

POST IMPLEMENTATION REVIEW OF THE USE OF DEFOE COURT EPSOM

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| Head of Service: | Rod Brown, Head of Housing & Community |
| Wards affected: | (All Wards); |
| Urgent Decision?(yes/no) | No |
| If yes, reason urgent decision required: | |
| Appendices (attached): | None |

Summary

The findings following a post implementation review of the council's use of Defoe Court in East Street Epsom for use as additional temporary accommodation.

Recommendation (s)

The Committee is asked to:

- (1) To note the conclusions from this review and that future projects should identify an accountable officer and adopt a suitable programme management approach.**

1 Reason for Recommendation

- 1.1 To present the findings of the review into the use of Defoe Court as additional in-borough temporary accommodation.

2 Background

- 2.1 The demand for emergency nightly paid temporary accommodation within the borough exceeds the supply of such accommodation within the borough. As a result a large proportion of local households are accommodated in emergency nightly paid temporary accommodation in locations outside the borough which is expensive.
- 2.2 In addition to the financial cost to the council, there are many disadvantages in accommodating households out of borough and in recent years the council has sought to provide significantly more of this type of accommodation within the borough.

Audit, Crime and Disorder and Scrutiny Committee 18 November 2021

- 2.3 In November 2017 Strategy and Resources Committee considered a report which sought agreement in principle to acquire the flexible use of 24 units of accommodation at Defoe Court, East Street, Epsom as additional in-borough Temporary Accommodation, subject to negotiation with Sanctuary Housing Association (SHA).
- 2.4 Defoe Court is a large purpose-built building providing 45 units of single, ensuite accommodation which is owned and managed by SHA. The principal residents are young people aged 16-25 years old in need of accommodation and often with some vulnerability requiring some on-going support.
- 2.5 Following initial discussions with SHA it was apparent that the accommodation was being significantly underused. The building design is made up of two separate wings, each containing approximately 24 single person units. The possibility was discussed that the council could make use of one of the wings if the building could be physically separated internally, with one wing continuing to serve the existing use of accommodating young people and the council using the rear wing to accommodate local households who qualify for temporary accommodation.
- 2.6 To make the rear wing suitable for the council to use as temporary accommodation, adaptations were required including the creation of an independent side entrance, new laundry facilities and internal changes to enable the council to use the rooms flexibly with interconnecting doors.
- 2.7 The use of a building for temporary accommodation whilst it retained its original use of accommodating vulnerable young people was novel, not only within this borough but across Surrey.
- 2.8 The adaptation of the rooms included creating an entirely new interconnecting doors, connecting the majority of units, enabling the council to accommodate a range of household sizes from single people to larger families where suitable temporary accommodation had historically been difficult to acquire.
- 2.9 It was anticipated that SHA would need to obtain the necessary permissions to make the changes to the building, procure and complete the necessary works to the satisfaction of the council before the council would agree to any binding legal lease or license.

3 Key timeline

- 3.1 The time taken from the Strategy and Resources report in November 2017 to the first households moving into Defoe Court in May 2021 was 3 years and 6 months.
- 3.2 Below is a table showing a timeline of some of the key activities

Audit, Crime and Disorder and Scrutiny
Committee
18 November 2021

| Key date | Key event | Responsible organisation |
|---|--------------------------------------|---------------------------------|
| S&R Report | 28th November 2017 | EEBC |
| Agree draft Heads of Terms | February 2019 | EEBC/SHA |
| Planning consents obtained | 10th October 2019 | SHA |
| Completion of works and legionella risk assessment | 22nd February 2021 | SHA |
| Sign licence | March 2021 | EEBC/SHA |
| Rooms set up & prepared | May 2021 | EEBC |
| Households arrive | May 2021 | EEBC |

4 Delays in preparing the property

- 4.1 There were numerous excessive delays which added considerably to the timeline for delivery of additional in-borough temporary accommodation.
- 4.2 Obtaining the necessary planning consents took 1 year and 11 months from the Committee's decision. The initial planning application 17/0136/FUL did not include the agreed layouts required for the council to make use of the property and was eventually withdrawn. The following application 19/00270/FUL was approved in October 2019.
- 4.3 SHA were responsible for obtaining the necessary planning consents and commissioning and managing the requisite building works. The council completed a condition review of the building following completion of the works and prior to completion of any binding legal agreements.
- 4.4 The resulting 115 page schedule of condition was produced by the council on 8th December 2020 and identified numerous serious issues as well as multiple snagging items which needed to be addressed. Amongst the serious issues was the acceptability of the Legionella risk assessment supplied by SHA. All outstanding items including all risk assessments were finally agreed in February 2021 approximately 3 months after being identified.

Audit, Crime and Disorder and Scrutiny
Committee
18 November 2021

5 Delays in obtaining the licence

- 5.1 The legal negotiations were protracted and made more complicated following a change of legal team by SHA. The initial understanding was that the Council could occupy the units through a Licence however, the legal team working for SHA insisted that this should be a lease and not a more straightforward licence.
- 5.2 There is evidence that the council were promised a draft licence in May 2019 but despite chasing this was not received until November 2019, six months later.
- 5.3 There were further delays as the completion was dependant on the satisfactory completion of the building work and prior-occupation risk assessments. Once these were agreed and signed off then the completion of the licence followed swiftly.
- 5.4 The early stages of the project were dominated by the legal negotiations. The draft Heads of Terms, were agreed in February 2019 and the licence signed in March 2021 just over two years later.

6 Delays in occupying the property

- 6.1 There was considerable documentation that needed to be agreed as the time to sign the lease approached. Although during the working week, the council would have a dedicated member of staff managing the accommodation; during office hours, after office hours and during weekends it was expected that SHA would provide aspects of this service.
- 6.2 Negotiating, preparing and agreeing this extensive documentation took several months and was further complicated by a complete change of SHA staff at Defoe Court, with discussions having to be repeated.
- 6.3 Following the legal transfer of the 24 units in March 2021, the first households to be placed did not occur until May 2021, some 3 months later.
- 6.4 Before the rooms could be occupied, items of furniture and cooking equipment needed to be ordered and installed. This included wardrobes, beds, microwaves and other kitchen essentials. When delivered on the ground floor, the beds needed to be moved to the first floor and with the lift being out of order, additional resources were brought in to move heavy furniture.
- 6.5 Although the council manages other residential property, Defoe Court is the only example of multiple accommodation which the council manages. An additional new member of staff had been recruited to manage the units and they required managerial support. As such, this project was innovative and not typical of what the council does.

Audit, Crime and Disorder and Scrutiny Committee 18 November 2021

- 6.6 The Housing Services team have been dealing with a significant increase in homelessness since COVID and there is little spare capacity within the team for the necessary preparatory work. This resulted in the slower progress being made in occupying the units than was expected.

7 Delays due to COVID

- 7.1 From March 2020 SHA had to introduce a prohibition on non-essential staff from visiting Defoe Court. This prevented Housing Services from assessing size and suitability of equipment needed, measuring or meeting SHA staff on site and stopped building work for several months.
- 7.2 In addition, many council staff were involved in various aspects of the council's COVID emergency response. Specifically Housing Services staff were responding to the sharp rise in homelessness including dealing with the government's "Everyone In" initiative to get rough sleepers off the streets.

8 Conclusions

- 8.1 Whilst there was a delay due to the council in not preparing rooms for occupation in a more timely way, the most significant delays were outside the control of the council.

Planning and construction

- 8.2 Many of the significant delays in progressing the project to occupation were outside the control of the council. Most significant was the protracted nature of the submission and agreement of the necessary planning consents. This included an abortive planning application that was not accurate. There is no evidence that significant delay could be attributed to the processing of the application by the Local Planning Authority.

- 8.3 The commissioning and completion of the necessary building works was also outside the council's control. The detailed schedule of condition was a critical control for the council in managing the council's exposure to risk. As such it was appropriate that the survey was detailed and all issues requiring action were identified and all risk assessments required were fully completed to the council's satisfaction.

Legal negotiations

- 8.4 The legal negotiations were protracted but these were largely outside the control of the council. The main cause was a delay in furnishing the council's legal representative with a draft licence agreement and licence documentation. This may have been caused by a lack of SHA client's instruction and the change in legal representative.

Occupation

Audit, Crime and Disorder and Scrutiny Committee 18 November 2021

- 8.5 The amount of preparatory work both in developing and agreeing protocols and procedures, sourcing and installing furniture was significantly underestimated. Many of the tasks appear to have fallen to one or two officers who were often fully occupied dealing with the increases in homelessness following COVID as well as leading on other homelessness initiatives. .
- 8.6 There was a failure to acknowledge the resource required to deliver the project before the project started. The cost of delivering the project did not include any funding for project management and instead relied on existing staff to deliver.
- 8.7 The project may have progressed better with a tighter project management approach and project costings that included a dedicated project manager.
- 8.8 The Key learning for the Council in this case is to ensure that going forward, resource for the delivery of projects is factored in as part of the initial planning and included in requests for funding especially for “invest to save cases” where delays are costly to the Council. Additional project manager support could have progressed the timescale for implementation of the project enabling the Council to undertake their tasks but also provide support to SHA to enable them to address items more quickly. For example, helping them submit an accurate planning application, Despite this, some of the actions to deliver the project would have remained outside of the Council’s control. For example, Sanctuary Housing would still need to have independently addressed the lease arrangements and their own legal position.

9 Risk Assessment

Legal or other duties

9.1 Impact Assessment

9.1.1 None

9.2 Crime & Disorder

9.2.1 None

9.3 Safeguarding

9.3.1 None

9.4 Dependencies

9.4.1 There were dependencies on SHA and their legal representatives.

10 Financial Implications

Audit, Crime and Disorder and Scrutiny Committee 18 November 2021

- 10.1 Using Defoe Court as temporary accommodation will reduce the council's reliance on expensive out of borough temporary accommodation and will avoid significant homelessness expenditure.
- 10.2 Any delay in enabling the Council to use Defoe Court will increase the cost of managing homelessness for the council.
- 10.3 **Section 151 Officer's comments:** The Housing team provides a critical service for those residents facing homelessness, albeit at significant financial cost to the Council. Defoe Court provides in-Borough capacity to reduce the costs of managing homelessness, and such innovative solutions should continue to be explored. This review provides important learnings that should assist the Council to progress any future initiatives as effectively as possible.

11 Legal Implications

- 11.1 While the increasing costs of placing individuals and families in temporary accommodation outside the borough was clearly considered not cost effective or socially acceptable when the Council decided to acquire the use of Defoe Court from SHA, there are no legal implications resulting from the delay in giving effect to the 2017 decision.
- 11.2 **Legal Officer's comments:** none arising from the content of this report.

12 Policies, Plans & Partnerships

- 12.1 **Council's Key Priorities:** The following Key Priorities are engaged:
Effective council
- 12.2 **Service Plans:** The matter is not included within the current Service Delivery Plan.
- 12.3 **Climate & Environmental Impact of recommendations:** None
- 12.4 **Sustainability Policy & Community Safety Implications:** None
- 12.5 **Partnerships:** The council is working closely with various Housing Association in responding to the rise in homelessness, including in this instance SHA.

13 Background papers

- 13.1 The documents referred to in compiling this report are as follows:

Previous reports:

- Strategy and Resources Committee 28th November 2017