

# ***Report to the Council***

**Committee:** Cabinet

**Date:** 21 February 2017

**Subject:** Housing

**Portfolio Holder:** Councillor S Stavrou

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**Recommending:**

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

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## **Review of the future delivery of the Housing Repairs Service at the end of the current Repairs Management Contract with Mears plc**

Around six years ago, following a competitive exercise, we pioneered an innovative Repairs Management Contract with Mears plc to “insource” expertise and support from the private sector to improve our Housing Repairs Service. Under the arrangements for the contract, Mears plc is responsible for the delivery of the Repairs Service, through the management of officers and operatives employed by the Council.

This approach is becoming a much more common one adopted by landlords now, compared to the main alternatives of either “outsourcing” the service fully to a private contractor or providing the service fully in-house. The main advantage is considered to be the fact that private sector expertise and resources are levered in, at a much lower cost and with far less risk.

Prior to the Council’s Repairs Management Contract being introduced, the target time for undertaking routine repairs was 6 weeks (with only 85% - 95% of repairs achieving the target), repairs to void properties were taking up to 19 days and very limited restrictive appointments were given. Under the Repairs Management Contract, the current average time to undertake all repairs is under 6 days, 99% of emergency repairs are completed within 4 hours, appointments are given for all repairs, and tenant satisfaction is at its highest ever - at 99.9%.

However, the Repairs Management Contract was initially for a 3-year period, with an option to extend for two further 3-year periods - and the final 3-year period with Mears is about to commence, with the contract expiring in March 2020. Although this sounds a long way off, if the Council wanted to adopt a new approach to the delivery of the Repairs Service, it could take up to 18 months to implement. I have therefore asked the Director of Communities to undertake a review, over the next few months, of the options available for the delivery of the Housing Repairs Service from 2020. He will be arranging for the review to be undertaken by an independent consultant, following a competitive fee exercise, and I will, of course, keep members informed with the review’s progress.

## **Homelessness initiatives**

At its meeting on 17 January 2017, the Communities Select Committee responded to my request to consider the current homelessness situation in the district and a range of mitigation strategies suggested by officers in order to deal with the current and future increasing pressures as a result of the rise in homelessness.

The Finance and Performance Management Cabinet Committee then considered the resultant recommendations of the Select Committee that involved finance at its meeting on 19 January 2017.

As a result, I was pleased that the Cabinet Committee agreed funding for the following initiative recommended by the Select Committee:

- The appointment of an additional Homelessness Prevention Officer, in order to deal with the requirements of the anticipated Homelessness Reduction Act and the additional workload generally due to increasing homelessness pressures
- The use of the existing £90,000 Invest to Save Funding to provide applicants with a rental loan of 4 weeks' rent to meet the costs of rent in advance and/or a landlord deposit when securing accommodation in the private rented sector, with applicants being required to repay loans on an interest-free basis over 36 months (thereby recycling the budget to enable others to benefit from the scheme in the future)
- The appointment of an experienced external company to undertake statutory homelessness reviews, to free-up senior officer time
- The appointment of an external organisation to provide specialist services to rough sleepers in the District, following the withdrawal of similar funding from the DCLG.

### **Proposed Pilot Scheme for the provision of modular accommodation for single homeless people**

The Leader and I, together with the Chief Executive and senior housing officers, recently visited a local company, based in our District, that provides modular temporary accommodation for homeless people (often referred to as homelessness pods), which a number of other councils are using (the closest to us being Chelmsford CC).

Although they look and have a similar size to shipping containers, they are of a different construction, provide good level of insulation that meets current Building Regulations, have flexible internal configuration arrangements with the provision of carpets and white goods and, of course, have doors and double glazed windows. All of us who visited the company's Show Pod were impressed with the quality and flexibility of the accommodation, which is not unlike the chalets provided at Norway House, the Council's Homeless Persons Hostel in North Weald.

I have therefore asked officers to investigate the feasibility of undertaking, in the first instance, a small Pilot Scheme in the grounds of Norway House to provide around 3 pods and 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 year per person (which is the reduction in housing benefit subsidy that we receive from the Government as a result of accommodating housing benefit recipients in bed and breakfast accommodation).

There are a number of issues to consider for the proposed Pilot Scheme, but I know that officers are making good progress and I intend to come forward with a report on the Pilot Scheme to an early meeting of the Cabinet.

### **Careline Monitoring Service**

Also at its meeting on 21 November 2016 the Communities Select Committee considered a detailed report from the Director of Communities on the following options for the future delivery of the Council's Careline Alarm Monitoring Service.

- That the Careline Monitoring Service continues to be provided by the Council under the current arrangements;
- That the Council provides an enhanced Careline Monitoring Service;
- That the service is monitored through another provider 24/7; or
- That the service is monitored through another provider overnight.

The Review followed the expansion of the Careline Monitoring Service over a number of years, with an increasing number of private sector connections and advances in technology, which are starting to cause complex management and operational issues. There have also been difficulties experienced with recruiting staff, which has led to additional pressures on existing staff that have had to cover. The costs of the various options to the Council and users, and the possibility of funding currently received from Essex County Council being withdrawn from April 2017, were also considered.

Following detailed consideration, the Committee concluded that the best option to recommend to the Cabinet for the future delivery of the service and for benefit of service users would be for the Monitoring Service to be outsourced to an external provider following a competitive tendering exercise.

At its meeting on 2<sup>nd</sup> February 2017, the Cabinet agreed with the Select Committee's recommendations and arrangements are now being made to undertake a tender exercise to outsource the Service.

### **Stage 1 Further HRA Financial Options Review**

As I explained in my report to the last Council Meeting, following the Financial Options Review for the Council's Housing Revenue Account (HRA) undertaken by the Finance and Performance Management Committee in 2015, and as a result of the ongoing delays in receiving any guidance from the Government on the proposed arrangements for the required sale of higher value empty council properties to fund the proposed payment of a levy to the Government, I have asked the Director of Communities to arrange for Simon Smith, our HRA Business Planning Consultant, to provide members with HRA Financial Option Review Reports in two stages, as follows:

**Stage 1** – To be based on what we know now and, in particular, to make decisions on the future approach to our Council Housebuilding Programme; and

**Stage 2** – When the CLG decides to implement its High Value Voids Levy and announces the arrangements, to consider the implications for the Council and any required action to mitigate the financial effects of having to pay the Levy at that time.

The Draft Stage 1 Report has now been received, which is currently being reviewed by officers for accuracy. Once finalised and I am happy with the report, as previously requested by the Cabinet, the Communities Select Committee and the Tenants and Leaseholders Federation will be consulted on the Options Report, prior to it being considered by the Finance Cabinet Committee at its meeting on 30<sup>th</sup> March 2017 - for decisions to be made for the long-term.

### **Responding to the funding cut by Essex County Council for the Council's Caring and Repairing in Epping Forest (C.A.R.E) Service**

In November 2016, Essex County Council announced that it no longer intends to provide funding for Housing Related Support (HRS) services. As well as affecting the Council's Careline and Scheme Management Services, this announcement also affects C.A.R.E. (Caring and Repairing in Epping Forest), our in-house home improvement service.

ECC has been part-funding C.A.R.E. since 1991 and currently provides £51,000 per annum towards the service.

The majority of C.A.R.E.'s work is to provide services to residents in our District with care and support needs to enable them to live independently - such as helping them with applications for Disabled Facilities Grants (DFGs) to adapt their homes for family members with disabilities. Last year, C.A.R.E. provided a service to support 900 residents of the District that own their homes or are private tenants.

One option of meeting the County Council's funding withdrawal would have been to fund the shortfall from the General Fund. However, I was not prepared to consider this option, since it would increase the burden on all council taxpayers. Another option would have been to increase the fees charged to C.A.R.E service users. However, I felt that the increase in fees that would have been necessary to fund the shortfall, which would have more than doubled in the case of DFGs (from 15% to 32%), would have been unreasonable.

Therefore, the recommendation I made to the Finance and Performance Management Cabinet Committee at its last meeting in January, which I am pleased to report was agreed by the Cabinet Committee, was that the funding shortfall should be "top-sliced" from the Better Care Fund, which all local authorities receive to help fund DFGs, and cannot be used for any other purpose than to support the delivery of DFGs.

The DFG element of the Council's Better Care Fund allocation is £665,000 for the current year and we have been advised to expect a similar amount for 2017/18. As this amount should be more than sufficient to meet the demand for DFGs next year, the agreed approach will enable C.A.R.E. to continue to provide their valuable services to local older residents, at no additional cost to them or council taxpayers.

### **Housing Strategy 2017 - 2022**

The Council's current Housing Strategy was adopted by the Council in 2009. The purpose of the Housing Strategy is to assess the District's current and future housing needs and set out the Council's approach to meeting those needs.

It was originally anticipated that the Housing Strategy would cover a three-year period, and would therefore be updated during 2012 to cover the following three years. However, much of the Housing Strategy relates to the provisions within the Local Plan which, until recently, has been delayed for a number of years.

Now that the Draft Local Plan was approved by Council towards the end of last year, it is now necessary for a new Housing Strategy to be produced to cover the next few years - which I am proposing should cover the 5-year period 2017-2022 - with the continuation of the production and monitoring of Annual Key Action Plans.

The Director of Communities has therefore set up a small Housing Strategy Project Team of officers to produce a new Draft Housing Strategy. In accordance with its Work Programme, it is my intention, in the first instance, to ask the Communities Select Committee to consider the Draft Housing Strategy at its meeting in March 2017, prior to undertaking a consultation exercise with a range of partners, key stakeholders and the public.

Following this consultation exercise, the final version of the new Housing Strategy will be considered by the Cabinet, prior to adoption by the Full Council, as required by our Constitution.

Although much has changed since the current Housing Strategy was originally produced, I think the basic approach and format has worked well - which I am therefore proposing to generally adopt for the new Housing Strategy.