

Report for: **Cabinet Member Signing**

Title: **Repair and void work costs for properties to be leased to the Haringey Community Benefit Society**

Report
Authorised by: **David Joyce, Director of Housing, Regeneration and Planning**

Lead Officer: **Robbie Erbmman, Assistant Director Housing**

Ward(s) affected: **All**

Report for Key/
Non-Key Decision: **Non-Key Decision**

1. Describe the issue under consideration

- 1.1. On 17 July 2018 Cabinet agreed to the creation of the Haringey Community Benefit Society (CBS) with the aim of providing housing for homeless households nominated to it by Haringey Council. The CBS's properties currently consist of recently bought homes which have been leased from the Council.
- 1.2. Following the purchase of these homes, Homes for Haringey undertake void works in preparation for them being leased to the CBS. This report seeks approval for the payment of these works.

2. Cabinet Member Introduction DRAFT

- 2.1. This administration was elected on a manifesto that made it clear that we would act decisively to reduce homelessness and take action to improve the too often poor quality and precarious temporary accommodation in which nearly 3,000 homeless households in Haringey live. We argued: *"Poor housing has knock-on effects everywhere; from education to health to crime. And the regular churn of families and children moving from one temporary tenancy to another makes it difficult to build strong local communities."* We promised that we would do housing differently.
- 2.2. In July 2018, Cabinet approved the establishment of the Haringey Community Benefit Society, with arrangements finalised by Cabinet in November 2019. Haringey Community Benefit Society's sole aim is to improve the housing available to Haringey's homeless households and the works set out in this report represent the investment in this stock to bring them up to a high-quality standard.

3. Recommendations

It is recommended that Cabinet

- 3.1. Approves a total payment of £981,732 to the Homes for Haringey – Haringey Repairs Services (HRS) for void and repair costs for 119 properties to be paid by the Housing Revenue Account.

- 3.2. Approves further payments to the Homes for Haringey – Haringey Repairs Services (HRS) for further void repair works to be undertaken in 2020/21 up to the maximum of £982,590.
- 3.3. Approves further payments to the Homes for Haringey – Haringey Repairs Services (HRS) for further void repair works to be undertaken in 2021/22, up to the maximum of £1,581,000.

4. Reasons for decision

- 4.1. These works will be undertaken to bring these properties up to the CBS standard. Approval by Cabinet is being sought as recent legal advice is that these works are technically outside the management agreement which only covers properties Homes for Haringey will be managing as a council tenancy.

5. Alternative options considered

Not making these payments

- 5.1. This option was rejected as failure to undertake these works will mean the CBS can reject the properties, losing the financial savings they would generate to the General Fund and Housing Revenue Account.

6. Background information

- 6.1. On 17 July 2018 Cabinet agreed to the creation of the Haringey Community Benefit Society (CBS) with the aim of providing housing for homeless households nominated to it by Haringey Council.
- 6.2. The approval of acquisition of properties under £500k for temporary accommodation was delegated to the director of Housing Regeneration and Planning in consultation with the Director of Finance.
- 6.3. Each approved acquisition report contains the cost of bringing the property up to standard (where applicable) as part of the total acquisition cost.
- 6.4. The cost of void works would usually be paid through the Council's Management Agreement with Homes for Haringey. However, the agreement only applies to void works to properties where Homes for Haringey will subsequently manage a Council tenancy.
- 6.5. The CBS has entered a Put Option with the Council committing the CBS to accepting all properties the Council offers subject to a minimum standard. This report requests authority to pay the costs of bringing these properties up to the CBS standard and ensuring they are secured while these works are being undertaken.
- 6.6. As of 17 February 2021, Housing Repairs Service (HRS) had completed works on a total of 119 properties which remains outstanding, which comprises 92 properties in the Barnet Portfolio and 27 other properties. This report therefore seeks approval for the costs of these void works which total £981,732.

Works completed	Value	Properties
Barnet Portfolio	£338,528	92
Other CBS properties	£643,732	27
Total	£981,732	119

- 6.7. The HRS is also currently undertaking work on a further 42 properties with cost estimated to be £982,590 which will be invoiced for 2020/21.

Future & ongoing works	Value	Properties
Works in progress (2020/21)	£982,590	42
Total		

- 6.8. The Council is also continuing to purchase properties on the open market with an additional 65 properties expected in 2021/22. Using the average void costs of £23,400, this is expected to be a total of £1,521,000. These properties will require security and the cost of these Sitex doors is estimated to reach £60,000 in total. This report is therefore also seeking approval to pay these costs up to a total of £1,581,000.

Future & ongoing works	Value	Properties
Estimated future works to (2021/22)	£1,521,000	65
Future Sitex costs (2021/22)	£60,000	-
Total	1,581,000	65

7. Contribution to strategic outcomes

- 7.1. The CBS assists in the delivery of the second outcome for the Housing Priority in the Borough Plan, i.e. that “We will work together to prevent people from becoming homeless, and to reduce existing homelessness”.
- 7.2. The CBS also assists in the delivery of the Council’s statutory Homelessness Strategy 2018, by increasing the suitability, affordability and location of both temporary accommodation and private tenancies.

8. Statutory Officers comments

Finance

- 8.1. These works are improvement works prior to occupation of the properties. The total value of works undertaken to date is £1.96m. £1.58m represent estimated cost for 2021/22.
- 8.2. The £1.96m sum is made up of individual cost of improvement works already contained in the individual acquisition’s business case.
- 8.3. The estimated £1.58m is based on the estimated number of future acquisitions as contained in the HRA plan and an estimated cost of improvement of £0.023m per property.

- 8.4. These costs will be capitalised against each property acquired as they represent improvement costs.
- 8.5. There is provision in the 2020/21 Temporary Acquisitions budget and the 2021/22 Temporary Acquisitions budget within the Housing Revenue Account (HRA) capital budget for these costs.

Legal

- 8.6. The Head of Legal and Governance has been consulted in the preparation of the report.
- 8.7. The Head of Legal and Governance sees no procurement issues arising from the recommendations in the report.

Procurement

- 8.8. Strategic Procurement support the decisions in the paper to use funds to deliver the Authorities housing aspirations.
- 8.9. The Strategic Procurement Partner sees no procurement issues arising from the recommendations in the report

Equalities

- 8.10. The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:
- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act.
 - Advance equality of opportunity between people who share those protected characteristics and people who do not.
 - Foster good relations between people who share those characteristics and people who do not.
- 8.11. The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.
- 8.12. Approval of these formal agreements will allow the CBS to provide better quality accommodation for homeless applicants and to ensure a regular supply of high quality, well-managed, sub-market homes. The decision will therefore primarily affect individuals and households living in temporary accommodation and those who are most at risk of homelessness, amongst whom there a disproportionate number of residents with protected characteristics. A full Equalities Impact Assessment on the CBS was attached as an Appendix to the original Cabinet report. There are no expected negative impacts of the proposals in this report and it is anticipated that these works will overall have a positive equalities impact by raising the quality of housing in the borough.

- 8.13. All contractors will be required to carry out their work in line with public health guidance, including with regard to access to residential units where residents are shielding or vulnerable, in which categories those with protected characteristics, such as disability and age, feature disproportionately.

9. Use of Appendices

There are no appendices attached to this report.

10. Local Government (Access to Information) Act 1985

Minutes of Cabinet meeting of 17 July 2018 approving the creation of the CBS

<http://www.minutes.haringey.gov.uk/documents/g8824/Printed%20minutes%2017th-Jul-2018%2018.30%20Cabinet.pdf?T=1>

Minutes of Cabinet meeting of 12 November 2019 with amendments to the CBS structure

<https://www.minutes.haringey.gov.uk/ieListDocuments.aspx?CId=118&MId=9154&Ver=4>