other suitable accommodation and then developing the resultant vacant land or buildings. It was also agreed that an appropriate number of schemes should be identified by officers for potential redevelopment in the medium to long term, having regard to an agreed criteria.

The Cabinet also adopted a Sheltered Housing Standard that the remaining sheltered schemes should meet, to provide decent accommodation that is fit for future purposes.

It was agreed that the Select Committee should give consideration to the next steps in the process at a future meeting. However, we noted the caution from the Select Committee that such a proposal would need time and careful, sensitive planning to execute.

Council House-building Programme

Phase 1

Subsequent to the Council determining the Phase 1 contract with Broadway Construction Ltd (BCL), the recovery work was completed by P A Finlay & Co Ltd on the 31st October 2017, with the last two homes on the Red Cross site being handed over and occupied. The homes built are now in the defects liability period, which will end on the 31st October 2019.

On 22 November 2017 the Council received a notice of Adjudication, which was referred by BCL. The dispute concerned the termination of the contract by the Council on 1st June 2016. BCL maintained and claimed that the termination was wrongful and constituted a repudiatory breach of contract. The decision reached by the Adjudicator, which was received on 2 February 2018, is summed up, in short, as a win for the Council. The headlines are as follows:

1. Of the 18 delay events put forward by BCL, the adjudicator has found that all but two of the delays were the responsibility of BCL;
2. The Council was justified in serving the Default Notice as a result of Broadway's failure to proceed regularly and diligently with the work;

3. BCL did increase its level of resources following the Default Notice, however, BCL failed to increase the labour levels to a level to address the remaining works on the critical path and thus continued the specified default of failure to proceed regularly and diligently for 14 days;
4. The Council was therefore entitled to terminate the contract;
5. The termination was not unreasonable or vexatious;
6. BCL is liable to the Council for damages;
7. The Council is not prohibited from retaining or withholding liquidated damages prior to and following the termination of the Contract; and
8. As BCL has been unsuccessful in this adjudication, the adjudicator has found that BCL shall be primarily liable for the adjudicator's fees and expenses in their entirety.

Phase 2

Works on site are progressing at various stages across the site. It should be noted that a 17 week extension of time has been granted to the contractor due to additional unexpected ground contamination. The extension of time that has been granted also incurs a loss and expense amounting to around £680,000. The Contractor is currently forecasting a further 9 week delay with completions expected at the end of August 2018.

Phase 3

Works across all of the Phase 3 sites in Epping, Coopersale and North Weald are progressing well, with the exception of Queens Road, North Weald, which has a delayed start due to the need to relocate a power sub-station and relocate the underground mains cables.

The actual and anticipated completion dates for each of the sites are as follows:

Bluemans End, North Weald -	31st January 2018
Stewards Green Road, Epping -	7th March 2018
London Road, Ongar -	17th March 2018
Parklands, Coopersale -	31st May 2018
Springfield, Epping -	28th June 2018
Centre Avenue, Epping -	28th June 2018
Queens Road, North Weald -	October 2019

Phases 4-6

In September 2017, East Thames, who are the Council's Development Agents, gave notice in accordance with their contract that they wished to end the arrangements for them to act as Development Agents on behalf of the Council. A 6-month exit management term is now in place, ending on 9 March 2018 to enable as smooth a hand-over as possible.

Having undertaken a review of lessons learnt across previous phases of the Housebuilding Programme, rather than re-appoint a replacement Development Agent, the Council intends to approach future phases slightly differently by appointing a multi-disciplinary team of consultants and contractors directly. Most importantly, the Council will be looking to de-risk the below-ground works, which has led to the extra time and cost across most of the Phases 1-3 sites, by undertaking more detailed ground investigations and agreeing the designs for contamination, drainage, foundations and detailed layout designs prior to appointing the Contractor. The Council will also appoint its own Clerk of Works to inspect the works on site. These appointments are now subject to an ongoing EU-compliant procurement exercise.

In order to maintain continuity for the sites currently in progress, the Cabinet Committee has agreed to novate the appointment of Pellings LLP, who is currently in contract with East Thames, direct to the Council. Based on the fees paid to East Thames, which were agreed following a competitive tender exercise, there will be an overall saving of £550,000 to the Council by novating the contract on their current terms.

Fire safety in Council-owned properties

In January 2018, the Communities Select Committee considered a report on fire safety in Council-owned accommodation. The Committee heard that each of the Council's flat blocks has an up to date and valid Fire Risk Assessment (FRA), for which the Essex County Fire and Rescue Service has undertaken detailed site inspections of the blocks that are 5-storeys tall. A letter of assurance has now been received from the Essex County Fire and Rescue Service confirming that the findings of the FRA's for each of the blocks are satisfactory.

Following the events of the Grenfell Tower fire in June 2017, the Select Committee has asked that a feasibility study be undertaken to advise on the possibility of installing sprinklers in each of the Council's sheltered housing sites, as well as at Norway House and Hemnall House. The Select Committee also agreed that the Council's policy should be changed from a "Stay Put" approach to a "Stay Safe" approach, which allows residents to use their own judgement of the situation whether or not to stay in their home or to get out in the event of a fire.

It was identified that there is a need to create a comprehensive Fire Safety Policy that captures everything that the Council is already doing to identify fire risks and prevent fires from occurring in its housing stock. The Policy will be considered by the Communities Select Committee at a future meeting.

Corporate Enforcement Policy

As a regulator we must ensure that our approach to regulatory activities is both consistent and transparent, this includes publishing our service standards, clear information on our enforcement policy and explain how we respond to non-compliance.

Presently each service area produces its own Enforcement Policy leading to a duplication of effort and potential inconsistencies from one service to another. The Housing Service has therefore been leading on a project to bring the existing Corporate Enforcement Policy up to date with the Regulators Code. A consultation amongst officers is currently underway; following this consultation the draft document will be circulated via the Council Bulletin for consultation with members, prior to consideration and adoption by the Cabinet.

Where necessary, this overarching policy will be supplemented by much shorter service specific documents, to be approved by the relevant portfolio holders.