

Report of the Director of Regeneration and Development

1 Executive Summary

1.1 The purpose of this report is to record the decision making process that was followed to:

- declare the sheltered units at Greyhound Opening/Goldsmith Road unfit for purpose;
- decommission the housing complex and resettle the residents into new homes;
- occupy the vacated units on a temporary basis by staff employed by Norwich City Council; and
- identify the development partner and scheme for the redevelopment of the sheltered housing site and neighbouring property.

This report has been prepared at the request of the Chief Executive following a disclosure that a senior member of staff had moved in to a vacant unit on a temporary letting arrangement.

1.2 Current employees and staff who have left the organisation, with responsibility for this service area and the relevant current and previous portfolio holder have been interviewed as part of this investigation.

1.3 Based on the assessment of the above matters the main conclusions of this investigation are as follows:

1.4 Section 2 of this report assesses the process leading to the recommendation to decommission and redevelop the sheltered housing units at Greyhound Opening/Goldsmith Street and together with the surrounding commercial units owned by the City Council and with residential property owned by the County Council, for a mixed tenure housing scheme. It concludes that although there is no written policy or procedure to provide a framework to identify properties that are not fit for purpose, the process followed at Greyhound Opening/Goldsmith Street included an evaluation process and was approved by the Executive.

1.5 Section 3 of this report assesses the process followed to resettle the residents into new homes. It concludes that it was adequately resourced, properly managed, well documented and sensitive to the vulnerable circumstances of the tenants. The decision to decommission the sheltered units was approved by the Executive. The investigation has, however, highlighted that there was no written policy on decommissioning to provide a framework for subsequent implementation of this decision by officers.

1.6 Section 4 of this report assesses the process followed for the temporary occupation of the vacant housing units by staff. It concludes that it was based on an officer assessment of the options including an appraisal of their potential impact on residents during a decommissioning process estimated to take 2 years as well as a general assessment of the associated financial

costs.

- 1.7 In assessing the decommissioning options officers took into account the lessons of recent resettlement projects at Foulgers Court sheltered housing scheme and the general needs housing at Barrack Street.
- 1.8 The investigation has highlighted that of all the factors considered by officers the overriding consideration was the protection of vulnerable and elderly residents during a period of significant change and uncertainty.
- 1.9 Notwithstanding this, the investigation has also identified that the decision to use the vacated housing units for temporary letting arrangements for staff was not documented, did not adequately assess the risks and failed to appreciate the full implications of the departure from the approved and very specific policy for providing accommodation to staff joining the authority from outside the City.
- 1.10 The investigation has shown that the decision to use the vacated properties for staff accommodation under the Council's relocation policy for new employees was taken at Director level (the then Director of Community and Neighbourhoods) with responsibility for establishing the process for implementation, including appropriate safeguards resting with the acting Head of Strategic Housing together with the Housing Strategic and Enabling Manager. After some three months of applying this letting strategy there was a change in the eligibility criteria that enabled any member of staff to apply for accommodation and this was offered on a first come first served basis. There was no assessment of housing need and there was no written procedure for allocating these tenancies.
- 1.11 The lack of documentation means that most of the evidence used in this part of the investigation is based on the recollections of those interviewed of discussions held, decisions made and actions taken over a 1 to 2 year period. Therefore there are some differences in the evidence presented.
- 1.12 The section concludes that the officer decision to extend the eligibility for housing to all staff on a first come first served basis is procedurally unsound.
- 1.13 Section 5 of the report considers the process adopted for the selection of the development partner and the use of a design competition to develop a scheme for the site. The conclusion is that this process accords with exemplary practice, is well documented and was approved by the Executive

2 Decommissioning of council housing at Greyhound Opening/Goldsmith Street

2.1 This section of the report assesses the process leading to the recommendation to redevelop the sheltered housing units at Greyhound Opening/Goldsmith Street and surrounding commercial units owned by the City Council together with residential property owned by the County Council. A map showing the different ownerships is attached.

2.2 The main factors that led to a recommendation to the Executive on the 21st March 2007 to decommission 25 sheltered housing units and a former wardens house at Greyhound Opening/Goldsmith Street were that:

2.2 (i) Norfolk County Council announced the closure of Alderman Clarke House, a sheltered housing complex adjacent to the City Council owned properties. This site was allocated in the 2004 adopted local plan for housing.

2.2 (ii) An adjacent industrial site of 10 small units (Haslips Opening) was owned by the City Council and was also allocated in the 2004 adopted local plan for housing.

2.2 (iii) There is no agreed procedure for how 'not fit for purpose' housing units are identified. In this instance Landlord Services, the section responsible for the management of the Council's housing stock, identified that the 15 one bedroom bungalows and 10 one bedroom corridor units at Goldsmiths Street/Greyhound Opening did not meet the decent homes standard and because of their internal layout and poor thermal insulation they would be both difficult and expensive to adapt to meet current standards including DDA compliance. They also noted that the corridor units were proving to be difficult to let although at the time the decision was taken to decommission the units they were all occupied. In this context Landlord Services considered the properties were not fit for purpose and would be appropriate for decommissioning.

2.3 Having regard to the above matters, the Strategic Housing section, who lead the Council's affordable housing delivery programme, commenced during the second half of 2006 an assessment of the development potential of the above sites. At an early stage the implications for existing tenants of this approach were acknowledged as an important consideration. There is a range of documentation recording the various meetings and assessment undertaken as part of the complex analysis of the development potential for this area.

2.4 The outcome of the assessment by the strategic housing team was presented in a report to the Executive on the 21st March 2007 (Copy attached). In the report officers recommend the disposal of Council owned land at Greyhound Opening for new affordable housing and the inclusion of the site in a wider development scheme. Confidential matters relating to the financial detail of the various elements of the land disposal including the implications for third party interests were considered in a separate confidential report to the same meeting of the Executive.

- 2.5 The following 9 resolutions were made by the Executive:
- resettle the current residents of 30-48 Goldsmith Street and 4-18 Greyhound Opening to properties according to their individual needs and agreed preferences;
 - establish the post of Greyhound Opening Resettlement Officer to facilitate the above;
 - dispose of the Council's interest in the land to enable the provision of new affordable housing;
 - work with Norfolk County Council to facilitate a development site for new affordable housing;
 - delegate to the Strategic Director – Community and Neighbourhoods and the Head of Asset and City Management the power to take the incidental and ancillary steps to achieve the above;
 - note the financial consequences of the development of the site at Greyhound Opening for new affordable housing;
 - note the options relating to a property on the periphery of the site and delegate the implementation of the tenants' agreed option to the Strategic Director – Community and Neighbourhoods;
 - approve the methodology of costs incurred in site assembly being reimbursed by the Registered Social Landlord who purchases the site from Norwich City Council; and
 - ask the Group Leaders to consider a response to the County Council at their next meeting.
- 2.6 Combined the above decisions of the Executive provided a clear instruction, with appropriate supporting delegation, for officers to progress the redevelopment of this site. It is noted that there is no explicit reference to any interim letting arrangements in either the resolutions or covering report.
- 2.7 In conclusion, the process followed to reach a decision to decommission the housing units at Goldsmith Street/Greyhound opening is well documented and the decision making process is transparent, sound and was, in accordance with the constitution of the Council, taken by the Executive.

3 Resettlement of the residents of the sheltered housing units at Greyhound Opening/Goldsmith Street

- 3.1 This section of the report assesses the process followed to resettle the residents. As recorded in the report to the Executive on the 21st March 2007 (attached) the engagement of tenants (and where appropriate their families) to explain the potential impact of any decision to decommission the sheltered units had commenced in Mid February 2007. This approach ensured that from the outset residents were aware of the potential redevelopment scheme in advance of it being announced publicly.
- 3.2 The March 2007 report to the Executive highlighted four important elements of the resettlement process:
- 3.3 Firstly, residents would be resettled to alternative accommodation in accordance to their needs and preferences.

- 3.4 Secondly, a post of Resettlement Officer would be established to help facilitate this process (this was in addition to the on-site warden).
- 3.5 Thirdly, that all tenants would be eligible for home loss payments (maximum £4,000 in March 2007) to cover incidental costs of relocating and all removal costs would be met by the City Council.
- 3.6 Finally, it was estimated that the relocation of the 25 tenants would take 2 years (i.e. be completed by early 2009).
- 3.7 The minutes of the March 2007 Executive meeting record that 2 residents from the complex attended the meeting and that one tenant took the opportunity to address members. The minutes record that in addressing the meeting the residents supported the development of the site for affordable units.
- 3.8 There is no written procedure for the process to be followed for the resettlement of residents. Notwithstanding this there is detailed documentary evidence recording various group and individual meetings with residents, the assessment of their needs and aspirations for resettlement and the financial arrangements associated with their relocation.
- 3.9 The first resident was resettled to new accommodation in April 2007 and by the end of June 2007 7 properties had been vacated. The last tenancy was surrendered on the 27th July 2008. The resettlement officer's workbook notes and the formal records of tenant submitting to the City Council their notice to quit their property to move to other Council accommodation, show that almost all of the relocations (22 out of 25) took place within the first 12 months of the Executive decision to decommission.
- 3.10 In conclusion, the process followed for the resettlement of the tenants resulted in residents voluntarily moving to accommodation that met their needs and in a location of their choice. All tenants were advised from an early date that the Council wished to decommission their property and were informed of what this meant for them. In this instance no tenant was served with a notice to quit their accommodation because they all voluntarily surrendered their tenancy. A key reason for this is that the appointment of a resettlement officer, with experience of the then current resettlement schemes at Barrack Street, with specific responsibility to handle all aspects of the resettlement process, helped to ensure that the needs of tenants were given a high priority. The resettlement process was achieved ahead of schedule. In addition to the work of the resettlement officer the presence of a warden on site for most of the resettlement period helped to ensure that tenants and their families were able to seek advice on all aspects of the decommissioning of the sheltered housing complex.
- 3.11 As noted above, although the Council had decommissioned other housing units there were no written procedures for the process to be followed. Therefore, the decision making arrangements surrounding the decommissioning of Goldsmith Street/Greyhound Opening were based on

the experience of the officers involved and the practical steps necessary to resettle residents. There is no evidence that the absence of a policy on the decommissioning of council properties had any deleterious impact on tenants but, as shown in Section 4 below, it did have serious implications for the interim letting arrangements for these properties. The documentary evidence shows that overall the resettlement process worked well, was completed within the envisaged timescale and, although based on the need to obtain vacant possession, it was sensitive to the needs of vulnerable and elderly residents.

4 Temporary use of the vacated sheltered housing units at Greyhound Opening/Goldsmith Street for accommodation for employees of Norwich City Council

- 4.1 The purpose of this section of the report is to assess the decision making process followed for the temporary occupation by staff of the vacated housing units at Greyhound Opening/Goldsmith Street.
- 4.2 The March 2007 report to the Executive identified the vulnerable nature of elderly residents within the development but did not contain any reference to how the vacated units would be secured during the estimated 2 year decommissioning process.
- 4.3 There is limited documentation explaining the reasons why a decision was taken to use the vacated units for temporary letting arrangements for staff but what is available shows that officers had, at the time of the report to the Executive, concluded that to protect the existing tenants the course of action would be to let vacant properties to staff. Almost all the information arising from the interviews confirm that the whole re-letting process was planned, organised and implemented by staff in the strategic housing section. Officer(s) in the Strategic Housing Section also prepared the tenancy agreements. The properties were let on the basis of temporary letting arrangements that could be terminated by one months notice from either party. In October 2007 there was a discussion between legal services and strategic housing on the form of the tenancy arrangements.
- 4.4 In the absence of documentation, the interviews with the existing and previous senior officers directly responsible for this decision (i.e. the former Director of Community and Neighbourhoods, the then acting Head of Strategic Housing and the former development Housing Strategy and Enabling Officer) have provided an explanation of why this approach was considered to be the most appropriate.
- 4.5 Firstly, the officers confirmed that they considered four main options of how the vacated units could be managed:
 - (i) The properties could be boarded up and made secure against unauthorised trespass/squatting;
 - (ii) The properties could be let on short term tenancies to people on the waiting list or homeless individuals awaiting the outcome of the assessment of eligibility for accommodation;

- (iii) The properties could be occupied through temporary letting arrangements by private sector tenants under a guardianship contract with a private company; and
- (iv) The properties could be let to Council employees as part of the package of relocation measures contained in the Council's employment scheme for new employees moving to Norwich.

4.6 Secondly, the officers stated that each option was assessed first and foremost alongside the potential impact they would have on the residents and secondly against the potential cost. In undertaking the assessment, Officers did have regard to the then current and ongoing unsatisfactory and expensive experience of applying options (i) and (ii) to vacated and decommissioned properties at Barrack Street and to the cost of adopting option (iii) to the decommissioning of the former county council and city council sheltered units at Foulgers Opening (which were vacated in 2004). The conclusion of this assessment process (which is not documented) was that officers considered that the least disruptive approach for tenants and the most cost effective approach for the council would be to let the properties to staff.

4.7 Residents were formally notified of this decision in May 2007. The correspondence sent to the residents dated 11th May 2007 states that vacated properties would be let to council staff relocating to the area. This approach is in line with the council relocation assistance scheme for new employees. The resettlement officer recalls that when residents were informed of this decision, they did not object to the proposal and were satisfied that this arrangement would maintain both the security and residential feel of the complex.

4.8 The rent charged for Council staff was the same as the basic rent any tenant would pay for occupation of the units (currently £46.89). However this would be lower than that charged to the elderly residents occupying properties at Goldsmith Roan/Greyhound Opening because it excluded payment for specific services provided to the elderly tenants. For comparison purposes the charges for 2008/09 would be as follows:-

Basic Rent: £46.89

Alarm Service: £3.07

Support Charge: £11.84

Sheltered Service Charge: £7.51

Total inclusive rent (basic rent + service charges) = £69.31

4.9 During the 3 month period between May and July 2007 this letting process changed from the application of an existing employment relocation policy to a new approach that opened up the scope for letting properties to all staff. The only written record of this change in approach is the following article in the 30 July 2007 edition of the weekly staff newsletter, 'inner city' inviting applications from staff. It should be noted that the level of rent quoted was an error and the actual rent was as shown in paragraph 4.8 above. The article was as follows:

Need somewhere to live?

There are several vacant properties at Greyhound Opening (on Goldsmith Street), a short walk from the City Centre, being offered exclusively to staff for only £60-£70 per week.

Greyhound Opening is a sheltered housing scheme close to Dereham Road which is due to be decommissioned in early 2009 to make way for affordable housing. Current tenants are being moved to other sheltered schemes across the City and we would like to temporarily fill the empty properties so the remaining elderly tenants are not left in isolation. We would ask that anyone interested be mindful of their elderly neighbours. For further details please contact.....

4.10 Arising from the above article the three questions pertinent to this investigation are:

- What factors were taken into account in the decision to let the vacated properties to existing employees?
- How was this decision taken? and
- Is it procedurally sound?

4.11 There is no written documentation available that addresses the above questions so it is necessary to refer to the outcome of the interviews. From this it is clear the underlying consideration for the senior officers in the Strategic Housing section responsible for managing this process was the need to protect the day to day living environment of elderly and vulnerable tenants during a period of significant change and uncertainty. In this context the factors that prompted a widening of the eligibility for staff access to these properties were that the speed of resettling existing residents to their new homes was faster than anticipated and this meant that units were vacated quicker than expected; the demand for unfurnished accommodation from relocating staff was insufficient to fill the vacated units and as a consequence there was the real prospect that a decreasing number of tenants would be living in a complex with an increasing number of vacant units. In these circumstances officers would need to revisit the options for dealing with vacant units listed in paragraph 4.5 above. The officer view at the time was that the properties could be vulnerable to illegal trespass/squatting and may, therefore, need to be boarded up.

4.12 Based on the information stated during the interviews it appears that this assessment led officers to the conclusion that the best way forward was to widen the number of staff eligible to occupy the units on a first come first served basis. There is no evidence that this change in letting policy was referred to either the Corporate Management Team or discussed informally with Members of the Executive. There are differing views on who was/was not consulted on this matter but it is clear that the main responsibility rests with a limited number of senior strategic housing staff. Furthermore there is no evidence that any consideration was given to the procedural soundness of this decision, the relationship to existing policy, and the need for any criteria to select prospective tenants. The general presumption appears to have

been that officers had delegated authority to make such a change in the letting strategy. At the start of December 2008 17 properties were occupied. There was a written process for issuing the tenancies.

- 4.13 Procedurally the widening of the eligibility was a departure from approved policy and was outside of, or contrary to, the Council's policy framework. In this context it is not a decision that could be taken by officers. From the interviews it appears that this misunderstanding may have arisen from officers placing an over-reliance on the March 2007 Executive decision to delegate to the then Director of Community and Neighbourhoods 'the power to take the incidental and ancillary steps' necessary to implement the decision to redevelop the site of Goldsmith Street/ Greyhound Opening sheltered housing scheme for affordable housing.
- 4.14 It is clear that the procedural soundness of this decision was never a consideration for those officers directly involved in this matter. In addition it is appropriate to note that the policy implications of the content of the staff newspaper advertisement announcing the availability of council housing units to let, was not picked up within the organisation generally.
- 4.15 The proper approval process would have required a report to the Executive. Notwithstanding this the absence of any procedure for selecting tenants and monitoring period of occupation has led to a situation where single units were let to more than one person; where a current tenant has left the employment of the council; and where tenancies have been allowed to run for over a year. Combined these factors demonstrate a lack of robustness in the way this arrangement was introduced and managed. Finally, the lack of an approved policy may be a factor associated with the letting arrangement of one of the units by the Head of Service responsible for the Strategic Housing service both at the time this arrangement was introduced and currently. This matter is the subject of a separate investigation and is not covered in this report.
- 4.16 In conclusion, the lack of documentary evidence highlights a major weakness in the overall management by officers of the letting of vacated units on an interim non-secure tenancy basis. There is no doubt that the underlying rationale behind the initial decision to let the properties to staff under the relocation policy is sustainable and justifiable. However, the subsequent decision to widen eligibility, although taken on the basis of being the best approach for the remaining tenants; failed to assess all the risks involved; had no process for tenant selection and management; and was procedurally unsound.

5 The process for the redevelopment of the site for affordable housing

- 5.1 The March 2007 Executive report gave approval for officers to progress the acquisition of all third party interests in land surrounding Greyhound Opening/Goldsmiths Street and then dispose of the whole site under the Delivering Affordable Homes Project (DAHP) initiative for a mixed tenure development of some 100 dwellings.
- 5.2 On this basis, negotiations have subsequently been concluded for the

purchase of the county council owned Alderman Clarke House and solicitors have been instructed to prepare the necessary documentation. Notices to quit have been served on all tenants occupying industrial units at Haslips Opening and are due to expire March 2009. The property related aspect of the scheme is documented and has been undertaken in accordance with the resolution of the Executive.

- 5.3 In addition to land assembly and development partner arrangements, the March 2007 Executive report also established that, subject to the approval of the DAHP partners, the scale and nature of the site would make the scheme an appropriate candidate for a design competition. To deliver this instruction, under the management arrangements of the DAHP, the RIBA competitions office has been appointed to run the competition. There is a project plan for this process, it is well documented and has been rolled out in a successful manner. In October 2008, 5 architectural practices were selected from 101 submissions to submit proposal for the design of this development. The design proposals were received on the 12th December 2008. The successful scheme will be selected early in the new year.
- 5.4 Combined, the resolution of land ownership matters and the selection of the design should, subject to final costs and subsequent regulatory approvals, enable commencement on site in the autumn of 2009. This is later than originally envisaged and the main reason for this is that the design competition has taken longer than expected.
- 5.5 In conclusion all the land owning, development partner and design procurement arrangements are clearly documented, procedurally sound and have been approved by the Executive. Overall, the approach to the redevelopment of this site could be considered to be an example of exemplary practice.

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