

Thurrock: A place of opportunity, enterprise and excellence, where individuals, communities and businesses flourish

Housing Overview and Scrutiny Committee

The meeting will be held at **7.00 pm** on **21 July 2016**

Committee Room 1, Civic Offices, New Road, Grays, Essex RM17 6SL

Membership:

Councillors Gerard Rice (Chair), Chris Baker (Vice-Chair), Jan Baker, Sue MacPherson, Jane Potheary and Joycelyn Redsell

Lynn Mansfield, Housing Tenant Representative

Substitutes:

Councillors John Allen, Tony Fish, Ben Maney, Terry Piccolo and Kevin Wheeler

Agenda

Open to Public and Press

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To approve as a correct record the minutes of the Housing Overview and Scrutiny Committee meeting held on 14 March 2016.	
3 Urgent Items	
To receive additional items that the Chair is of the opinion should be considered as a matter of urgency, in accordance with Section 100B (4) (b) of the Local Government Act 1972.	
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Queries regarding this Agenda or notification of apologies:

Please contact Kenna-Victoria Martin, Senior Democratic Services Officer by sending an email to Direct.Democracy@thurrock.gov.uk

Agenda published on: **13 July 2016**

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DECLARING INTERESTS FLOWCHART – QUESTIONS TO ASK YOURSELF

Breaching those parts identified as a pecuniary interest is potentially a criminal offence

Helpful Reminders for Members

- *Is your register of interests up to date?*
- *In particular have you declared to the Monitoring Officer all disclosable pecuniary interests?*
- *Have you checked the register to ensure that they have been recorded correctly?*

When should you declare an interest *at a meeting*?

- **What matters are being discussed at the meeting?** (including Council, Cabinet, Committees, Subs, Joint Committees and Joint Subs); or
- If you are a Cabinet Member making decisions other than in Cabinet **what matter is before you for single member decision?**



Does the business to be transacted at the meeting

- relate to; or
- likely to affect

any of your registered interests and in particular any of your Disclosable Pecuniary Interests?

Disclosable Pecuniary Interests shall include your interests or those of:

- your spouse or civil partner's
- a person you are living with as husband/ wife
- a person you are living with as if you were civil partners

where you are aware that this other person has the interest.

A detailed description of a disclosable pecuniary interest is included in the Members Code of Conduct at Chapter 7 of the Constitution. **Please seek advice from the Monitoring Officer about disclosable pecuniary interests.**

What is a Non-Pecuniary interest? – this is an interest which is not pecuniary (as defined) but is nonetheless so significant that a member of the public with knowledge of the relevant facts, would reasonably regard to be so significant that it would materially impact upon your judgement of the public interest.

Pecuniary

If the interest is not already in the register you must (unless the interest has been agreed by the Monitoring Officer to be sensitive) disclose the existence and nature of the interest to the meeting

If the Interest is not entered in the register and is not the subject of a pending notification you must within 28 days notify the Monitoring Officer of the interest for inclusion in the register

Unless you have received dispensation upon previous application from the Monitoring Officer, you must:

- Not participate or participate further in any discussion of the matter at a meeting;
- Not participate in any vote or further vote taken at the meeting; and
- leave the room while the item is being considered/voted upon

If you are a Cabinet Member you may make arrangements for the matter to be dealt with by a third person but take no further steps

Non- pecuniary

Declare the nature and extent of your interest including enough detail to allow a member of the public to understand its nature



You may participate and vote in the usual way but you should seek advice on Predetermination and Bias from the Monitoring Officer.

Vision: Thurrock: A place of **opportunity**, **enterprise** and **excellence**, where **individuals**, **communities** and **businesses** flourish.

To achieve our vision, we have identified five strategic priorities:

1. Create a great place for learning and opportunity

- Ensure that every place of learning is rated “Good” or better
- Raise levels of aspiration and attainment so that residents can take advantage of local job opportunities
- Support families to give children the best possible start in life

2. Encourage and promote job creation and economic prosperity

- Promote Thurrock and encourage inward investment to enable and sustain growth
- Support business and develop the local skilled workforce they require
- Work with partners to secure improved infrastructure and built environment

3. Build pride, responsibility and respect

- Create welcoming, safe, and resilient communities which value fairness
- Work in partnership with communities to help them take responsibility for shaping their quality of life
- Empower residents through choice and independence to improve their health and well-being

4. Improve health and well-being

- Ensure people stay healthy longer, adding years to life and life to years
- Reduce inequalities in health and well-being and safeguard the most vulnerable people with timely intervention and care accessed closer to home
- Enhance quality of life through improved housing, employment and opportunity

5. Promote and protect our clean and green environment

- Enhance access to Thurrock's river frontage, cultural assets and leisure opportunities
- Promote Thurrock's natural environment and biodiversity
- Inspire high quality design and standards in our buildings and public space

Minutes of the Meeting of the Housing Overview and Scrutiny Committee held on 14 March 2016 at 7.00 pm

- Present:** Councillors Cathy Kent (Chair), Chris Baker (Vice-Chair), Jan Baker, Tunde Ojetola and Steve Liddiard (Substitute) (substitute for Clare Baldwin)
- Lynn Mansfield, Housing Tenant Representative
- Apologies:** Councillors Clare Baldwin and Sue MacPherson
- In attendance:** Roger Harris, Corporate Director of Adults, Housing and Health
Richard Parkin, Head of Environment
Dermot Moloney, Strategic Lead Housing
Alastair Wood, Technical Services Delivery Manager, Housing – Technical Services
Jenny Shade, Senior Democratic Services Officer
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Before the start of the Meeting, all present were advised that the meeting may be filmed and was being recorded, with the audio recording to be made available on the Council's website.

The Chair apologised to Members of the change in Committee date but recognised that Officers from Housing would be attending the Local Government Chronicle Awards in London where they had been shortlisted for 2 awards, Efficiency and Driving Efficiency through Technology.

The Chair wished Officers good luck and acknowledged that the right people and teams had been shortlisted.

This was echoed by all Members.

39. Minutes

The Minutes of the Housing Overview and Scrutiny Committee held on the 17 February 2016 were approved as a correct record.

The Chair acknowledged that Councillor Hamilton had a follow up question to his original question asked at the 17 February 2016 Committee regarding tax implications on void properties for council and private landlords. This will be emailed to Officers and a response will be sent to all Members when available.

40. Urgent Items

There were no items of urgent business.

41. Declaration of Interests

No interests were declared.

42. Managing Damp & Mould - Update on Housing Investment, Development Actions

Richard Parkin introduced the report and confirmed that it had been returned to the Committee at the request of Members. The Officer stated that damp and mould continued to be a problem in Council properties but stated that this was a country wide issue and that measures were being taken to tackle this issue. Damp and mould will remain a key focus and work will continue to look for ways to improve this within Council properties and with the education of residents on how to deal and reduce any damp, mould and condensation in their properties.

The Officer briefly presented the report to Members highlighting the following areas:

- Damp and mould in the Council Housing Stock contributed to approximately 4 per cent of the repair service demands.
- The approach of the repairs programme was to address problems rather than covering up.
- In the Transforming Homes Programme, 2 million pounds have been set aside to address damp and mould with an overspend this was due to the nature of the work undertaken.
- Addressing issues with the fabric of the property and work had been undertaken to address such issues in Tilbury.
- 214 out of the 253 damp and mould surveys received back from residents required some level of remedial works to be undertaken.
- Upgrading existing single glazed windows with new double glazed.
- Resident Communication Programme issued to all residents in October 2014, which advised residents on how to deal with damp, mould and condensation.
- 342 properties have formed part of the thermal efficiency programme.
- In September 2015, Thurrock Council hosted a “Damp and Mould Conference”, which was attended by over 40 representatives from different local authorities and social landlords.
- Infrared Heating was being trialled in a property in one of the Grays High rise blocks to provide the Authority of a worked example in the Thurrock Borough.

Councillor Liddiard thanked the Officer and asked if the figure of 4 per cent on the damp and mould repairs had gone down over the last 2 to 3 years. The Officer confirmed that exact figures were not to hand but stated that trends had indicated received had gone down a degree. Exact figures will be supplied to Officers.

Councillor Liddiard asked if all Council properties had been installed with double glazing, the Officer confirmed that there were still a number of flats in South Ockendon who still had single glazed windows.

Councillor Liddiard stated that to break resident's habits of drying clothes indoors, would the installation of washing lines help these residents more. The Officer confirmed that in his opinion this would not stop residents drying clothes inside properties.

Councillor Ojetola asked Officers what assistance was available to residents for dealing with damp and mould issues. The Officer confirmed that information was supplied to all residents on how best to deal and reduce damp and mould and to assist residents through the repair service. Advice was given by members of the technical team, which would depend on the level of mould as to when to wash-down and what detergent should be used.

Councillor Ojetola stated at what point were tenants asked to wash-down. The Officer confirmed that this would depend on the size and the location of the mould and residents would be advised by contractors. The process of dealing with residents with mould issues would be supplied by Officers and reported back to Members.

Councillor Ojetola asked for clarification from Officers on the overspend on the Housing Transformation Project. The Officers confirmed that when the programme was put together, 2 million pounds of the total amount was directly set aside for damp and mould works. Other works such as drainage, that also addressed the issue of damp and mould, had been undertaken but would not have been included in the 2 million pound aside.

It was not known how much of this was spent on the damp and mould element of the housing transformation project. Officers may be able to pull out the element of what was spent on damp and mould for transforming homes and provide this information to members. Officers confirmed that remedial works will continue but might not be able to afford to carry out projects such as the Eco Programs.

The Chair asked Officers who attended the recent Housing Conference where other local authorities attended and ideas were exchanged, whether the benefits of attending were evident as yet. The Officer confirmed that it was probably too early to tell but continued conversations would continue with other providers and maybe attend another conference in the future. Damp and Mould will remain a high priority for the Housing Department.

Councillor Ojetola suggested that Damp and Mould go onto the work programme for 2016/17 with an update from residents who believe that damp and mould issues may have affected their health. The Officer stated that results from previous surveys undertaken by Thurrock proved it was hard to make a link between the two. The Officer confirmed that conversations with Public Health will take place.

RESOLVED

- 1. That the programme be undertaken to address issues of damp and mould, as described in the report, be noted.**
- 2. That the Committee support the move to a more planned, efficient and effective means of asset management.**

43. Update on Housing and Homelessness Prevention Strategies

The Officer presented the report and highlighted the following areas:

- The Housing Strategy had been split into three core priorities – Raising the Bar, In on the Ground and Looking Ahead
- SMART metres had been installed on three traveller's sites in Thurrock so that rent, rent arrears and service charges could be paid in an effective way
- Housing Enforcement had been adopted as a robust approach to anti-social behaviour and developed a prevention, intervention and enforcement (PIE) model
- Housing advice training had been delivered to volunteers
- Housing Options continued to work with the national Gold Standard
- Housing staff currently being trained on safeguarding
- New Development at Bruyns Court has been completed with 25 new units of sheltered accommodation
- Housing Zone status has been awarded with capacity funding secured
- Homelessness forum had been undertaken with partners of all specialism attending
- Dedicated Housing and Welfare Advice Officer had been recruited
- Tenants accreditation scheme has been set up with over 100 residents taking part
- Housing first programme has been set to address housing issues of people with very complex needs
- Right Size Programme to identify under occupation across all tenures
- Private Sector Team who engage with landlords of empty private properties but the Council have no legal rights to empty properties

Councillor Liddiard thanked the Officer for the good report and stated that it was good that the Council were heading in the right direction but felt that a crisis was only just round the corner with changes to Government Policies. The Officer confirmed that there would be greater pressures and that this was recognised over different measures. Discussions on changing the statutory duty for homelessness prevention were taking place. This would have the effect of increasing councils' responsibility to prevent homelessness.

Councillor Liddiard asked Officers if there were a need for more hostels in Thurrock. The Officer confirmed that the forms of temporary accommodation currently used fit the needs of the Council. If the use of hostels were used in the future this would need to be business modelled very carefully as support would also need to be provided.

Councillor C Baker stated that some residents in private accommodation who were unable to afford rents have resulted in Section 21s being issued. The Officer confirmed that section 21s were now the main reason for homelessness in the borough.

The Landlord forum will be re-launched to listen to private landlords and take into account their views on what offer of rents they were expecting.

Councillor Ojetola thanked the Officer for the positive report but acknowledged that the figures for the number of landlords were still quite low and what incentives were out there to get landlords on board. The Officer stated that a large campaign was underway to ensure landlords were aware of the good quality of services available and that the Council may have to think more commercially to engage with landlords.

Councillor Ojetola stated that the Empty Property Tax Exemption should be re-addressed but Officers agreed this would be area for the Finance Team to look at.

RESOLVED

That the Housing Overview & Scrutiny Committee note and comment on the updates in this report.

44. Work Programme

The Chair asked Members for any items that they would like to be added to the work programme for the 2016/17 municipal year.

RESOLVED

Members agreed that:

- 1. The Item Annual Report 2013/14 be added to the work programme for the 2016/17 municipal year work programme.**
- 2. The Item Mould and Damp be added to the work programme for the 2016/17 municipal year work programme.**
- 3. The Item Fixed Term Tenancies be added to the work programme for the 2016/17 municipal year work programme.**
- 4. The Item Pay to Stay be added to the work programme for the 2016/17 municipal year work programme.**
- 5. The Item Homelessness Strategy be added to the work programme for the 2016/17 municipal year work programme.**

6. **The Item Improving Energy Efficiency be added to the work programme for the 2016/17 municipal year work programme.**
7. **The Item Changes to the Fees and Charges 2016/17 be added to the work programme for the 2016/17 municipal year work programme.**

The meeting finished at 8.12 pm

Approved as a true and correct record

CHAIR

DATE

**Any queries regarding these Minutes, please contact
Democratic Services at Direct.Democracy@thurrock.gov.uk**

21 July 2016		ITEM: 5
Housing Overview & Scrutiny Committee		
Update on the Housing and Planning Act 2016		
Wards and communities affected: All	Key Decision: Key	
Report of: Dawn Shepherd, Housing Strategy & Quality Manager and Dulal Ahmed, Housing Enforcement Manager		
Accountable Head of Service: Dermot Moloney, Strategic Lead, Housing		
Accountable Director: Roger Harris, Director of Adults, Housing and Health		
This report is Public		

Executive Summary

On 12 May 2016 the Housing and Planning Act 2016 received royal assent.

The Act contains provisions on new homes (including starter homes), landlords and property agents, abandoned premises, social housing (including extending the Right to Buy to housing association tenants, the sale of local authority assets, pay-to-stay and secure tenancies), planning, compulsory purchase, and public land.

This report outlines details regarding the key changes to local authority housing and private housing enforcement that the legislation introduces:

- Fixed term tenancies – removing life time tenancies and replacing with tenancies for a fixed period of time;
- Pay to Stay provisions – requiring tenants earning above determined thresholds to pay higher rents;
- Sale of higher value Council houses
- New powers to protect residents from unsafe and unacceptable housing conditions, including banning orders and a database of rogue landlords.

Thurrock Council tenancy policy was implemented in 2012; it determines the types of tenancies offered by the Council. The tenancy policy will need to be reviewed and updated to incorporate the new legislation and to determine any discretionary provisions e.g. length of fixed term tenancies.

Public consultation with existing and future tenants will need to be undertaken.

This report also includes proposals on the extension of HMO licensing in Thurrock with proposed fees.

1. Recommendation(s)

It is recommended that the Housing Overview & Scrutiny Committee:

- 1.1 Note the new legislative requirements of the Housing & Planning Act 2016;
- 1.2 Approve a public consultation to inform a revised tenancy policy;
- 1.3 Approve a public consultation into an extension of HMO licensing and new fees 2017/18;
- 1.4 Agree to review the outcomes of the consultations at the next Overview & Scrutiny meeting in October with a view to making recommendations to Cabinet in November.

2. Introduction and Background

- 2.1 The Housing & Planning Act 2016 received Royal assent on 12 May 2016 after a lengthy and controversial pathway through Parliament
- 2.2. The Act contains provisions on new homes (including starter homes), landlords and property agents, abandoned premises, social housing (including extending the Right to Buy to housing association tenants; sale of local authority assets; 'pay-to-stay'; secure tenancies), planning, compulsory purchase, and public land (duty to dispose).
- 2.3 There are three key areas of change for Council housing:
 - The introduction of mandatory fixed term tenancies
 - The introduction of new "Pay to Stay" regulations
 - The sale of higher value Council properties
- 2.2 Many provisions in the Act are still to receive further clarifications through regulations to be published later in this year; however it is important to understand the implications and to prepare for the increased administrative processes required to implement the new legislation
- 2.3 There are also provisions to protect privately renting tenants from unsafe and unacceptable housing conditions.
- 2.4 This report analyses the provisions and make recommendations for how the provisions are implemented.

3. Issues, Options and Analysis of Options

3.1 Fixed term tenancies

- 3.1.1 Traditionally the Council issues secure, or so called “tenancies for life” whereby, provided a tenant pays their rent and does not breach the tenancy terms, they may continue as a tenant of the property for the rest of their life if they choose to do so
- 3.1.2 In 2012 the Localism Act gave local authorities the discretion to issue flexible tenancies; Thurrock Council, following a full consultation, opted to keep secure life time tenancies but implemented an introductory tenancy process for the initial year of the tenancy. Details were incorporated into the Councils Tenancy Policy which was approved by Cabinet in December 2012
- 3.1.3. The 2016 Housing & Planning Act requires all local authorities to issue only fixed term secure tenancies in future
- 3.1.4 A single set of regulations are expected by the end of the year but some provisions are already known:
- 3.1.5 The tenancies must be for a minimum period of two years and a maximum of ten years, with an exception where there are children under the age of 9 living in the household: the fixed term will be extended up to the 19th birthday of the child
- 3.1.6 The Council can determine the length of period that tenancies for households without children will be given and this can include provisions for the elderly and those with disabilities
- 3.1.7 Six months before the end of the fixed term the Council must review the tenancy and determine one of the following:
- To offer a further fixed term tenancy in the same property;
 - To offer a fixed term tenancy in an alternative property;
 - To end the tenancy and offer advice on buying a property or other housing options
- 3.1.8 Criteria for determining the initial tenancy length and outcomes at the end of the fixed term must be contained within the council’s Tenancy Policy; this will therefore need to be revised. Appeal procedures will also be available
- 3.1.9 Cabinet approval will be required for the revised tenancy policy. It is therefore anticipated that a further report will be brought to housing O & S in October 2016 to provide recommendations to Cabinet in November 2016.
- 3.1.10 Fixed term tenancies will apply to all new tenancies but not retrospectively to current secure tenancies (old-style life time tenancies)

3.1.11 Existing old style secure tenants who transfer to alternative properties will receive a new fixed term tenancy unless they are required to move by the Council i.e. through a decant programme; there may be some discretion for example where the move is due to domestic abuse or via a mutual exchange but further clarification will be provided in the awaited regulations

3.1.12 Succession rights will be changed so that successors are only entitled to a further fixed term period of five years

3.2 Pay to Stay

3.2.1 Under the new Act the Secretary of State will introduce “Rent Regulations” which determine the amount that a local authority must charge its tenants for Council housing

3.2.2 The regulations are still to be provided but the following provisions are already known:

3.2.3 The Council must charge a higher rent to a tenant on a “high income”

3.2.4 High income will initially mean over £31,000 in England outside London; this figure will be up rated annually in line with CPI

3.2.4 The amount of rent to be charged is still to be determined but will be either

- Equal to market rent;
- A proportion of market rent;
- To be determined by other factors

3.2.5 The rent will differ according to the household income but is generally expected to increase by 15p for every £1 earned above the £31,000 threshold

3.2.6 The table below shows potential new rents for households according to their household income

	Studio	One	Two	Three	Four
Average Social Rent - Month	£366	£374	£438	£492	£552
Assumed Market Rent (full)	£625	£700	£825	£950	£1,100
Household Income					
30k	£378	£387	£450	£504	£565
35k	£441	£449	£513	£567	£627
40k	£503	£512	£575	£629	£690
45k	£566	£574	£638	£692	£752
50k	£625	£637	£700	£754	£815

55k	£625	£699	£763	£817	£877
60k	£625	£700	£825	£879	£940

3.2.7 Tenants are required to inform the Council of their household incomes and Councils can share information with HMRC for verification purposes. It is anticipated that some tenants may fail to disclose the correct information and are likely to face prosecution under the Fraud Act 2006.

3.2.8 Collected income – less any administration costs – must be returned to the Treasury

3.3 Sale of higher value void council properties

3.3.1 The new Act requires the Council to pay a sum to the treasury equivalent to the market value of any “higher value” Council housing stock that would become vacant during the year.

3.3.2 Further regulations will define what “higher value” represents and more detailed provisions about the sums to be paid.

3.4. Measures to tackle rogue landlords and property agents in Thurrock

3.4.1 The new Act will give Council’s new powers in 2017, to protect residents from unsafe and unacceptable housing conditions. This will enable the Council to regulate the private rented sector better, against rogue landlords who pose a serious risk to tenants

3.4.2 In 2015/16, the Council received 240 complaints about poor housing conditions of which 147 were identified as Category 1 Hazards under the Health, Housing Safety Rating System Assessment. A Category 1 hazard requires the council must take action to remove or reduce the hazard.

The new Act has 6 new measures designed to tackle rogue landlords and property agents in Thurrock.

3.4.3 Banning orders for most prolific offenders

The Government will consult on what offences could result in a banning order this autumn, with draft regulations published in early 2017 and the measures coming into force in October 2017. This power will enable the council to apply for a banning order to prevent landlords or letting agents from operating and renting out property when a landlord or letting agents commit certain offences.

3.4.4 Database of rogue landlords/property agents

The database of rogue landlords and agents who have been issued with a banning order will be held by the Department for Communities and Local

Government and updated by each local authority to improve information sharing legally and professionally, preventing rogue landlords/agents from trading illegally and passing the Fit and Proper test for landlords in England.

3.4.5 Civil penalties of up to £30,000 for those who breach a banning order
The Government expects to publish guidance on the penalty will be calculated in March 2017, with measures taking force in April 2017.

3.4.6 Extension of Rent Repayment Orders

A tenant or a local housing authority may apply for a rent repayment order against a person who has committed an offence as defined in the Act. This could be equivalent to 12months rent. Defined offences detailed below:

Act	Section	General description of offence
Criminal Law Act 1977	section 6(1)	violence for securing entry
Protection from Eviction Act	section 1(2), (3) or (3A)	eviction or harassment of occupiers
Housing Act 2004	section 30(1)	failure to comply with improvement notice
Housing Act 2004	section 32(1)	failure to comply with prohibition order etc
Housing Act 2004	section 72(1)	control or management of unlicensed HMO
Housing Act 2004	section 95(1)	control or management of unlicensed house
Housing Planning Act 2016	Section 21	breach of banning order

3.4.7 Tougher Fit and Proper Person test for landlords

We will have to wait for the published guidance on this aspect but it will include matters of right to remain and insolvency /unspent bankruptcy

3.4.8 Tenancy Deposit Protection Scheme data sharing

The Council will be able to request data from tenancy deposit protection schemes to identify private rented property and landlords. This applies to HMOs, to enforce licence fees due to the council and take action against rogue landlords and enforce housing standards identified as Category 1 Hazards.

3.4.9. The Private Sector Housing Team will plan to update its policies and procedures to use the new powers and methods.

3.4.10 The Housing and Planning Act 2016 also paved the way for regulations to be made introducing a compulsory electrical safety check for rented property.

3.5 Extension of Mandatory Licensing for Houses of Multiple Occupation (HMOs)

3.5.1 At the end of December 2015, the Government consulted on the proposals to extend the scope of mandatory licensing of HMOs, from three storey building occupied by five persons or more and two or more households to two storey buildings occupied by at least 5 persons.

3.5.2 Government ministers are still considering their response, but changes to include two storey buildings, flats above shops seem likely, as well as reducing the people/households threshold. This is expected in October 2016.

The new legislative requirements will define part of our HMO management approach in the Thurrock Housing Strategy 2015-20.

3.5.3 Following the new definition to extend the scope of mandatory licensing of HMOs. Thurrock has over 300 two storey HMO buildings, including shared houses and single tenancies on its private sector housing database.

3.5.4 We are proposing new fees to be implemented in 2017/18. The last licence fee Cabinet report was in 2013/14. The proposed fees reflect the administrative costs to license the HMO changes. These costs have been benchmarked regionally. The new fees are seen at 3.5.11.

This is comparable to other local authorities providing the same service. Private landlords with more than one HMO (Landlord accredited or non-accredited) will pay a discounted fee.

If the two storey HMO definition is adopted, this would require those 300 HMO landlords in the borough to be licensed. Additional resources will be needed to administer this scheme for collecting the General Fund income of up to £284k.

3.5.5 The new fees take into account local housing supply conditions in the private rented sector. It will encourage private landlord accreditation to ensure decent standards in properties where there are several people sharing basic facilities and require landlords to be 'Fit and Proper' person to be granted a licence.

The new fees do not apply to a private landlord leasing a whole house/flat to one tenant/family unless their household has two or more unrelated tenants on a single tenancy living in a shared house.

3.5.6 The licencing scheme will allow the council to proactively identify and engage with landlords, particularly less responsible private landlords, to improve management standards at this type of accommodation. As HMOs increasingly become a housing option for single people without a housing duty owed to them.

Essex Police support this initiative to reduce crime and disorder related to poorly managed HMOs. As a licence scheme can make it easier taking enforcement against a HMO landlord for failing to tackle their anti-social tenants.

- 3.5.7 The new landlords within the extension of mandatory HMO licensing affected by the HMO fees will be consulted during the next few months. This will discuss the proposed fees, landlord accreditation benefits, and an early bird discount reward.
- 3.5.8 We will support private landlords by offering help, advice and guidance on how to complete the application process to comply with the law.
- 3.5.9 The landlord consultation results will be shared with members in the October Overview Scrutiny report. The proposed fees are expected to be implemented on April 1st 2017.
- 3.5.10 Another part of our approach to manage HMOs in the borough will be to limit the number of HMOs over concentrating in a particular street or area for example more 10% in a ward. The Private Sector and Planning Team will ensure they use the relevant regulatory legislation where possible.
- 3.5.11 The current HMO licence fee is £808. The proposed license fees for 2017/18 can be seen in the table below:

	Number of people	Landlord Accredited	Non-Accredited	Accreditation discount 15%
New HMOs 5 year License (Fees for single tenancies and shared houses)	0 to 5	£949.70	£1,092.16	£142.46
	6 to 10	£999.40	£1,149.31	£149.91
	11 to 15	£1,099.10	£1,263.97	£164.87
	16 to 20	£1,198.80	£1,378.62	£179.82
	21 to 29	£1,378.26	£1,585.00	£206.74
	30 or more	£1,597.60	£1,837.24	£239.64
* extra fee may be applicable for larger premises inspection				
Renewable HMOs License (5 Year- no changes or management regulation breaches)	0 to 5	£474.85	£546.08	£71.23
	6 to 10	£499.70	£574.66	£74.96
	11 to 15	£549.55	£631.98	£82.43
	16 to 20	£599.40	£689.31	£89.91
	21 to 29	£689.13	£792.50	£103.37
	30 or more	£798.80	£918.62	£119.82
Other Misc. income				

License Variation		£150.00	£172.50	£22.50
Change of Manager or ownership		£150.00	£172.50	£22.50
Permitted number changes		£150.00	£172.50	£22.50
License Holder Change Fee reduced by 50% if application for new license within 12 month of issue and subject to property condition/inspection)	0 to 5	£474.85	£546.08	£71.23
	6 to 10	£499.70	£574.66	£74.96
	11 to 15	£549.55	£631.98	£82.43
	16 to 20	£599.40	£689.31	£89.91
	21 to 29	£689.13	£792.50	£103.37
	30 or more	£798.80	£918.62	£119.82
Failure to notify changes in ownership or management (non- license holder)		£250.00	£250.00	£0.00
HMO Public license register fee		£59.20	£59.20	£59.20
Assisting with Licensing application (First 30 minutes free for accredited landlords, thereafter £50.00 per hour pro rata)		£50.00	£50.00	£0.00

4. Reasons for Recommendation

- 4.1 The Housing and Planning Act 2016 has now received royal assent and therefore the Council needs to implement the new provisions;
- 4.2 Changes to the Council's Tenancy Policy will be required to determine the length of fixed term tenancies and criteria for issuing them
- 4.3 The Council will need to make procedural changes to implement other provisions within the Act.

5. Consultation (including Overview and Scrutiny, if applicable)

- 5.1.1 A full consultation on fixed term tenancies will be undertaken to consider the criteria for:
- The length of fixed term tenancies to be offered and reasons for any exceptions;
 - Issuing a further tenancy in the same property or in a different property at the end of the fixed term period;
 - The advice and assistance that will be given to tenants on finding alternative accommodation in the event that another tenancy is not issued.

- 5.2 A full consultation on HMO licensing will be undertaken; this consists of a private landlord forum, resident telephone survey, on line private landlord survey, and stakeholder consultation with councillors and the Police.
- 5.3 The outcome of the consultations and recommendations will be presented to the Housing Overview and Scrutiny Committee in October 2016; the Committee are expected to make recommendation for the Cabinet meeting on 9 November 2016

6. Impact on corporate policies, priorities, performance and community impact

- 6.1 New powers to deal with rogue landlords should improve the health and wellbeing of private tenants through the reduction of poor and unsafe housing conditions

7. Implications

7.1 Financial

Implications verified by: **Julie Curtis**
HRA and Development Accountant

Implementing the new Pay to stay provisions will involve initial set up costs and ongoing annual costs. A recent exercise by officers indicated that ongoing costs of more than £300,000 per year were likely. These costs will need to be deducted from any extra rent collected however, any excess beyond this must be sent to the treasury.

Receipts from the sale of higher value Council properties, less any administration costs, must also be sent to the treasury to be used to fund new starter homes.

Based on the proposed accredited licence fee of £949.70, the theoretical General Fund income could be up to £284k over 5 years based on 300 HMO homes. Staffing costs will have to be considered to administer the new scheme.

The expected licence fee income represents a significant service change because under the existing HMO licence definition, the Council has 5 licensed HMOs on its public register.

Section 63(3) of the Housing Act 2004 provides that licence applications may be accompanied by a fee to be determined by the local housing authority (LHA). In setting its fees, a LHA may take into account all costs it's incurred in carrying out its licensing function which we have done for all licence applications for up to a 5 year period.

The fees for this type of licensing are reviewed every year thereafter to be open and transparent. As the licence fee represents good value to trade lawfully as a HMO landlord licensed by the Council.

There is a 15% discount for private landlords who are accredited by the UK Landlord Accreditation Partnership (UKLAP) to raise the bar in HMO management standards.

Plus, an early bird discount scheme will also be considered to reward private landlords registering early.

7.2 Legal

Implications verified by: **Martin Hall**
Housing Solicitor / Team leader

The Housing and Planning Act 2016 received Royal assent in May 2016 and will be implemented during the coming year.

The Council must implement the new arrangements, in line with regulations to be provided before the end of 2016.

Fixed term tenancies will be more complex to administer than current secure tenancies, particularly around the need to consider the age of children in the household and the requirement to review the circumstances 6 months prior to the end of the fixed term. Management of these tenancies will require new procedures around monitoring and repossessions.

Pay to Stay regulations will require close working with HMRC to verify incomes. It is likely that some tenants may fail to disclose their incomes and will therefore be subject to fraud investigations and possible criminal prosecutions under the Fraud Act 2006.

Powers for greater monitoring of HMO accommodation are likely to result in increased legal action against rogue landlords.

7.3 Diversity and Equality

Implications verified by: **Becky Price**
Community Development Officer

A full equality impact assessment is required and will be undertaken as part of the consultations. The assessment will be provided to Housing O & S with the outcomes report in October

7.4 **Other implications** (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

There is a large increase in the duties to be undertaken by officers to implement the new provisions including the HMO licensing and introduction of monitoring and assessing fixed term periods and tenant's incomes. This will necessitate an increase in the workforce.

8. **Background papers used in preparing the report** (including their location on the Council's website or identification whether any are exempt or protected by copyright):

None

9. **Appendices to the report**

None

Report Authors:

Dawn Shepherd - Housing Strategy & Quality manager

Dulal Ahmed - Housing Enforcement Manager

21 July 2016	Item: 6
Housing Overview and Scrutiny	
Housing Repairs and Maintenance Working Group	
Wards and communities affected: All	Key Decision: Non Key
Report of: Sue Cardozo, Housing Asset Investment and Delivery Manager	
Accountable Head of Service: Richard Parkin, Head of Housing and Environment	
Accountable Director: Roger Harris, Corporate Director of Adults, Housing and Health	
This report is Public	

Executive Summary

In response to a number of queries raised regarding the progress with the Housing Repairs Service, and in the interest of continuous improvement the previous portfolio holder for Housing, Councillor Lynn Worrall suggested a cross party member working group be formed to review the current service provision. This group undertook a schedule of meetings in March 2015 that focussed on the quality of service that is currently provided and recommend any improvements that might be made. The ultimate aim of the group was to make recommendations that would further improve tenant satisfaction.

This report provides an overview for Housing Overview and Scrutiny of the programme of work undertaken by this Member Working Group and update on the subsequent recommendations arising.

1. Recommendation(s)

1.1 That Housing Overview and Scrutiny are asked to note the recommendations made by the working group and note progress made in terms of implementation.

- Implementation of quality pledge ID Cards for Mears operatives that provide the name, photo and Trade that each operative is qualified in.
- Inviting the company undertaking the customer surveys, KWest, to present feedback to Housing Overview and Scrutiny annually.

- Consider providing new tenants with photographs of void properties before the work was completed so there is an understanding of the work that has to be undertaken.
- Review of tenants rating the service as “fair” in satisfaction surveys and not just poor or terrible.
- Providing information / communication or training on the repairs process for Councilors to ensure they know where to direct tenants to for general enquiries / concerns
- Add an additional question to customer surveys to see if tenants are happy with the way their call was handled by the contact centre

1.2 That Housing Overview and Scrutiny are also asked to note the update on the changes made to the Responsive Repairs Contract and to ask for an update regarding the Damp and Mould working group to come back later in the year.

2.0. Introduction and Background

Background

- 2.1 The Council currently manages a housing stock of just over 10,000 properties. The provision of responsive repairs to ensure the properties are maintained is a key service that affects many of the current tenants every year.
- 2.2 In 2015 Housing successfully completed the procurement and implementation of a new responsive repairs and maintenance contract and entered into a partnership contract with Mears. The new contract focuses on improved efficiency in asset management and includes substantial commitments for a range of offers for local economic and community initiatives through apprenticeships, training and supply chain programmes.
- 2.3 In tandem with the implementation of this new repairs & maintenance contract, a new Repairs Policy was developed and implemented to provide a policy framework to support the key objectives of the new service.
- 2.4 The new partnership contract with Mears was demonstrated to be scoring highly on resident satisfaction with more than 86% of tenants reporting that they found the service Good or Excellent. However in the interest of continuous improvement the portfolio holder for Housing, Councillor Lynn Worrall suggested a cross party member working group be undertaken via a schedule of meetings that would focus on the quality of service that is currently provided and recommend any improvements that might be made. The ultimate aim of the group would be to make recommendations that would improve tenant satisfaction further to take it to over 90%.
- 2.5 The scope of the working group review was agreed as follows:
- A detailed discussion on the repairs contract and the governance arrangements in Thurrock
 - Onsite visits to refurbished properties

- A detailed discussion of the budget and finances of the contract
- A visit to Manchester to witness the independent customer survey process in action
- A visit to Mears depot in Thurrock to see how the operational delivery of the service is managed.

2.6 Nominations were requested for two Councillors from each party to attend the working group meetings.

Representatives were nominated as follows: Cllr C Baker, Cllr Gamester, Cllr J Redsell, Cllr T Ojetola, Cllr L Worrall, Cllr C Kent.

Detailed of the different meetings and outcomes can be found in Appendix 1.

3.0 Recommendations from Working Group

3.1 The working group concluded with a number of suggested recommendations to be taken forward by the service. These were as follows:

- Implementation of quality pledge ID Cards for Mears operatives that provide the name, photo and Trade that each operative is qualified in.
- Inviting the company undertaking the customer surveys, KWest, to present feedback to Housing Overview and Scrutiny annually.
- Consider providing new tenants with photographs of void properties before the work was completed so there is an understanding of the work that has to be undertaken.
- Review of tenants rating the service as “fair” in satisfaction surveys and not just poor or terrible.
- Providing information / communication or training on the repairs process for Councilors to ensure they know where to direct tenants to for general enquiries / concerns
- Add an additional question to customer surveys to see if tenants are happy with the way there call was handled by the contact centre

4.0 Repairs update

4.1 Following on from the working group earlier this year there are a number of changes that have taken place within the Responsive Repairs service for which the committee should be updated:

- Gas B&R - Over winter 2015/16 there was a high level of discontent with the Gas Breakdown and Repairs service that Mears were providing. Mears had brought this service in quickly as Thurrock did not currently have an R&M contractor for Heating and Hot Water Services. There were continued problems with the service provided and a high level of complaints. Due to this Thurrock worked with Liberty Gas to transfer the repairs and maintenance function over to them. Liberty Gas already

completes boiler servicing on behalf of Thurrock and were able to offer a “3 Star Service”, including R&M on a price per property basis. The new contract should improve customer satisfaction and save Thurrock around £200,000 per year. The contract started on 8th June 2016.

- Damp and Mould – Thurrock Housing is looking to change the way that it tackles Damp and Mould. Currently the service is very “traditional” and involves a simple investigation and most issues being tackled with a simple “wash down”. Issues keep reoccurring however. Satisfaction surveys were completed, three months after the initial job was carried out and the results showed that only 44.7% of respondents rated the service as Good or Excellent and that only 33% of residents said that the work undertaken fully resolved the issue. It is apparent that more needs to be done with regards to tackling damp and mould, including improved repairs services but also tackling lifestyle issues with tenants. A working group has been set to look at actions to improve this service.
- Senior Management Changes – There have been two important changes within the management of the repairs contracts. Gary Luscombe, previous Repairs Manager for Thurrock Council has now moved across to Mears and is their Partnership Manager for Thurrock. Susan Murray who was previously the Area Contracts Manager for Thurrock is now the Repairs and Planned Maintenance Manager for Thurrock. These moves now give us very strong leadership on both the Client and Contractor side of the Mears/Thurrock relationship.
- Repairs Satisfaction – it should be noted that Repairs Satisfaction continues to be high with 86.4% of tenant last year rating the service as good or excellent. This is 2,988 tenants out of 3,458 interviewed. A further 264 tenants (7.6%) described the service as fair and 206 (5.9%) marked the service as poor or terrible. Thurrock completed over 30,000 responsive repairs jobs per year. Work has now been completed on a “deep dive” into satisfaction and some key themes have been identified for improvements. These are: Appointments, Repairs Not Completed, Quality of Repairs, Time Taken to Complete a Repair, Communication Issues. An action plan is being created for these specific items to help improve satisfaction.

5. Implications

5.1 Impact on corporate policies, priorities, performance and community impact

The improvement of the Council’s assets is linked to key corporate priorities:

- Creating a great place for learning and opportunity
- Encourage and promote job creation and economic prosperity
- Building pride, responsibility and respect
- Improve health and well-being

The delivery of the Repairs and Maintenance service continues to support strategic and local opportunities through investment in the continued integrity

of the Councils assets which in turn contributes to the wellbeing of the tenants living in the properties. Also through the provision of new opportunities for our residents through the social value delivered as part of the contract.

5.2 Financial

Implications verified by: **Jo Freeman**
Management Accountant Social Care & Commissioning

There are no financial implications arising from this report

5.3 Legal

Implications verified by: **Chima Obichukwu**
Housing Solicitor

There are no Legal implications arising from this report

5.4 Diversity and Equality

Implications verified by: **Becky Price**
Community Development Officer

The Housing Responsive Repairs Service was the subject of a full community equality impact assessment prior to its implementation. Feedback from the Member Working Group has now led to a number of changes that will help to improve resident satisfaction through the delivery of the service in partnership with Mears.

5.5. Other implications (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

None

6. Background papers used in preparing the report

Report Author:

Sue Cardozo – Housing Asset Investment and Delivery Manager

Richard Parkin – Head of Housing and Environment

Appendix 1

Session 1 - A Discussion on the Repairs Contract and Associated Governance Arrangements **Wednesday 2nd March 2016 6-8pm**

Attendees:

Cllr Worrall, Cllr Redsell, Cllr Kent, Cllr Baker, Cllr Gamester, and officers Richard Parkin, Susan Cardozo, Gary Luscombe, Chris Seman, Caroline Perkins

This session provided attendees with an overview of the new Repairs Contract, and the associated value and terms. At this session the following aspects of the service were discussed:

- Governance arrangements
- Roles and responsibilities of key personnel
- The work streams covered by the contract including exclusions and batched programmes
- The repairs appointment structure
- The repairs delivery priorities and associated timeframes
- The customer journey
- Key performance indicators used to assess ongoing performance
- Social value delivered as part of the contract arrangements
- Repairs to void properties

The presentation from this meeting is attached as Appendix 1.

A summary of the key points raised and discussed by members during this session is as follows:

Clarity around how the service monitors repairs through to completion to makes they are fully resolved.

At what point the Council will make a decision that something in the property is beyond repair for example a kitchen. Details were provided about the management of multiple repairs and the trigger points for review. The Contract Manager for the service confirmed that several repairs to the same aspect of the property would prompt an inspection.

It was confirmed that emergency repairs would still be undertaken when a property was awaiting works under Transforming Homes but major repairs would be undertaken as part of the investment programme.

Officers were asked to confirm arrangements for contacting the Quality Assurance team with enquiries. It was confirmed that they do not have a direct

outside line and calls are directed through the Council's call centre on customer slips or the team can be contacted via email.

There was a general discussion on the work stream for exclusion repairs, i.e. repairs not covered by the price per property contract. An explanation was given around the processes being following particularly in relation to replacement of front and rear doors.

Members highlighted the need to recharging tenants for repairs arising from misuse and the enforcement of the transfer policy that should prevent tenants from moving until they have repaired any damage caused due to misuse.

Members asked about the approach being taken to repairing the old pram sheds that exist in some estates. It was confirmed that these are not prioritised for repairs and if they are in really poor condition they would be taken down.

Clarity was requested about the process regarding damp and mould surveys. Members of the groups were advised of a survey currently underway to find out if the current processes for damp and mould were proving effective.

There was a discussion around tenants being able to undertake some minor jobs themselves or having access to a handy person service. There was a discussion around the programme being run by Mears for training tenants in undertaking DIY jobs.

**Session 2 - Onsite visits to refurbished empty properties
Friday 4th March, 9.30am - 11.00am**

Attendees: Cllr Kent, Cllr Redsell, Cllr Gamester, Cllr Worrall, Richard Parkin, Susan Murray

Councillors visited a number of voids properties in progress. Examples were seen of properties that required works to both the silver and the gold standard. Photographs of properties before the voids works were available so Councillors were able to see the condition of properties at the start of the process and the level and impact of work that had been undertaken to bring the properties up to a good fit to let standard..

It was felt that in general all properties were being completed to a very good standard.

**Session 3 - A visit to Manchester to the company undertaking the customer satisfaction surveys
Friday 11th March – all day visit**

Attendees: Cllr L. Worrall, Cllr T Ojetola, Cllr C Baker, Richard Parkin, Susan Cardozo and Chris Seman

The attendees travelled to Manchester to visit the company KWest who undertake the independent customer surveys on behalf of Thurrock. The results of these surveys inform one of the key performance indicators for the management of the repairs and maintenance contract with Mears.

Kwest gave an overview of their company and its operation within the sector as a specialist in social housing research. It was noted that they are registered under the Data Protection Act and a partner in the Market Research Society. They outlined the approach they take to undertaking the surveys with multiple attempts to contact households with calls being undertaken at different times of day and early evening. It was noted that all surveys were undertaken by their inhouse team.

Kwest had been undertaking surveys for Thurrock since November 2013 and they presented survey data with comparisons to previous years. This demonstrated a significant improvement in resident satisfaction since 2013.

It was noted that emails alerts are send to Thurrock and the contractor if the quality of work or service from the contractor is reported to be poor or terrible. These are then followed up by the contractor and trends addressed via a customer care meeting held with the contractor monthly.

It was noted that it is possible to benchmark Thurrock results with those of other boroughs using the KWest service although this would not necessarily be on a like for like survey basis as each survey is bespoke to the client.

It is noted that there was an auto programming facility that ensured residents received a call back at a time they had requested.

It was confirmed that the transfer of the data used for the surveys was covered under Data Protection and the process had been verified by Thurrock's data protection officer.

Members asked if it was possible to monitor respondent profiles and this was confirmed.

There was a general discussion on the % of surveys undertaken and response rates achieved.

It was noted that we do not currently look in detail at Fair rates responses but this was considered possible in future although Kwest noted that these respondents were generally indifferent and expressed no real view either way.

The presentations from this session are attached as Appendix 2 and 3.

Session 4 - A detailed discussion around the budget and finances of the contract

Tuesday 15th March 6pm – 7pm

Attendees: Cllr Kent, Cllr Gamester, Cllr Redsell, Cllr Ojetola, Cllr Worrall, Richard Parkin, Susan Cardozo, Julie Curtis and Gary Luscombe

This session outlined the structure and allocations for the budgets available to deliver of the Repairs and Maintenance service. Details were provided on the breakdown of the budget allocation for:

- The price per property responsive repairs workstream. It was noted that price per property covers a wide range of general day to day repairs within the scope of the repairs contract. The cost is based on 3 repairs per property and examples of these repairs include unblocking a drain, re-fixing a toilet seat or fixing a leak among various others. Within this budget 30,555 inclusion repairs can be completed.
- Budget for repairs that fell outside of this arrangement (exclusions). This represented the largest variable cost and covers the high value repairs which require approval by Thurrock staff. In 2015/16 an average of 261 exclusion jobs have been completed each month ranging from fitting new secure by design PVC front doors, mould treatments and electrical re-wires. Some batched repairs such as plastering and glazing are also accounted for from this budget.
- The operational costs for site overheads and operation of the call centre.
- The budget structure for planned maintenance workstreams including the Gas repair budget which dealt with boiler and central heating breakdowns. Also the Mould Survey Programme which is aimed to address damp and mould responsively (2421 square metres of mould treatment can be delivered within the MSP budget)

These programmes also include fencing which aims to replace broken fencing in batches to achieve efficiency savings. The high demand in this area was noted with this budget allowing repairs for only 40-50 properties.

- The budget applicable for works to void properties. It was noted that the void budget covers silver void delivery only. This means the property is brought to the agreed “fit to let standard” and involves a lock change, refuse clearance cleaning and general repairs.

Voids that required more major works to bring them to the Transforming Homes standard were delivered via the transforming homes programme and the costs for these came from the capital budgets

The limitations of the current budgets were noted and the likelihood that these would be reduced through work being undertaken to revise the HRA business plan in light of the implementation of the 1% rent decrease

Questions were raised around the frequency of partnership meetings with Mears and the frequency of the budget monitoring by Thurrock officers. It was noted that the contract manager met with mears at least weekly and that budget monitoring meetings took place monthly with finance.

The arrangements for quality control were discussed and the process for post inspection of high value repairs.

Councillors also raised around the ability to respond to major incidents such as following a large storm and the use of HRA financial reserves in these extreme incidents.

The improved performance of the call centre was noted

There was some discussion around the appointments systems and ensuring all operatives displayed ID it was agreed this would be further discussed at the planned visit to Mears Depot.

Councillors were invited to email officers with any further questions following this session

**Session 5 - A visit to Mears Depot in Thurrock
Friday 18th March – 9.30am - 13.00**

Attendees:, Cllr Kent, Cllr Redsell, Cllr Ojetola, Cllr Worrall, Richard Parkin, Gary Luscombe, Chris Seman

This session provided Councillors with an opportunity to visit the Mears Depot in Thurrock and observe the day to day service delivery first hand. Councillors had the opportunity to listen in to calls in progress with the contact centre and observe and talk to operatives in the different operational teams .

A presentation from Mears (appendix xxx) outlined the customer journey from the point that a repair was reported through to works completion. This also included an overview of the priorities attributed to different types of repairs and the the communication methods employed to ensure tenants were kept updated on progress.

The visit also demonstrated the back office process that support the completion of void properties to the Thurrock Silver standard.

The following questions were raised by Councillors attending:

Councillors asked how they could get updates as tenants often contacted them directly if things were not going to plan. It was explained that they could contact the Thurrock managers if they were not happy with progress.

Councillors questioned whether the contractors carrying out works were always in Mears vehicles and wearing identification. It was confirmed that

sub-contractors are not supplied with Mears vehicles all contractors would be wearing the Hi Viz jackets and carrying ID.

Councillors asked for improved information regarding the areas that planned works were going to be undertaken and this was agreed as an action for Thurrock moving forward.

Queries were raised around actions taken in response to customer feedback data from KWest, particularly in relation to any Poor and Terrible responses. It was confirmed that these cases were further investigated to identify what could have been done better. Monthly customer care meetings are held where all learning is discussed and ongoing improvements monitored.

A question was raised by Councillors regarding compensation if things do not go to plan. It was confirmed that apologies are always given but no monetary compensation offered.

It was noted that the partnership also contributed in terms of social value to the local Thurrock community. Some of the recent events were noted as follows:

- LEAF Event at the Gateway Academy
- Repairs Surgery held at Thurrock Offices
- Wills Hill Community Clean Up
- Tilbury Hub Repairs Surgery
- Apprentices employed – 2x Trade apprentices and 2 office based
- Ongoing support for local community events such as St Lukes Hospice bake sale

Mears had also committed their support to the following programmes which will have a positive impact on the local community :

- Support for the Princes Trust – Get into Construction Programme
- Repairs Surgeries at Tilbury and South Ockenden
- Volunteering opportunities
- Plans to revamp one of the community halls in a sheltered complex
- Ongoing delivery of the Trade School for 14-19 year old
- Women in Construction Programme
- DIY training for tenants
- Two social events at Wellington Road in Tilbury and the Garrison in Purfleet

During the visit Councillors took the opportunity to see the facilities on site for the delivery of the Trade School.

Councillor also reported that there were a number of older men who wanted to help the community. Mears agreed to look at possibilities of future programmes that could use this commitment.

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21 July 2016	ITEM: 7
Housing Overview & Scrutiny Committee	
Housing Development Update	
Wards and communities affected: All	Key Decision: Key
Report of: Helen McCabe, Strategic Housing Development	
Accountable Head of Service: Matthew Essex, Head of Regeneration and Assets	
Accountable Director: Steve Cox, Director of Environment and Place	
This report is Public	

Executive Summary

Members have received various reports on the Council's housing development and estate regeneration programmes outlining the progress being made by the authority to deliver high quality new homes for local residents. The first affordable housing schemes (the Echoes at Seabrooke Rise, Grays and Bruyns Court in South Ockendon) have been completed delivering 78 new homes. The first Gloriana Thurrock Limited (Gloriana) led project (St Chads in Tilbury) is now on site and will complete the first of 128 new homes in 2017.

Work is well underway on the second wave of affordable housing projects including those at Calcutta Road in Tilbury, Claudian Way in Chadwell St Mary and the former Topps Club site in Grays. However, the Welfare Reform and Work Act 2016 requires registered providers of social housing in England to reduce social housing rents by 1% a year for 4 years from a frozen 2015/16 baseline and to comply with maximum rent requirements for new tenancies. This is likely to reduce the ability of the Council to bring forward further affordable housing schemes through the Housing Revenue Account and has necessitated a review of the wider development and estate regeneration programmes. As a result, previously reported development opportunities in Purfleet (former VOSA testing site) and South Ockendon (former Prince of Wales pub) are likely to be held back to be incorporated into any future estate regeneration programme whilst some of the additional, smaller sites highlighted as opportunities in reports to Cabinet in September 2015 will not now be progressed.

Within this context, it is anticipated that Gloriana will take on a more prominent role in continuing to supply good quality housing across the Borough whilst generating a return to the Council which could be used to support wider service and/or housing delivery. The second anticipated Gloriana scheme, Belmont Road in Grays, has

continued to progress, following initial Cabinet approval in March 2015, and a planning application has been submitted.

This report provides a further update to Members on the housing development and estate regeneration programmes and specifically seeks views on the emerging principles which it is hoped will underpin any future estate regeneration programme and the potential to offer a further site for development through Gloriana.

1. Recommendation(s)

It is recommended that the Housing Overview & Scrutiny Committee:

- 1.1 Note the progress of Housing Development and Estate Regeneration Programmes;
- 1.2 Consider and comment upon the emerging principles which would underpin any future Estate Regeneration Programme; and
- 1.3 Consider the proposal to offer the Hogg Lane South site as a development opportunity for Gloriana in advance of a future report to Cabinet.

2. Introduction and Background

- 2.1 Cabinet has approved a range of programmes designed to increase the supply and improve the quality of new homes within the Borough through a series of reports and recommendations since 2013. This has included the Council taking a leading role in the delivery of a number of individual affordable housing schemes in Grays, South Ockendon, Tilbury, Chadwell St Mary and Corringham funded through the Housing Revenue Account (HRA) with Homes and communities Agency (HCA) grant funding. Developments in Grays and South Ockendon have been completed. Subsequent development schemes are either on site or going through the planning system. Cabinet approved the progression of tendering for construction for Claudian Way (Chadwell St Mary) and the former Topps Club (Grays) in March 2016.
- 2.2 Alongside the development of individual sites, the Council has also started to develop proposals for the regeneration of its housing estates where the costs of meeting the Transforming Homes standards are very high and where there is the potential to bring forward better quality housing as part of a more comprehensive approach. Through reports in December 2014, June 2015 and September 2015, Cabinet have been updated on initial discussions with potential development partners and strategic land acquisitions in Purfleet and South Ockendon to secure potential decant sites in the event that the Council proceeds with any proposals in those areas.
- 2.3 The Council has consistently worked with the Department for Communities and Local Government (DCLG) and the HCA to secure the resources necessary to fulfil its development ambitions. This has yielded impressive results with the Borough being designated as one of only 20 Housing Zones in

the country (outside of London), securing additional HRA borrowing capacity and a range of HCA grants to support individual schemes and wider strategic work programmes.

- 2.4 The Welfare Reform and Work Act 2016 requires registered providers of social housing in England to reduce social housing rents by 1% a year for 4 years from a frozen 2015/16 baseline and to comply with maximum rent requirements for new tenancies. This will have a significant impact on the scale of capital and revenue works the Council can afford to undertake. The impact of the changes on the Transforming Homes Programme was reported to Cabinet in December 2015.
- 2.5 This report updates on all of the currently active work streams within both the housing development and estate regeneration programmes and seeks views on the emerging principles which will underpin any programme which the Council seeks to take forward.

3. Issues, Options and Analysis of Options

Housing Development Programme

- 3.1 Two of the first three HRA funded, affordable housing schemes are now complete, The Echoes, Seabrooke Rise (53 units) and Bruyns Court (25 units for people over 55 constructed to HAPPI standard Housing Our Ageing Population Panel for Innovation) - with the final one; development of 12 new family homes in Bracelet Close, Corringham, expected to be complete in autumn 2016.
- 3.2 The second tranche of affordable housing schemes are at various stages of development. The development at Claudian Way, Chadwell St Mary (53 new homes including 12 houses, 19 bungalows and 22 apartments providing a mix of one, two and three bedrooms) was submitted to planning in June 2016. It is anticipated works will start in the autumn 2016.
- 3.3 The development at the former Tops Club, Argent Street, Grays has been re-designed due to the impact of the 1% reduction in rents. It will now provide 29 one and two bed apartments with three bed townhouses. The design was taken through a CABA review and was well received, CABA's recommendations will be incorporated within the re-design process which is now underway. It is anticipated works will start in Jan 2017.
- 3.4 In March 2016, Cabinet delegated approval to progress the development of these schemes, subject to tenders being within the anticipated budget, to the Director of Environment and Place in consultation with the Portfolio Holder for Housing.
- 3.5 It has previously been reported that design work was underway to bring forward another HAPPI scheme on the Calcutta Road site in Tilbury. A mixture of ground conditions and specification changes have rendered the original proposals unviable and so work is underway, through previously given

approvals, to appoint a new design team to bring new proposals forward. At the time of writing the procurement activity to appoint the new design team is just concluding. It is anticipated that further reports will be brought to Housing O & S and Cabinet to update on this scheme and seek further approvals as required.

- 3.6 The Welfare Reform and Work Act 2016 requires registered providers of social housing in England to reduce social housing rents by 1% a year for 4 years from a frozen 2015/16 baseline and to comply with maximum rent requirements for new tenancies. Consequently, both the housing development and estate regeneration programmes need to work within revised financial parameters. With the commitments already made through the Transforming Homes programme it is likely that, should further reductions in spending be needed, these will have to come from the housing development programme. Where schemes are to be delayed, deferred or cancelled outright there will need to be a further consideration of the impact on the Council in respect of grants secured from the HCA and/or additional HRA borrowing capacity granted by DCLG.

Housing Estate Regeneration

- 3.7 A number of reports have been received by Cabinet, outlining the work being undertaken to explore the potential to bring forward the regeneration of the Borough's key housing estates where the costs of meeting the Transforming Homes standard is very high and where there is the potential to bring forward better quality housing alongside enhanced local services and public realm as part of a more comprehensive approach.
- 3.8 Recognising the scale of work required to fully consider the opportunities and challenges around estate regeneration, as well as the importance of fully engaging and consulting local people throughout any process, the Council sought and, in December 2015, received a £700,000 grant from the HCA's capacity fund. The Council are working with a team of specialist advisors to support the consideration of the estate regeneration opportunities and to shape any potential programme going forward.
- 3.9 In seeking to develop any programme of this scale it is critical that clear guiding principles are set at the outset to shape any proposals which follow and also to assess any outcomes against. Officers have worked with the consultant team and built upon best practice elsewhere to develop a series of high level objectives that would guide any future programme that the Council chooses to take forward. The principles have been considered by Growth Board and the Housing Development Board and views are now sought from the Members of the Housing Overview and Scrutiny Committee.
- 3.10 It is proposed that the overall objective of the estate regeneration programme should be to broaden and increase the range, quality and quantity of affordable housing (across all tenures) for existing and new residents whilst also supporting the provision of the facilities and services necessary to

support growing communities. It is considered that this objective can be achieved through the application of the following principles:

1. Given unmet housing need in the Borough, the regeneration programme must provide net additional affordable homes. In addition to replacing all Council stock lost through redevelopment the programme will target a minimum 10% increase in affordable provision;
2. There will be no stock transfer as part of the programme;
3. There must be a right to return, or a right to a local replacement home, for all our existing council tenants. If existing council tenants wish to remain as council tenants they will be able to do so but the programme will offer choices of other tenures, including low cost home ownership;
4. No one will be expected to move twice. The assumption will be “build first demolish later”;
5. The financial viability of the programme will be underpinned by an increase in density of housing and an improved demand for full market for sale units, enabling cross-subsidy captured from the delivery of these units back into the programme. The programme will be viable when all appropriate and available sources of funding are taken into account;
6. Delivery of the programme will contribute positively to the repositioning of the perception of the Borough;
7. This isn't just about housing. It is about ensuring that amenities and services are delivered as an integral part of the plan, especially schools, open space and healthcare. However, it is not assumed that the programme will necessarily fully fund the provision of all of these amenities although it should provide the space for them within appropriate environments;
8. Accessibility to the rail network will be a key feature of urban design;
9. The programme will deliver quality homes and places;
10. The programme will offer the council the opportunity to act as key enabler, including undertaking direct development through Gloriana and the HRA where relevant; and
11. Realisation of all of the key principles will rely on making change happen at scale on each of the estates. In order to maximise the opportunity to achieve this, a legitimate attractive financial settlement needs to be devised which encourages freeholders and leaseholders to participate.

3.11 Moving forward it is anticipated that as proposals progress there will undoubtedly be challenges to be overcome in terms of overall viability, cashflow, infrastructure/remediation costs and engagement of the private sector, as well as a very important engagement and consultation process with residents. Key lines of inquiry already identified include:

- Determining the existing and anticipated services needs within and around each of the estates (schools, nurseries, health, community and sports facilities etc.) to establish what might need to be provided within any proposals that are developed;

- Updating tenure mix/right to buy take up across each estate to enable decants and phasing options to be determined;
- Gathering key metrics on stock condition, any repairs/maintenance liabilities, voids and under-occupancy across the estates to determine where the greatest practical need lies;
- Carrying out market research with active developers and local agents to determine current market value (outright sale, private rent, shared ownership etc.) and housing mix preferences, along with attitude to phased development of estates;
- Identifying and assessing adjacent land that may have a role to play in reconnecting the estates with their hinterland and offer opportunities for further development or decant. As part of this, potential competing developments also need to be identified; and
- Gathering information on the demographics of our tenants.

This work is progressing with initial massing and capacity studies completed and the procurement of estate regeneration technical support. Project management and programme delivery with the HCA and the advisors will continue and it is anticipated that the findings of any work undertaken will be the subject of further reports.

- 3.12 It has previously been reported that the Council has made strategic land purchases and acquired sites that lie immediately adjacent to the Garrison Estate, Purfleet (the former VOSA site) and the Flowers Estate in South Ockendon (the former Prince of Wales Public House). These acquisitions will give the Council decanting options should any decision ultimately be taken to progress with estate regeneration. However, recognising the pressure on the HRA, no development will be brought forward at this point in time to allow for further work to be undertaken. The VOSA site has been let out to secure an income in the intervening period.

Gloriana Thurrock Ltd

- 3.13 Cabinet agreed in March 2014 the proposal for Gloriana to develop up to 350 properties. At present, Gloriana is developing 128 new homes on the St Chads site in Tilbury and has submitted a planning application for the development of 80 new homes on the Belmont Road site in Grays.
- 3.14 Gloriana’s principle aim is to help deliver the Council’s growth agenda by developing new housing to stimulate market confidence within the Borough and to provide quality housing to meet housing needs and improve the lives of Thurrock residents.
- 3.15 The agreed governance arrangements for Gloriana provide for a series of Gateway approvals at key stages in scheme development. Each new development opportunity will be verified through the following Gateways:

Gateway zero	<ul style="list-style-type: none"> • Opportunity Identification • Capacity assessment
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	<ul style="list-style-type: none"> • Feasibility work
Gateway 1	<ul style="list-style-type: none"> • Opportunity – Select delivery route decision to be taken by the Housing Development Board
Gateway 2	<ul style="list-style-type: none"> • Cabinet approval to confirm land availability, funding availability – costs to be underwritten by the Council • Gloriana Board approval - consideration of viability, desirability, approval to undertake outline design
Gateway 3 (initial design and planning)	<ul style="list-style-type: none"> • Gloriana Board – consider changes from Gateway 2, approval for submission to planning and procurement of contractor • Fixes costs • Council's Governance group signs off lending and refers back to Cabinet if project is outside of tolerance
Gateway 4 (appointment of contractor and start on site)	<ul style="list-style-type: none"> • Consideration of any changes from Gateway 3 • Approval of completion of s.106
Gateway 5	<ul style="list-style-type: none"> • Change control – reviews changes, assesses financial impact on the Council if additional funding is required

- 3.16 With two schemes underway, it is appropriate to identify future opportunities to offer to Gloriana (through the governance framework outlined above) to ensure that there is a continuing pipeline of development. A number of sites have been identified through reviews of the Council's asset portfolio and the various studies looking at development potential in Purlfeet, Grays and Tilbury. Through the Grays Planning Framework, approved by Cabinet in March 2016, the Council owned site at Hogg Lane South, Grays has been identified as a development opportunity for Gloriana.
- 3.17 The site was one of a number identified as being appropriate for residential led development that had the capacity to generate the funding to support wider initiatives in Grays including the development of the boulevard underpass in place of the existing level crossing and the new Theatre on the riverfront in place of the existing Thameside Theatre. The site was originally acquired by the Development Corporation and transferred to the Council in 2012. It has since been used on a temporary basis for car storage by the adjacent Ford dealership.

- 3.18 Initial capacity and feasibility assessment has been undertaken. Building upon the parameters laid down within the Grays Planning framework, there is considered to be the potential to develop around 72 new homes within a largely apartment based scheme incorporating a range of affordable housing.
- 3.19 Members of the Housing Overview and Scrutiny are asked to consider the proposal to offer this development opportunity to Gloriana in advance of potential consideration by Cabinet through a future report.

Potential Funding

- 3.20 The Council has had considerable success in securing funding to further its affordable housing ambitions. In recent months several additional opportunities have arisen which the Council has expressed interest in. These are briefly reviewed below.

Estate Regeneration Programme

- 3.21 £140m of loan funding has been set aside by Government to be used as a springboard for partnership and joint venture arrangements, with the active involvement of communities. The Council has submitted an expression of interest for the programme building upon the work outlined above. The programme has received a very strong response nationally and expressions of interest are being considered by the Lord Heseltine chaired Estate Regeneration Panel. It is anticipated that the Council will be approached for an initial discussion over the summer 2016.

Starter Homes: Unlocking the Land Fund

- 3.22 The aim of the Starter Home Land Fund is to support the acquisition, remediation and de-risking of suitable land for starter home developments that can then be built out by developers by 2020. The Council has submitted an Expression of Interest to be part of this programme promoting a number of sites which could be delivered in partnership with the HCA through Gloriana. The HCA has requested a formal bid to be presented demonstrating how the partnership and viability of scheme a scheme would work. This will be submitted in autumn 2016.

Shared Ownership Affordable Housing Programme 2016-20 (SOAHP)

- 3.23 In April 2016, the Homes and Communities Agency (HCA) announced that it is making available £4.7bn of capital grant between 2016 and 2021. In relation to specialist housing, the HCA's Affordable Homes Programme prospectus sets out an ambition to deliver starts on site for at least 8,000 homes for supported and older people's rental accommodation.
- 3.24 The SOAHP 16-21 marks a decisive shift towards support for home ownership and seeks bids that can form part of a Programme where circa 90% of homes built are for Shared Ownership. The Council has submitted a letter of intent but does not plan to put any development schemes forward within the initial bidding round due to the pressure on the HRA from rent reductions. If

development opportunities arise, the Council will bid for funding through the continuous market engagement route.

Housing Awards

- 3.25 Recognising the scale of development being brought forward by the Council and the innovative approach in establishing Gloriana, the Council was selected as a finalist for the UKHA Awards 2016 for 'Outstanding new developer of the year'. Although the Council did not win, it is a great achievement to be recognised by a national housing award event.
- 3.26 The development at Bruyns Court, South Ockendon has been nominated and won several awards, including and the Housing Design Awards (results July 2016). The scheme won a prestigious RIBA national award 2016 in June 2016, with RIBA stating;

“Bell Phillips Architects and Thurrock Council Housing Department have worked together to produce a noteworthy scheme, that both encourages a community spirit within the development, and also acts as a positive landmark in the local area with the potential to kick start a new era for the locale.”

The development also won a RIBA East award with the Council being selected as RIBA East client of the year 2016. Bruyns Court also won a Local Authority Building Control Award.

4. Reasons for Recommendation

- 4.1 Providing a genuine choice of quality housing stock across the Borough is central to achieving the aims of the Corporate Plan and critical to the regeneration/growth ambitions in areas like Purfleet, Grays and Tilbury. The Housing Development and Estate Regeneration Programmes aim to deliver new high quality, mixed tenure homes across the borough to better meet, local housing needs and to offer a genuine choice of tenure to local people. Gloriana is becoming an increasingly important part of the Council's approach to housing delivery and the need to secure an ongoing pipeline of opportunities is critical to its success.

5. Consultation (including Overview and Scrutiny, if applicable)

- 5.1 Resident and community consultation has taken place on the site proposals and the Housing Development Board which comprises Members and residents as well as Officers has been, and will be, kept updated as the scheme progresses.
- 5.2 Our programme of consultation with all relevant stakeholders associated with all proposed housing developments and regeneration proposals are on-going. Local support and influence is critically important for all housing development and regeneration.

6. Impact on corporate policies, priorities, performance and community impact

- 6.1 Achieving regeneration of the Council's housing stock is a key priority and part of the Council's overall growth targets and corporate objectives, helping to deliver improved health and wellbeing, build pride in our communities and their environment and promote skills development and job creation.

7. Implications

7.1 Financial

Implications verified by: **Julie Curtis**
HRA and Development Accountant

- 7.1.1 The medium to long term financial implications of any project undertaken for housing development or estate regeneration will be considered as part of both the Medium Term Financial Strategy and the HRA business plan which evaluates the financial viability and affordability of the schemes incorporation both Capital and Revenue implications with regards to funding and additional revenues generated.
- 7.1.2 Work is ongoing to ensure the viability of the estate regeneration proposals are they are developed within the HRA Business Plan. All of the existing affordable schemes identified within the report are contained within the current Business Plan.
- 7.1.3. Further reports to Members will be presented on the affordability position of the housing development and regeneration plans on conclusion of the feasibility and affordability studies outlined above.

7.2 Legal

Implications verified by: **Assaf Chaudry**
Major Projects Solicitor

- 7.2.1 The proposals contained in this report relate to a number of housing developments and estate regeneration programme schemes. Apart from ensuring that any procurement process contemplated within this report need to comply with the Council's procurement process including if appropriate the EU procurement rules and legislation other than that there should be no direct legal implications arising from this report.

7.3 Diversity and Equality

Implications verified by: **Natalie Warren**
**Community Development and Equalities
Manager**

7.3.1 All of the projects identified within the report have been subject to extensive public consultation and are seeking to respond to the identified housing needs by providing a mix of types of property. Continuing to provide a diverse range of homes and tenure types is critical to building sustainable communities.

7.3.2 Any consideration of estate regeneration should give full consideration to the appropriate mechanisms for and timing of community engagement – particularly with respect to those households who occupy affected properties. The proposals are subject to a community equality impact assessment.

7.4 **Other implications** (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

8. **Background papers used in preparing the report** (including their location on the Council's website or identification whether any are exempt or protected by copyright):

None

9. **Appendices to the report**

None

Report Author:

Helen McCabe

Strategic Housing Development, Environment and Place

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Work Programme

Committee: Housing Overview & Scrutiny

Year: 2016/2017

Dates of Meeting: 21 July 2016, 06 October 2016, 13 December 2016 & 02 February 2017

Topic	Lead Officer	Requested by Officer/Member
21 July 2016		
Update report – The Housing and Planning Act	Dawn Shephard	Officer
Repairs Working Group Report Include: update on repairs & current contracts	Richard Parkin	Officer
Housing Development Update	Steve Cox/Matthew Essex	Member
06 October 2016		
Homelessness Strategy	Dawn Shephard	Member
<i>Update Report: Transforming Homes</i>	Richard Parkin	Officer
Quarterly Performance Report	Roger Harris/ Richard Parkin	Member
An update on sheltered housing decommissioning	Dawn Shephard	Officer

Work Programme

13 December 2016		
Allocations Policy Review	Dawn Shephard	
02 February 2017		
Date To Be Confirmed		
Improving Energy Efficiency	Richard Parkin	Member

** Shaping the Council Budget Update on themed items as and when required*