

# ***Report to the Council***

**Committee:** Cabinet

**Date:** 26 April 2016

**Subject:** Housing

**Portfolio Holder:** Councillor D Stallan

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## **Recommending:**

**That the report of the Housing Portfolio Holder be noted.**

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## **Response to Letter to Brandon Lewis MP, Minister of State for Housing and Planning – Sale of high value empty Council properties**

I reported to the last Council meeting on the progression of the Housing and Planning Bill through Parliament and, in particular, to the discussions that had been taking place in Parliament relating to:

- The proposed requirement that councils must pay an annual levy to the Government - on the expectation that the councils will sell higher value empty properties over the course of the year to fund the annual levy; and
- A clause within the Bill that would allow the Secretary of State to reduce the payment by agreement with individual local authorities.

I explained that, prior to the Bill being passed to the House of Lords, the Minister of State for Housing and Planning informed the House of Commons of his willingness to consider the circumstances of each local authority and its housing need when he came to consider which local authorities he would be prepared to discuss the possibility of entering into agreements with, to reduce the amount that they would be required to pay. This was on the basis that the local authority would agree to use some or all of the payment that would otherwise have been made to the Secretary of State, to provide additional affordable housing in their area.

In my last report, I explained that I had therefore written to the Minister asking if he could give early consideration to the possibility of the Secretary of State entering into such an agreement with our Council, in advance of the Secretary of State making his determination of the amount of payment to be made by the Council. I said that I would advise members of the response to my letter.

I am pleased to report that I received a positive response from the Minister, which invited Council Officers to contact officials at the DCLG to “further discuss the policy and how an agreement may work for Epping Forest”.

The Director of Communities has made contact with DCLG officials accordingly. The DCLG explained that they are only at an early stage in their thinking about the potential approach towards entering into such agreements with local authorities. They explained, though, that the Minister was keen to enter into a dialogue with councils to replace high value void properties that are sold.

In order to enable DCLG officials to provide advice to Ministers in respect of how any agreement process may operate, the DCLG intends to discuss a proposal with the LGA to set up a working/technical group to consider all the issues relating to agreements to provide

replacement properties. The Director of Communities expressed a willingness of becoming involved in such a working/technical group.

The DCLG also said that they needed to work on the thresholds to be applied and would be advising Ministers shortly. Officials were looking at putting forward to Ministers a range of options of how the thresholds could be set (e.g. national, regional, local etc.) and the possibility of exempting newly-built properties from the high value voids policy and/or properties built after a specified date.

The DCLG is currently looking at the data provided by all local authorities on the number of voids, with a view to assessing a vacancy rate for each local authority, based on each authority's actual average vacancy rate over previous years.

Having expressed our interest in entering into an agreement with the DCLG regarding the provision of replacement affordable homes with the receipts from the sale of high value void properties, we now need to await further advice and guidance on how the DCLG propose the agreements to be taken forward. I am sure that the new Housing Portfolio Holder will continue to keep members updated on progress with this issue.

### **Proposed cessation of the Housing Appeals and Reviews Panel**

At its meeting on 22 March 2016, the Constitution Working Group agreed to recommend to Council that the Housing Appeals and Reviews Panel be discontinued with immediate effect, and that responsibility for all housing appeals and statutory homelessness reviews currently within the scope of the Panel be delegated to officers.

The Panel was set up in 1991, following the disbandment of the former Housing Management Sub-Committee. At that time, any client of the Housing Service could appeal against (or request a review of) any decision made by an officer on a housing matter. Since then, a number of changes have been made to reduce the scope due of the Panel's areas of responsibility, due to the increasing number of applications that were being made.

In the last 2 years, the Panel has considered 14 cases, 13 of which related to homelessness. Only 2 cases were upheld. Although the Panel now only considers a relatively small number of cases, the majority of which are statutory reviews of homelessness decisions (predominantly on the intentionality of the homelessness), the Working Group was concerned about the amount of member and officer time required to deal with appeals and reviews in this way, and the complexity of the legal issues involved with reviewing homelessness cases. It was for these reasons that, following consultation with all Panel and Substitute Members, the Constitution Working Group agreed to recommend to Council that the Housing Appeals and Reviews Panel be discontinued.

### **Council Housebuilding Programme**

The Phase 1 works continue to make slow progress. The outcome of the contractor's claim for an extension of time was determined by the Council's Employers Agent, Pellings LLP, which concluded that there were no grounds for additional time and therefore no grounds for any loss and expense as a result. Since then, the contractor has continued to work on site. However, the Council has recently received a request from the contractor to refer issues of dispute to mediation. The Council's appointed solicitors, Trowers and Hamblins, are currently considering the request and will be advising the Council accordingly.

The contract with Mulalley & Co Ltd to construct the 51 new affordable rented homes at Burton Road, Loughton has now been signed and the associated performance bond is in place. Pre-commencement designs are being prepared by Mullalley, who are also working to discharge the planning conditions prior to commencement on site. It is anticipated that work will commence on site, with site hoarding and demolition of the garages, in late June 2016. All garage tenancies have been terminated, ready for the works to commence.

The Council's Employer's Agents and Architects, Pellings LLP, are now at an advanced stage with the designs and tender documents for the 8 sites making up Phase 3 of the Council Housebuilding Programme in Epping, Coopersale and North Weald. It is anticipated that, following a competitive tender exercise, works will start on site in September 2016.

Officers continue to make good progress with future phases of the Council Housebuilding Programme, with 4 more sites being granted planning approval at Kirby Close, Ladyfields, Chester Road and Lower Alderton Hall Lane in Loughton since my last report. Each of these sites will form part of Phase 4 of the Programme, which is due to start on site later this year - around December 2016.

The Council has now also signed a contract with Linden Homes for the purchase of 8 affordable rented homes at Barnfield, Roydon, which is conditional and subject to the approval of a minor material amendment to a major planning application. The revised design will be considered by the Area Plans (West) Sub-Committee in May 2016. Subject to approval, works will start on site immediately - with the private show homes being completed in December 2016, with the Council's affordable rented homes will completed in 2017. One of the Council's Preferred Housing Association Partners, B3Living, is providing 3 shared ownership properties on the site.

Arrangements are also now in hand for the Council to progress the required purchase of existing empty properties on the open market, in order to avoid the Council having to pass unspent "one-for-one replacement" Right to Buy receipts to the Government. The target to complete all purchases is December 2016; therefore, the identification and purchase of "chain-free" properties is a key factor. This exercise will result in expenditure to the value of around £2.3million, 30% of which being the "one-for-one" funding at risk.

### **Names agreed for new Council flats to be built at Burton Road, Loughton**

Following consultation with Loughton Town Council and the two local ward members, at its meeting on 24th March 2016, the Council's Council Housebuilding Cabinet Committee considered the names to be put forward for the two new blocks of Council flats to be built in Burton Road, Loughton under Phase 2 of the Council Housebuilding Programme.

The Cabinet Committee agreed to formally submit two names suggested by Loughton Town Council. One block is proposed to be called "Churchill Court", in recognition of the former Sir Winston Churchill Public House that was previously located nearby, prior to its demolition to enable development to take place on the site.

The other block is proposed to be called "Davis Court" after the late former district and town councillor and District Council Chairman, Joan Davis, who was the local ward member for the area for many years.

The Council's building contractor for Phase 1, Mullaley and Co, will now make a formal application for the building names and numbering to the Council's Neighbourhoods Team, who will undertake the required statutory consultation process. The Cabinet Committee agreed a reserve name of "Nelson Court" for one of the blocks, suggested by Cllr Chris Pond, should either proposed name be unacceptable for any reason.

### **Repairs and Maintenance Hub – North Weald**

Members will be pleased to note that the planning application has now been submitted for the proposed new Repairs and Maintenance Hub in Blenheim Way, North Weald. As agreed by the Cabinet, no further commitment is in place to progress beyond the stage of obtaining planning permission, until exchange of contracts on the St Johns Road, Epping development takes place.

## **Computerised system for Council leaseholders**

From the beginning of the new financial year in April, the Communities Directorate has gone live with an additional module of our integrated Housing IT System - which integrates all the different housing functions together in one IT system. The new module computerises the administration of service charge accounts for our residential leaseholders, relating to the 1,005 Council flats and maisonettes under the Right to Buy since 1980.

The management of leasehold accounts is a complex function, as it has to work on an approximately 18 month cycle - with estimated accounts for the forthcoming financial year produced in January/February and actual accounts produced the following September. Over the year, leaseholders make monthly payments towards their estimated accounts and pay any extra amount that is due (or receive a credit) once the actual charges are known.

Until now, the Home Ownership Team which administers the residential service charges has managed these processes using a number of different basic IT and manual systems. The new leasehold module streamlines these processes.

To further improve the service to leaseholders, in 2014, I gave my approval to the use of a framework agreement that provides leaseholders with additional ways to pay for their services - by direct debit and card payments. This will provide leaseholders with more flexibility and remove the need for inflexible standing orders to have to be set up on an annual basis.

The initial implementation of the leasehold IT module went well, although it will not be fully 'bedded-in' until it has been through a full 18 month charging cycle.

## **Housing Service Strategy on Privately-owned Empty Properties**

At its meeting in March 2016, the Housing Select Committee received a report from the Private Sector Housing (Technical) Manager on the many initiatives adopted by our Housing Service to bring privately-owned empty properties back into use. The Select Committee also endorsed the Council's new *Housing Service Strategy on Empty Homes in the Private Sector*.

Empty properties are a wasted resource in terms of housing provision, particularly in areas of high demand like Epping Forest. In addition, while there will always be empty homes in the District (through natural turnover), those that are left empty for extended periods of time can cause a nuisance in communities and devalue neighbouring properties.

Officers in our Private Sector Housing (Technical) Team collate information from a number of sources in order to identify properties that are considered to be empty long-term, i.e. for more than 6 months. Property owners are initially offered advice, encouragement and, in some cases, financial assistance to bring their properties back into use. However, if this proves unsuccessful, the Council can take enforcement action.

By applying this strategy over the past 10 years, the number of long-term empty homes in the District has shown a marked decline - from approximately 950 properties in 2005 to just 350 properties in 2015.

The Council's Housing Strategy Action Plan has a target to bring at least 30 long-term empty properties back into use each year. I am pleased to say that this target was met, once again, for last year (2015/16).

The Housing Service Strategy on Empty Homes in the Private Sector Strategy will have a complete review and update after 5 years.

## **Housing Information Evening for Members**

At the time of writing, the Housing and Planning Bill has not yet received Royal Assent. When enacted, the provisions of the new Act will have significant issues and implications for the Council's Housing Service, our tenants and our housing applicants.

In order to ensure that all members are aware of the main housing provisions of the new Act, the Director of Communities will be arranging a Housing Information Evening for all Members of Council, together with members of the Tenants and Leaseholders Federation, in June/July 2016 to explain the current national housing issues and other local housing issues of interest.

It is envisaged that the Information Evening will cover the following:

- 1% p/a rent reductions (Welfare Reform and Work Act 2015)
- The Council's proposed HRA Financial Options Review 2016
- Starter Homes
- Right to Buy for housing association tenants
- Sale of higher value void properties
- "Pay to Stay" Scheme
- Compulsory Fixed-Term Tenancies
- Increased levels of homelessness and increased use of temporary accommodation
- Council Housebuilding Programme
- Disabled Facilities Grants and the Council's CARE Service
- Proposed Repairs and Maintenance Hub at North Weald.