

MUNICIPAL YEAR 2015/2016 REPORT NO.

ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY

PORTFOLIO DECISION OF:

Cllr Ahmet Oykener,
Cabinet Member for
Housing & Regeneration

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| Agenda – Part: 1 | KD Num: N/A |
| Subject: Council Housing Complaints – Removal of Stage 3 | |
| Wards: | N/A |

Contact officer and telephone number:

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1. EXECUTIVE SUMMARY

- 1.1 Following reintegration to the Council, Council Housing continues to operate a separate complaints process which has 3 formal stages. Stages 1 and 2 are investigated and responded to within the service. Stage 3 (final stage) is investigated independently by the Council's pool of end stage officers and is signed off by the Chief Executive. Additionally, Council Housing operates an informal Stage 0 which records and tracks service requests from customers.
- 1.2 Enfield Council has a 2 stage complaints process. Stage 1 is investigated by the service area and Stage 2 by the end stage investigators, signed off by the Chief Executive.
- 1.3 Significant efforts have been made to improve the quality of complaint responses in Council Housing. A reduction in volumes at formal Stage 1 and 2 has been achieved and avoidable complaints driven out of the process.
- 1.4 Council Housing complaints are subject to scrutiny by the Housing Ombudsman rather than the LGO and this remains post reintegration.
- 1.5 The Localism Act of 2011 provides for consideration of a complaint by a "Designated Person" when all stages of the internal procedure have been exhausted prior to referral to the Housing Ombudsman.
- 1.6 Enfield Council has reviewed its complaints policy pending centralisation of the service as part of Enfield 2017. This centralisation is on hold whilst IT requirements and structures are finalised. The Council policy is still in draft at April 2015.
- 1.7 Council Housing has requested that the requirements of Localism and the Housing Ombudsman are accommodated in the revised Council policy.
- 1.8 A decision is required as to whether Council Housing adopts the Complaints policy of the Council and moves to 2 formal stages. The Chief Executive has indicated that he is in favour of this change.

2. RECOMMENDATIONS

- 2.1 That Council Housing removes stage 3 from the complaints process and adopts the 2 stage process operated by the rest of the Council, with the second stage - end stage - signed off by the Chief Executive in line with Council policy.
- 2.2 That the requirements of the Housing Ombudsman and Localism are incorporated into the wider Council complaints policy prior to sign off of the draft policy.
- 2.3 That complaints received up to 31 March 2015 are considered under Enfield Homes' complaints policy and have the option to progress through 3 stages.
- 2.4 That complaints received from 1 April 2015 are subject to first stage and end stage only – in line with Council policy.
- 2.5 The absence of a finalised complaints policy at the Council means that the current policy does not accommodate the Housing Ombudsman and the provisions of Localism. It is therefore proposed that a Council Housing 2 stage complaints option is run alongside the corporate complaint policy and schools complaints. This will be withdrawn when the corporate policy is signed off and complaints is centralised under Enfield 2017.
- 2.6 Council Housing's complaints policy is rebranded and updated to remove Stage 3 until the Council is in a position to launch the new complaints policy. See Appendix 1 - Council Housing complaints, compliments and suggestions policy revised April 2015
- 2.7 Council Housing does not have access to Covalent due to the imminence of a replacement IT system and centralisation. It operates a database which provides full recording, tracking and reporting capabilities.

It is recommended that this process remains in place until a new IT system is available. This will reduce the costs that would be incurred in a roll-out of Covalent and save resources required to train and then double enter all existing complaints onto a new system.

3. BACKGROUND

- 3.1 Enfield Homes operated a 3 stage complaints process during the period of the ALMO in order for the Council to retain involvement in the complaints process at a formal level. Stages 1 and 2 were investigated within Enfield Homes, with Stage 3 being scrutinised by the Council.
- 3.2 Complaints were migrated into Customer Services (Council Housing) in order to improve processes, fulfil the recommendations of an internal audit, meet the requirements of Localism and provide more intensive management of the process during 2012-13.
- 3.3 The Enfield Homes complaints policy and procedure was revised and re-launched in December 2013. The main changes were all Stage 1 complaints were signed off by the Head of Service and Stage 2's by Directors. This increased the scrutiny of outcomes and significantly reduced the volumes of complaints at all stages. This reduction of

complaints was during a period of change, including the ending of a repairs and maintenance contractor's contract mid-term and a period of re-procurement of the repairs contracts.

- 3.4 In the absence of access to the Covalent complaints database for Enfield Homes, a bespoke Access database was designed and implemented to record, track and report on complaints and MEQ's, including examining trends and organisational learning. This was to replace an excel spreadsheet that had historically been used.

The current database fully meets the performance reporting requirements and the Head of Service provides data on a monthly, quarterly and annual basis to Senior Management. The database is also fully supported within Council Housing and can easily be amended to reflect any new requirements that may be necessary.

- 3.5 From 1 April 2013 the Localism Act 2011 provides that tenants of housing associations, local authorities and ALMO's will be able to ask for their complaints to be considered by a 'Designated Person' when all stages of their landlord's internal complaints procedure are complete, prior to approaching the Housing Ombudsman. This is to improve the chance of complaints about housing being resolved locally. A designated person can be an MP, local Councillor or a Tenant Panel.

- 3.6 The progress outlined in points 3.1-3.5 above demonstrates that the Council Housing complaints process has undergone significant improvement. It is now at a point where volumes are manageable and it would be timely to move to a 2 stage process as soon as possible. This would both streamline processes and reduce confusion for residents.

- 3.7 Now that Enfield Homes is back in the Council as Council Housing, scrutiny of end stage complaints at Stage 2 would be possible within the Council. Stage 2 will be investigated by the central pool of end stage investigating officers, and eventually the centralised complaint team – signed off by the Chief Executive.

Council Housing has agreed to become part of this pool of investigators and training is being arranged to support them. In turn this will add to the existing number of end stage investigators and support this process during a time of transition.

- 3.8 Due to delays in centralising the complaints process within the Council, the updated complaints policy, which would accommodate Council Housing requirements, remains in draft. In order to continue to meet the Housing Ombudsman and Localism requirements it is proposed to run a rebranded and updated Council Housing 2 stage complaints policy alongside the corporate complaints policy and school complaints.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 To continue to operate separate processes with different stages. General complaints for Council services would be examined under the 2 stage Council process and Housing complaints would continue to be subject to 3 stages.

5. REASONS FOR RECOMMENDATIONS

- 5.1 To streamline the complaint process for customers.
- 5.2 To bring Council Housing into line with the rest of the Council.
- 5.3 To ensure the requirements of Localism and Housing Ombudsman continue to be considered.
- 5.4 To aid the migration of the complaints service into a central team.

6. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES, AND OTHER DEPARTMENTS

6.1 Financial Implications

- 6.1.1 By reducing the number of stages, there is a potential for making cost savings in the administrative process. The final stage for Council Housing will be managed by the existing central pool of Council investigating officers (to which Council Housing officers will be added after training) – removing the current requirement for Stage 2 complaints to be signed off by Council Housing directors.

- 6.1.2 The temporary retention of Council Housing's existing recording and reporting database, prior to the roll-out of a new IT system, will save resources in terms of delivering Covalent to all Council Housing users, double entering data since 1 April and time required to train officers on a new system.

6.2 Legal Implications

The Localism Act 2011 requirements have been taken into account in this paper in that Section 180 makes changes to the way in which a tenant may make a complaint about their social landlord to a housing ombudsman. A complaint must be referred to the relevant ombudsman by way of a referral from a member of the House of Commons, a councillor (a member of the local housing authority for the district in which the property concerned is located) or a designated tenant panel; unless 8 weeks have elapsed since the end of the landlord's complaints process, or the designated person declines to refer the complaint, or agrees it may be made direct by the tenant

Some housing complaints for repairs may result in legal claims for disrepair under the relevant legal protocol processes or statutes. This

legal process is beyond the complaints policy and process at Enfield Homes and will continue to be so following reintegration to the Council.

The complaints procedure should be:

Accessible, widely publicised, communication of the handling of it with the complainant, dealt with in a timely manner, impartially and proportionately considered, transparently handled and handled with a senior officer with authority to make decisions.

6.3 Property Implications
N/A

7. KEY RISKS
N/A

8. IMPACT ON COUNCIL PRIORITIES

8.1 Fairness for All

If it is agreed to adopt Enfield Council's two-stage complaints procedure, all residents would have access to a streamlined process.

8.2 Growth and Sustainability
N/A

8.3 Strong Communities
N/A

9. EQUALITY IMPACT IMPLICATIONS

An equality impact assessment was undertaken during the development of the Enfield Homes complaints policy.

A single complaints process will ensure that it is accessible to all service users.

10. PERFORMANCE MANAGEMENT IMPLICATIONS

Moving to the Council's complaint policy does not change the KPI's that will continue to be reported. Council Housing report on timeliness of complaints responses at Stages 1 & 2 plus proportion of complaints escalated to Stage 2. Removal of Stage 3 has no impact on these targets.

11. PUBLIC HEALTH IMPLICATIONS

A joined up complaints process will ensure that redress and resolution is available to residents in the event that there is a failure of service.

Background Papers

Appendix 1 – Council Housing complaints, compliments and suggestions policy revised April 2015

MUNICIPAL YEAR 2015/2016 REPORT NO.

ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY

PORTFOLIO DECISION OF:
Cabinet Member for Housing and Housing Regeneration

REPORT OF:
Director – Regeneration & Environment

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| Agenda – Part: | KD Num: KD4110 |
| Subject: Procurement of Multidisciplinary Services to Support Delivery of the Meridian Water Housing Zone | |
| Wards: Upper Edmonton | |

1. EXECUTIVE SUMMARY

- 1.1 As reported to Cabinet on 29th April, the Council has procured a multidisciplinary team to supply the Council with design advisory services. The estimated cost of £3m in 2015/16 will be met from the existing Meridian Water Capital Budget. Over four years the contracts are estimated at a value of circa £11m to enable delivery of the Meridian Water Housing Zone. This report does not commit the Council to these costs at this stage which will be detailed as part of the further Cabinet Report to be brought forward in summer 2015 which will seek, subject to Full Council approval, an increase to the Neighbourhood Regeneration Capital Programme to fund the next stages of Meridian Water.
- 1.2 Whilst procurement using an existing framework agreement was considered, the preferred route was Open Procedure, and an Invitation to Tender was published on 11th February 2015 ("ITT"). The tender was structured in three lots (Lot 1: architecture; Lot 2: planning; and Lot 3: landscape architecture).
- 1.3 Following receipt of 20 tender submissions across the three Lots, an Evaluation Panel has identified a preferred bidder for each Lot. This report seeks authority to enter into a contract with each of the three preferred bidders.
- 1.4 The design and planning work the Council commissions via this contract will have the effect of increasing the value of sites acquired by the Council, so the Council can expect to recover its costs on this part of the contract.

2. RECOMMENDATIONS

It is recommended that the Cabinet Member for Housing and Housing Regeneration authorises the award of three contracts to:

1. Karakusevic Carson Architects for a duration of four years (Lot 1);
2. Arup for a duration of four years (Lot 2); and
3. OKRA Landscape for a duration of four years (Lot 3).

to supply the Council with design advisory services to a value of circa £3m during municipal year 2015/16 to support delivery of the Meridian Water Housing Zone.

3. BACKGROUND

- 3.1 Meridian Water lies within an 85 hectare development opportunity in the south east of the borough and is one of the largest developable areas of land in London. Located within the Central Leaside growth area and the Mayor of London's wider Upper Lee Valley Opportunity Area, Meridian Water has significant development potential.
- 3.2 The Enfield Core Strategy (2010) identifies the potential for 5,000 new homes, the full range of neighbourhood facilities, and up to 3,000 new jobs to be created in Meridian Water, along with the necessary community and other infrastructure that would be needed to support a new sustainable neighbourhood of this scale.
- 3.3 The Council submitted its Housing Zone proposal to the Greater London Authority (GLA) on 10th April, which seeks Housing Zone Status for Meridian Water along with £25m of investment from the GLA. The Council is hopeful that Housing Zone status will be confirmed in May 2015.
- 3.4 On 11th February 2015 the Council posted a notice on the Official Journal of the European Union (OJEU) (Reference: 2015/S 029-049152) seeking bids to form a Meridian Water multi-disciplinary team to support the Council in the delivery of the Meridian Water Housing Zone.
- 3.5 The role of the multi-disciplinary team will be to advise the Council during all stages of the Housing Zone project with a particular responsibility for:
- A Design Code to lock in quality to all phases of Meridian Water;
 - Preparation of a plan for Phase 1;
 - Review and commentary on all work prepared by developers during the bidding stage and going forward following appointment of a developer
 - Design work and preparation of planning applications for Housing Zone sites.
- 3.6 The procurement was carried out using the Open Procedure and was divided into three lots. Each such lot will be subject to a separate contract with the successful bidder for that lot. The ITT also states that a separate consultant would be appointed in respect of each lot. This approach was taken to generate creative tension between the relevant consultants, The three lots are:
- Lot 1: Architectural services, and architect-led multi-disciplinary services;
 - Lot 2: Planning services and planning-led multi-disciplinary services;
 - Lot 3: Landscape architecture services.
- 3.7 The contract value of the appointment approved at Strategic Procurement Board on 13th January 2015 was estimated at circa £11m over the next four years. The estimated contract value in the OJEU contract notice was £6.4m which was based on lower cost estimates, broken down by Lots, as follows:

Lot 1: Architecture and Urban Design-led Multidisciplinary Services excluding VAT but including all professional fees and disbursements: £4.4m (approx).

Lot 2: Planning Services excluding VAT but including all professional fees and disbursements: £1.4m (approx).

Lot 3: Landscaping Services excluding VAT but including all professional fees and disbursements: £0.6m (approx).

- 3.8 Twenty tenders across the three lots were received on 23rd March.
- 3.9 The appointments will be on the basis of the fixed fees and hourly rates provided by the bidders in their submissions. It is not possible to set out with any precision the actual value of the services to be procured under the appointments as this will depend on the value of the relevant projects, the number of additional hours' input required, and the extent to which the Council elects to "call off" further services from the consultants. Other than in respect of an initial instruction set out in the appointments, the Council is not obliged to instruct the consultants to perform any particular value of services and this remains at the Council's discretion. The estimated value of these initial instructions is a maximum of £346,490.
- 3.10 The financial response required from the bidders was in the form of response templates based on an assumed level of instructions under the relevant appointment. The ITT clearly explained that these instructions were for evaluation purposes only. This approach allowed the Council to evaluate each submission on a "like for like" basis, but does not reflect the actual price payable.
- 3.11 An Evaluation Panel comprising officers from: Procurement; Finance; Legal; Architectural Services; Strategic Planning and Design; Redevelopment and Environment; and Neighbourhood Regeneration have fully evaluated the tenders, which included seeking clarification of prices via the London Tenders Portal and at clarification interview, where required.
- 3.12 Under all Lots, clarification interviews were held with all of those bidders which achieved the required 47/60 score for Quality. At these clarification interviews a series of questions were asked. Two of these questions applied equally to all bidders, and the remainder were specific to the particular bidder. Both before and at the clarification interviews bidders were asked to clarify elements of their pricing schedule if required. For example, one Lot 1 bidder had duplicated services to be provided under Lot 2; some Lot 2 bidders had failed to fully complete the pricing schedule; and in several cases across all Lots, simple transposition errors required clarification. A letter was sent to each clarification interview candidate following the clarification interview (via London Tenders Portal) confirming what had been agreed and seeking further clarification where necessary. Accordingly, there is a robust audit trail of each point addressed during the clarification process.

3.13 It is proposed to appoint the following consultants in respect of each lot as they received the highest scores pursuant to the evaluation process set out in the ITT:

➤ Lot 1: Karakusevic Carson Architects leading a multidisciplinary team comprising:

- Schulze + Grasso (urban design)
- Sergison Bates (architecture)
- 5th Studio (architecture)
- Mikhail Riches (architecture)
- Architecture 00 (architecture)
- WSP (Engineering)
- Elliott Wood (Structural Engineering)
- Hoare Lee (Building Services)
- Momentum (Structural Engineering)

➤ Lot 2: Arup leading a multidisciplinary team comprising:

- Frost Associates (viability)
- Local Dialogue (stakeholder engagement)

➤ Lot 3: OKRA Landscape Architects with AECOM

3.14 There is no specific provision for this cost in the capital programme so 2015/16 costs will be met from current Neighbourhood Regeneration budget and future years cost included in the next report to Cabinet and Council for approval in the summer.

3.15 Contract management will be undertaken by the Neighbourhood Regeneration Service. There is an opportunity for the contract to be novated to a developer or joint venture arrangement so the contract value will have to take this into account.

3.16 Bidders have been notified informally (via London Tenders Portal) of the provisional outcome of the procurement, subject to internal governance procedures. A formal standstill letter, with feedback on the tenders as required by the Public Contract Regulations 2015, is to follow.

3.17 It is recommended that the Council enters into contract with:

1. Karakusevic Carson Architects for a duration of four years;
2. Arup for a duration of four years; and
3. OKRA Landscape for a duration of four years.

4. ALTERNATIVE OPTIONS CONSIDERED

Framework Procurement: Procuring this multidisciplinary team via an existing Framework Agreement was considered inappropriate because of the value of

the contract and the limited number of consultant teams on available frameworks. By following the Open Procedure, the Council has had the opportunity to assemble the best team for this significant project.

Do Nothing: The Council will be unable to deliver the project within the required timescales.

5. REASONS FOR RECOMMENDATIONS

The combined skills within the appointed teams will ensure the Council has a highly experienced team behind it to both deliver and advise on all aspects of the Meridian Water Housing Zone as it progresses through the development stages. Specifically:

- Karakusevic Carson Architects, led by Paul Karakusevic, bring to the project a highly experienced and creative consortium of experts who have delivered award winning schemes not only in the UK but also across Europe and in the US.
- Arup, headed up by Jerome Frost OBE, former Head of Design and Regeneration for the Olympic Delivery Authority, brings a robust team of 350 development planners, master-planners, transport and environmental engineers to the project.
- OKRA Landscape Architects, headed up by Martin Knuijt, brings a creative team of landscape architects based in the Netherlands with significant experience of dealing with the type of infrastructure constraints and opportunities presented at Meridian Water.

6. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES, AND OTHER DEPARTMENTS

6.1 Financial Implications

6.1.1 The Council has procured a multidisciplinary team to supply the Council with design advisory services to enable delivery of the Meridian Water Housing Zone. The contract is for four years and the estimated capital cost in 15/16 will be circa £3m subject to the drawdown of services.

6.2 Capital Programme:

6.2.1 At the time of writing the report, the Council's approved Meridian Water Neighbourhood Regeneration capital programme is £42m¹. This will be increased by future Community Infrastructure Levy income and also additional funding is being sought from the Housing Zone and London Growth Funds.

6.2.2 This budget is in respect of land acquisition swap commitments, the Boulevard and Angel Road Station improvements. Cabinet were informed at the meeting

¹ For the period 2014/15 to 2017/18

on 29th April of the intention for a further Cabinet Report to be brought forward in summer 2015 which will seek, subject to Full Council approval, an increase to the Neighbourhood Regeneration Capital Programme to fund the next stages of Meridian Water.

6.2.3 Cabinet were also advised of the procurement of a new multi-disciplinary team comprising an expert team of consultants including architects, planners, landscape architects, surveyors, engineers, transport planners and environmental consultants. The role of the multidisciplinary team will be to advise the Council during all stages of the project. The estimated cost in 2015/16 (£3m) will be met from the approved project with the full cost included in the summer Cabinet and Council report for approval in later years.

6.3 Capital Financing Costs

6.3.1 The 2015/16 capital financing costs is estimated at £60k (£240k² in a full year) and is included within the existing capital financing revenue budget for Meridian Water. This report does not commit the Council to later years' costs which will be approved as part of the summer report to Cabinet, subject to approval by Council.

6.4 Legal Implications

6.4.1 The Council has the general power of competence under section 1(1) of the localism Act 2011 to do anything that individuals generally may generally do provided it is not prohibited by legislation. There is no express prohibition, restriction or limitation contained in a statute against use of the power in this way.

6.4.2 As the value of the proposed contract is £250k or above the Council must comply with Key Decision Procedure.

6.4.3 As the Open Procedure has been used, negotiations with the bidders should not be undertaken and, given the clarification process noted above and the robust audit trail maintained, it appears that this distinction has been maintained.

6.4.4 Bidders have been notified of the result prior to: (i) governance procedures being completed; and (ii) standstill letters being issued. However, although a deviation from the Council's standard process, this does not represent a material legal risk. Moreover, we understand that there are valid practical reasons for notifying the bidders prior to completion of governance and issue of standstill letters. That is, that some bidders had become "informally" aware of the successful bidders, and this information was unlikely to remain confidential from the others. As a matter of courtesy, early notification of the remaining bidders was therefore preferable.

² Costs are based on a full year cost of 4% interest charge and 4% minimum revenue provision. In 2015/16 only a half year's interest will be chargeable and no MRP

6.4.5 Each consultancy agreement must be in a form approved by the Assistant Director of Legal Services.

6.5 Property Implications

6.5.1 Strategic Property Services support the procurement of multidisciplinary services for the delivery of the Meridian Water Housing Zone.

6.5.2 In addition to the services identified within the report, there is a further requirement for development consultancy advice in relation to land assembly, procurement of a master developer and joint venture partnership arrangements.

6.5.3 SPS understand that an Invitation to Further Competition (ITFC) to provide the additional development consultancy advice identified in (2) above is currently in hand.

6.5.4 There are no further Property Implications arising from this report however this will change as the Council moves into the Implementation stage of this project.

7. KEY RISKS

Procurement Challenge: There is always the risk of challenge when undertaking a procurement process. However, the preferred multidisciplinary team have been selected via a transparent Open Procedure and have been evaluated by a panel comprising representatives from relevant disciplines.

8. IMPACT ON COUNCIL PRIORITIES

8.1 Fairness for All

8.1.1 In all three lots, the contract requires consultant teams to engage local suppliers wherever possible.

8.1.2 In all three Lots, the contract requires the lead architect consultant to allocate 20% of the total architectural fee to smaller practices enabling smaller firms to participate in this large development project where ordinarily they may be locked out.

8.1.3 Specifically, the contract with Karakusevic Carson Architects will deliver:

- A £100,000 scholarship fund for local school leavers in collaboration with the Stephen Lawrence Trust to help disadvantaged students from across Enfield access the design profession. This is at no cost to the Council.

8.2 Growth and Sustainability

8.2.1 In all three lots, the contract requires commitment to the highest levels of sustainability.

8.2.2 Specifically, the contract with Karakusevic Carson Architects will deliver:

- 2 apprentices per £1m of contract value (which is double the requested requirement);
- 50 hours per year of staff training within the first three years of the contract (which is 15x the requirement);
- A tree nursery on site to grow the trees that will eventually form part of the landscape at Meridian Water.

8.2.3 The contract with Arup will deliver:

- 2 apprenticeship placements in Planning for Enfield students;
- 6th form work shadowing and work placement opportunities;
- Planning Advisory Services training for Enfield Council Staff.

8.2.4 The contract with OKRA will deliver:

- 1 apprentice per £1m of contract value
- 10 hours of staff training;

8.3 Strong Communities

In its entirety the contract will deliver 170 hours of community training over a four year period to enable residents to engage with the emerging proposals and development. These hours will be delivered over the four years of the contract (with 150 of those hours being delivered by Karakusevic Carson Architects during the first three years of the contract).

9. EQUALITY IMPACT IMPLICATIONS

Corporate advice has been sought in regards to equalities and an agreement has been reached that an equalities impact assessment is not required for the approval of this report to award contracts for the supply of design advisory services for the Meridian Water Housing Zone.

However section 8 highlights the significant community benefits to be delivered as part of this contract and the appointed architect team have committed to a design process which reflects diversity and encourages "hard to reach" groups to become engaged. The Council will work with all members of the multidisciplinary team to ensure equality impacts assessments are considered and completed as required at all stages of the regeneration process.

10. PERFORMANCE MANAGEMENT IMPLICATIONS

Meridian Water delivers against section 2.10 of the Council Business Plan 2014-2018.

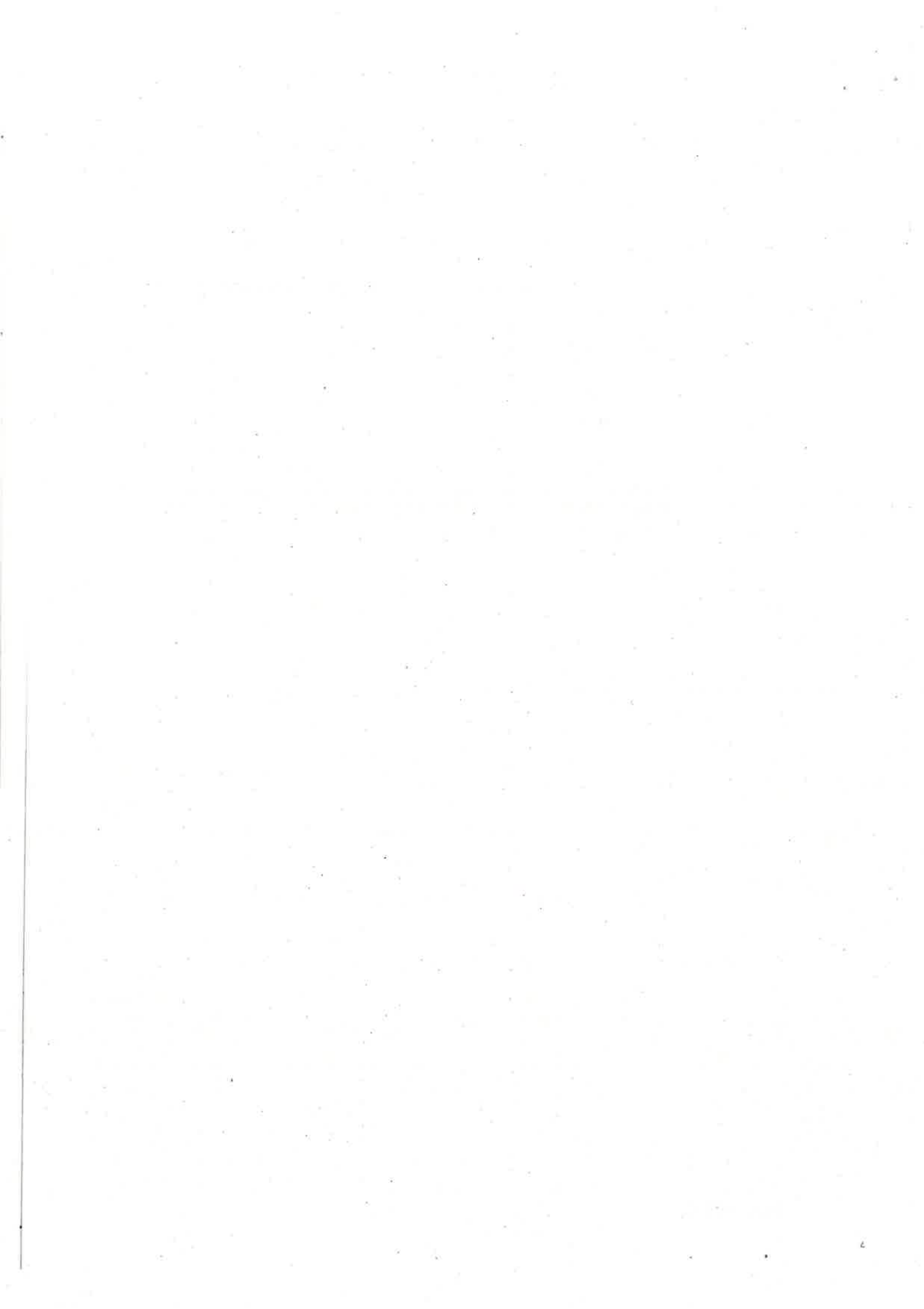
11. PUBLIC HEALTH IMPLICATIONS

The architecture commissioned as a result of this contract will deliver the following:

- Building orientation optimized, well lit interiors, passive heating/ventilation. Ensuring facades not subject to summer heat gain;
- Minimise noise pollution, maximize sound insulation and better built fabric (also triple glazing);
- Reduce risk of moisture problems, full NBS specifications;
- Promote bicycles and cycling routes, adequate and safe storage, and safe pedestrian routes to Lea Valley Park;
- Promote and incorporate high quality and fun local play strategy;
- Promote incidental social interaction
- Each apartment to have sight of green space

Background Papers

N/A



MUNICIPAL YEAR 2015/2016 REPORT NO. ENV 14/197

**ACTION TO BE TAKEN UNDER
DELEGATED AUTHORITY**

PORTFOLIO DECISION OF:
Cabinet Member for Regeneration and
Environment

REPORT OF:
Director – Regeneration &
Environment

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|---|--------------------|
| Agenda – Part: 1 | KD Num: N/A |
| Subject: Grant to Vacate (GTV) | |
| Wards: All | |

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1. EXECUTIVE SUMMARY

This report seeks agreement to operate a Grant to Vacate (GTV) Scheme during 2015-2016 following the end of the current 2013-2015 scheme. GTV enables Council tenants to purchase a property in the private sector and the vacated Council property is let to those in housing need.

We are considering changing the name GTV Scheme to Home Aspirations Mobility Scheme (HAMS) to reflect a recent successful bid for £600,000 funding from the DCLG.

2. RECOMMENDATIONS

That a GTV/HAM Scheme is operated for 2015-2016, as detailed below.

3. BACKGROUND

- 3.1 Since April 2009, the GTV Scheme has provided assistance to almost 100 council tenants who have bought new homes in the private sector. All the resultant vacancies have been let to people in housing need unless they were on an estate identified for regeneration. There have been 7 of these properties.
- 3.2 The Council can operate a GTV/HAM Scheme under Section 129 of the Housing Act 1988. The Council can determine the scheme criteria, grant levels and method of assessing eligibility, unless conditions are applied by the Secretary of State.

3.3 Appendix 1 attached explains how the scheme currently operates.

4. PROPOSED CHANGES AND MAIN POINTS OF SCHEME

- 4.1 For the scheme 2015-2016, it is proposed that we increase the grant levels for Enfield Council tenants to:
- £55,000 to tenants who live in a 3 bed or larger home (previously £36,000)
 - £50,000 to tenants who live in a 2 bed home (previously £34,000)
 - £40,000 to tenants who live in a 1-bed home (previously £24,000)
- 4.2 The new grant levels will give an increase of £19,000 for those vacating family-sized accommodation to buy a property. We are proposing the increases as the grant has not been reviewed since 2007 and house prices have been increasing year on year. For tenants living in 1 bed homes, this gives a total grant of £40,000, an increase of £16,000, based on the grants paid under the GTV scheme 2005-2013.
- 4.3 In October 2013, GLA funding was secured (TIS) which enabled us to offer tenants enhanced grants at the proposed new levels above. As a result we were able to maintain the same level of purchases per annum as in previous years, despite the increase in house prices.
- 4.4 The DCLG funding will contribute a maximum of £30,000 per property, with the remainder being made up from LBE funding.
- 4.5 Based on the £600,000 DCLG funding contributing £30,000 per property purchase, we have set a target of 20 purchases to be achieved in 2015/16.
- 4.6 Applications from tenants of Registered Social Landlords in the borough with the Preserved Right to Buy will also be considered, but grants will be restricted to the DCLG funding only, unless the RSL is willing to offer a top up.
- 4.7 As required by the DCLG, it is proposed to change the qualifying period to match that for the Right to Buy, currently a minimum of 5 years. This will reduce to 3 years when the Deregulation Bill 2015 comes into effect on 26th May 2015.
- 4.8 House prices have increased significantly during the last 2 years. To reflect the increase it is considered necessary to increase the maximum purchase price permitted under the scheme to £285,000 (previously £260,000) for a property purchased in Greater London and the South East regions and £220,000 (previously £205,000) for properties bought within other areas of the United Kingdom.
- 4.9 New procedures will be put in place to check that an applicant's council tax payments are up to date before approval.

7.1.3 In December 2014 there were 2,651 households in temporary accommodation in Enfield, the 5th highest figure in London.

7.1.4 All additional properties obtained under the GTV/HAM Scheme will therefore give savings on the general fund budget and assist in meeting the target to reduce the numbers of families in temporary accommodation.

7.2 Risk Management Implications

7.2.1 Further increase in property prices may reduce the numbers of people able to purchase properties on the open market even with the grant.

7.2.2 There is a relatively short timescale for us to promote and administer the scheme which could mean we are not able to take up all of the grant.

7.2.3 Should we not take up all of the grant our reputation could be affected.

7.2.4 The above risks will be mitigated through having the staff resource available to promote and administer the scheme.

7.3 Legal implications

7.3.1 The Council has legal powers to operate a Grant to Vacate Scheme under Section 129 of the Housing Act 1988.

8.0 Property implications - None

9.0 Impact on Council Properties

9.1.1 Twenty Council homes will be available to let to those accepted as in housing need by Enfield Council.

9.2 Fairness for All

9.2.1 The scheme will be advertised and take up of the grant should help increase social mobility and assist those wishing to own their own home. The resultant void properties will be advertised under the Council's Choice Based Lettings scheme and those eligible can bid for the property which will be let in accordance with Enfield's Allocation Scheme.

9.3 Growth and Sustainability

9.3.1 An additional £600,000 grant funding has been brought into the Borough.

9.4 Strong Communities

9.4.1 The scheme is being run in partnership with Registered Social Landlords. We are meeting housing aspirations through meeting demand for home ownership.

5. REASONS WHY WE PROPOSE CHANGING THE EXISTING SCHEME

- 5.1 The scheme was last revised in 2007 and we have seen a drop in successful purchases from 28 in 2010/2011 to an average of 15 per annum since. From discussions with interested tenants, this is primarily due to increase in house prices, particularly in the Greater London and South East regions. These are the two most popular areas applicants move to under the scheme.
- 5.2 Last year most property sales in Enfield involved flats which sold for an average £237,356. Terraced properties sold for an average price of £344,875, while semi-detached properties fetched £515,340.
- 5.3 Enfield, with an overall average price of £361,841 was cheaper than nearby Haringey (£542,149), Barnet (£554,135) and Islington (£686,987). The priciest area within Enfield was Hadley Wood (£1,099,042) and the least expensive was Enfield Lock (£224,916).
- 5.4 During the last year, sold prices in Enfield were 16% up on the previous year and 23% up on 2012 when the average house price was £293,836.
- 5.5 The majority of sales in the South East during the last year were terraced properties, selling for an average price of £281,284. Flats sold for an average of £221,052, with detached properties fetching £526,188.
- 5.6 The South East, with an overall average price of £331,834 was more expensive than nearby East of England (£266,896) and West Midlands (£188,834), but was cheaper than London (£534,092). The most expensive area within South East was Surrey (£448,653) and the cheapest was Isle of Wight (£205,409).

6. REASONS FOR RECOMMENDATIONS

- 6.1 To maximise take-up of the GTV/HAM Scheme.

7.0 COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES AND OTHER DEPARTMENTS

7.1 Financial implications

- 7.1.1 The Approved Capital Programme includes £500,000 for expenditure on GTV/HAMS for 2015/2016.
- 7.1.2 In addition, we have secured a bid for £600,000 from the DCLG to assist both Council tenants and tenants of Registered Social Landlords in the borough with the Preserved Right to Buy to purchase their own home in the private sector.

Grants to Vacate

– a guide for tenants

What is a Grant to Vacate?

A Grant to Vacate is a payment that could help you buy a home of your own, if you agree to move out of the home you live in now. Enfield Council is offering a grant to tenants who meet our conditions.



How much is the grant?

We will pay:

- £36,000 to tenants of 3-bedroom or larger homes
- £34,000 to tenants of 2-bedroom homes, and
- £24,000 to tenants of 1-bedroom homes.

We do not give Grants to Vacate to tenants who live in studio flats.

Why is Enfield Council running a Grants to Vacate Scheme?

- Enfield Council is very short of rented accommodation to meet the needs of people waiting for housing.
- The scheme helps you buy a property that you might not normally be able to afford.

What conditions do I have to meet?

- You must be a secure council tenant of a property owned by Enfield Council.
- You must have spent 2 years in total as a secure public-sector tenant. The 2 years does not include any time you spent in a temporary tenancy, such as bed-and-breakfast or hostel accommodation, unless the property was self-contained.
- You must show us that you do not have enough income and savings to buy a home without the help of a grant.

- You must be up to date with your rent payments and other housing debts before you apply.

For example, if you owe rent from a former tenancy, or have to pay court costs or repay Housing Benefit, you must pay these debts before we will consider your application.

How do I get accepted for a grant?

The first step is to apply on the form that comes with this booklet. We check it to make sure you meet all the conditions of the scheme. Then we put your application into a priority group, depending on the size of your home. Enfield Council gives highest priority to tenants of 3-bedroom or larger homes, next priority to tenants of 2-bedroom homes, and finally to tenants of 1-bedroom homes. Within each priority group, we deal with applications on a firstcome, first-served basis.

If you seem to meet all the conditions of the scheme, we will write and invite you to attend an interview. At the interview, we will discuss your application with you, including your financial arrangements.

If we approve your application, you will have 1 month to find a property and ask a solicitor to help you buy it. By the end of that month you should give us details of the property and solicitor. We'll have to withdraw our offer if you do not keep to this deadline.

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10.0 PERFORMANCE MANAGEMENT IMPLICATIONS

10.1 The GTV/HAM scheme enables Council tenants to become home owners in the private sector and releases accommodation to assist those in housing need.

11.0 EQUALITIES IMPACT IMPLICATIONS

11.1 Corporate advice has been sought in regard to equalities and an agreement has been reached that an equalities impact assessment is neither relevant nor proportionate for the approval of this report.

12.0 PUBLIC HEALTH IMPLICATIONS

12.1 The vacancies created will be allocated to households on the Housing Register, some of whom will be in Temporary Accommodation or living in overcrowded conditions, will be re-housed into permanent accommodation.

If we refuse your application, we will write to you to explain why. You will not be able to re-apply for 12 months.

What property can I buy?

You can buy a property anywhere in the United Kingdom. This does not include the Channel Islands and the Isle of Man.

Enfield Council will set a maximum price limit on the value of the property you may buy. The limits will depend on:

- your income, savings and other financial commitments
- the size of your family
- your age
- the assessment by the independent financial adviser.

What property can't I buy?

You cannot use the grant to pay for the following:

- a mobile home or houseboat
- a property sold at an auction
- a business or part-business property
- your existing council home under the Right to Buy Scheme
- a property on the Homebuy Scheme, a shared-ownership scheme, or any other incentive scheme
- a property that has not yet been built or a plot of land
- to buy a share of a property already owned by someone else
- to reduce someone's mortgage
- a property abroad
- a property for more than £260,000 in London or the Southeast, or £205,000 for all other areas.

If I am accepted for a grant, what happens if I find a property I want to buy?

- Make an offer to the person who is selling the property (or their agent) to buy 'subject to contract'.
- Tell us:
 - the address and price of the property you want to buy, and
 - your solicitor's name and address.
- Tell your building society or bank and your solicitor:
 - that you have found a property, and
 - that you are part of Enfield Council's Grants to Vacate Scheme.
- A housing officer will inspect your council home and tell you about any repairs or decorating it needs, which we will charge you for. We will also see what other work we need to do to your home, and do gas and electricity safety checks.

But please do not make an offer on a property or pay any money before you have been accepted for a grant.

When will we pay the grant?

We will pay the grant to your solicitor on the day of completion for the property you are buying. We will authorise your solicitor to release the money on the day of completion, but only if you have met the following conditions:

- You leave Enfield Council's property in a reasonable condition.
- You don't owe Enfield Council any rent or other amounts, for example overpaid Housing Benefit, court costs and so on.

What other expenses will I have to pay?

There are various expenses involved in buying your own home, and you will need to make sure that you have enough money to pay for them. For example the following may apply:

- the deposit for the property (usually 5-10% of the price)
- your solicitor's fees
- valuation and survey fees
- stamp duty, and
- the costs of moving.

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What happens if I want to sell my new home?

- If you sell your home within 1 year of buying it, you will have to repay all the grant.
- If you sell your home within 2 years of buying it, you will have to repay two thirds of the grant.
- If you sell your home within 3 years of buying it, you will have to repay one third of the grant.

You will not have to repay any of the grant if you sell your home after 3 years.

How do I apply?

Fill in the Grants to Vacate application form and send it to the address below.

If you have any questions about the scheme, or you have any problems filling in the application form, contact the Grant to Vacate Officer.

Please send your application form to the Grant to Vacate Officer at:

**FREEPOST
ENFIELD HOMES
Grants to Vacate**

(You **don't** need a stamp.)



www.enfieldhomes.org



info@enfieldhomes.org



0800 40 80 160*



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*This is a freephone number, so there's no charge if you use a landline. If you are using a mobile phone, you may find it cheaper to call our landline number 020 8379 1327.