

## **Regeneration, Culture and Environment Overview and Scrutiny Committee**

**28 February 2024**

### **Attendance of the Portfolio Holder for Housing and Property**

Portfolio Holder: Councillor Naushabah Khan, Portfolio Holder for Housing and Property

#### Summary

This annual report provides an account of the role of the Portfolio Holder for Housing and Property. It details their ambitions for their areas of responsibility, how they have, and how they will undertake political challenge and leadership and what their priorities and ambitions are for the year ahead.

#### 1. Recommendations

1.1. The Committee is asked to note the report.

#### 2. Budget and policy framework

2.1 The areas, within the terms of reference for the Overview and Scrutiny Committee and covered by the Portfolio Holder for Housing and Property, as set out in the Council's Constitution, are as follows:

- Homelessness and housing options
- Housing management and allocations
- Housing strategy
- Private sector housing, DFGs (Disabled Facilities Grants) and adaptations
- Housing Revenue Account (HRA) Landlord Service
- Capital Projects
- Property
- Valuation and Asset Management

#### 3. Background

3.1. I am delighted to have taken on the Portfolio Holder responsibility for Housing and Property and I would like to start my report by giving thanks to the various staff who, day to day, run council services with exceptional commitment, enthusiasm, and care for the residents of Medway.

- 3.2. It is clear that staff understand the financial situation that the Council currently faces but also the importance of delivering high quality statutory services, whilst seeking positive outcomes for residents of Medway.
- 3.3. The Housing and Property Teams are responsible for the majority of all the Council's buildings, ensuring that they are safe, maintained, generating revenue and, where possible, are genuine going concerns.
- 3.4. The Housing sector, both nationally and locally, remains challenging. Rising costs for renters, owners and landlords has led to a position whereby the market is inaccessible for an increasing number of people.
- 3.5. As a result, the Housing Service has seen significant increases in homelessness. Approaches from people asking for help have increased by 94% compared to 2019/20. It is predicted that 5,184 assessments will be undertaken this year. This, in turn, increases the demand for temporary accommodation (TA) with 482 households in TA as of November 2023.
- 3.6. The condition of accommodation in both the private and social sectors has never been more important. I know, through work in my ward and beyond, that there are still challenges with the standard of accommodation in the private sector.
- 3.7. Our residents are also feeling the challenges of the current economic climate within the housing sector. I am pleased to see a continued focus on support and advice to those that need the Councils help the most. This has been achieved through:
  - Achieving a rate of 64% in the prevention and relief of homelessness.
  - Delivery of the Rough Sleeping initiative to provide outreach, housing, and support.
  - Commissioning of services for survivors of domestic abuse.
  - Sustainable Warmth initiatives to increase energy efficiency in the private and owner-occupied sectors.
  - Achieving government funding of £2m to work in partnership with MHS to increase accommodation for young people.
  - The launch of the Supported Housing Improvement Programme (SHIP) to improve the standard of accommodation and support in supported housing.
  - The adoption of a new Disabled Facilities Grant and Financial Assistance Policy to help people remain in their homes.
  - The ongoing procurement of a new suite of contracts for the maintenance of council homes, including a strong social value commitment, with tenants involved in decision making.
  - The rollout for the Social Housing Decarbonisation project, involving £1m of grant funding, matched by the council to improve the efficiency of the worst performing homes.
  - The continuation of a development pipeline that will generate a further 112 homes by 2025/26, utilising numerous grant funding schemes, including the Local Authority Housing Fund, Brownfield Release Fund and Homes England grant.
  - Targeted support to Council tenants to sustain tenancies and access support.

- Implementation and rollout of a new ASB app that allows improved reporting, monitoring, and logging of anti-social behaviour on Council owned estates.
- A reduction in rent arrears compared to the year end 2022/23, currently at £280,263.
- Implementation and continued improvement of a tracker, which ensures compliance with key workstreams for housing stock.

3.8 We currently have circa 50 schemes/Projects in Property & Capital Projects, at varying stages on the design process from Feasibility, through Design, Procurement, Planning, onto the Defects period. Schemes vary in scale and in total there are circa over £50 million (Subject to approvals) of works on the Management Information Report (MIR) and some of our most notable projects including:

- The Capital Projects Team have completion on the Operations Depot on Maidstone Road alongside the new adjacent developments and the site is now in full use by Medway Norse.
- The Splashes leisure pool site in Rainham is well underway in its construction, and currently on programme as we enter the winter months. The building is now essentially sealed from the elements with our Contractors Wilmott Dixons on target to complete the building by Late April 2024.
- The Lordswood Library refurbishment was completed this summer, enabling a community hub and much-improved facility for the community.
- The team have completed the next phase of Abbey Court school in Strood providing one of the best SEN school facilities in the country with the suggestion of a visit now the facility is up and running discussed.
- Large scale work that doubled the capacity of the Hundred of Hoo Primary Phase 2 expanding the School was completed this summer.
- Works on the Hundred of Hoo Secondary site around dining space allowing the school to accommodate the growing population as well as at St Nicholas Primary which is now in the planning phases delivering additional teaching spaces much needed in these areas of Medway.
- Work is well underway to ensure that a new Nursery Facility at Luton Infants School will be able to go into Planning phase in the new year, with the aim of the project being to replace the existing dilapidated mobile classroom facility.
- Continued work to deliver and roll out the Maintenance and Condition works on our Medway Schools including a range of schemes such as new roofs, fire shutters on Kitchens and high-risk areas, replacement heating and boiler systems. Our aim is to be proactive as opposed to reactive however there are always building issues with an ageing stock that need resolving quickly i.e., subsidence issues, drainage works, improved security etc.

- Rochester Pier removal of collapsed sections from river and making site safe; project costed at £137k, delivered for £107k and ahead of 3 month works window. Project completed November 2023 RIBA stage 6, handover to Regeneration Team. Upper section of remaining pier confirmed as safe for public use.
- Rochester Riverside - using Policy T20: Riverside Infrastructure as guidance and working with river tour operators including Paddle Steamer Waverley; Limehouse Wharf additional and adaptation works to facilitate temporary access point for river tour operators as alternative to Rochester Pier. Changes will provide additional revenue from passenger vessels 2024/25 for river wall maintenance and increase visitor numbers (estimated at 10,000 pa), via the river, to historic Rochester.
- The Strand; complex resurfacing project of access road to Commodores Hard public slipway completed. Provides additional enforcement infrastructure to assist with controlled access and reduce anti-social behaviour from a minority of jet ski users during Summer months. Project originally costed at £50k, delivered for £25k funded from central government.
- Medway Climate Action Plan 8.3 – joint working and creation of steering group with Peel Ports, Crown Estate, Natural England, RSPB & key landowners and river stakeholders to deliver salt marsh restoration for habitat creation, carbon sink protection and provision of natural flood defences to reduce wave power. Using Beneficial Use of Dredging Sediment (BUDS) from dredging works at Sheerness to preserve, creation and enhance salt marshes within Medway estuary.

3.9 The One Public Estate (OPE) programme is still active with Round 7 projects. OPE announced on 5 December 2023 after a 5 year absence the next OPE funding Round 10. Projects and schemes are currently being explored with multiple services to get Expressions of Interest (EOI's) submitted. The current live projects are;

- Chatham Healthy Living Centre
- Docking Station
- Hoo Healthy Living Centre

3.10 Brownfield Land Release Fund (BLRF) is a fund that has also been released by OPE. In 22/23 Medway Council submitted 5 funding applications as part of Round 2, to support with enabling works for regeneration and housing projects. Medway was successful in securing a total of £3,968,371 for the following projects;

- Aburound House - £234,996
- Lennox Wood - £363,137
- Former Debenhams Building (Chatham high Street) - £730,000
- Strood Civic - £1,700,000
- Mountbatten House - £940,238

3.11 Our Re:Fit programme (new technology or features being added to an old system), has now seen a range of measures installed across 11 council-owned buildings. Enabling enhancements more sustainably, and with more cost efficiency.

- 3.12 Capital Projects carried out priority visual RAAC surveys on council Educational property in March/April of this year, finding no RAAC present in our maintained stock. These inspections took place prior to the national news on the vulnerability of the material, and we have subsequently followed this up with more intrusive surveys which confirmed the lack of any suspect material. Further investigation is being undertaken on all Council owned general fund properties and is expected to be completed by the end of this financial year.
- 3.13 As part of these further investigations in October 2023, RAAC was identified in the pitched roof of Gun Wharf. This necessitated urgent closure of Gun Wharf which incurred considerable officer involvement. Work is underway to identify costs and solutions for the longer term, for which a decision is expected to be taken to Cabinet for approval in February 2024.
- 3.14 Extensive building condition surveys have been conducted across the Council's portfolio which have identified several opportunities where properties would benefit from repairs and maintenance and the installation of better energy efficient electrical and mechanical plant. A number of but not all of these plant replacements have already been identified in the REFIT project. The shortfall in funding between the reported future costs contained in the latest 2023 condition surveys and the available BRMF budget, circa £5m per annum compared with £750k per annum will be a challenge going forward. Work is underway to look at prioritisation and where appropriate identify property that might be surplus to requirements and therefore may not need immediate or further investment.
- 3.15 The Assets Review included all general fund property assets and recommended the disposal of non-core assets to satisfy the need for capital generation and cost reduction. This process completed in the Summer with a presentation to Cabinet in September. Two car parks have been submitted to Cabinet for permission to dispose. This process will be accelerated through the first 6 months of 2024.
- 3.16 The Pentagon Shopping Centre continues to be the greatest demand on the VAM Service, including the delivery of the Healthy Living Centre (HLC). National inflationary construction cost pressures have presented major delivery issues for the HLC but all parties continue to collaborate fully to deliver this key project. Once delivered the HLC will attract an additional estimated 1m people to the High Street and Pentagon in terms of footfall per year.
- 3.17 The Innovation Hub (IH) on the first floor is progressing with contractors undertaking the initial demolition and removal of asbestos. Completion and handover of the new facility is anticipated in Q3 2024.
- 3.18 The cost of living crisis has negatively impacted the trading performance of the centre's retailers as highlighted by the administration of Wilko. Nevertheless, lease renewals on a number of units are progressing, notably Boots, Poundland, EE, Game and Coffee Republic. Major financial challenges being met are the necessary repairs to the Pentagon surface car park and service road as rainwater leaks into the Centre and onto the old bus lane – the latter will provide resident parking for MDC's Waterfront & Mountbatten House.

- 3.19 Work continues on the transfer of Mountbatten House & Former Civic Centre Strood to MDC during 2024, including the commission and reviewing of independent red book valuations. Both sites will provide a significant total of circa 349 high quality new homes once delivered.
- 3.20 MDC continues to progress its residential schemes and 115 homes have been completed at the Garrison Point scheme with final landscaping works currently in progress. The Chatham Waterfront scheme is within its construction delivery stage and there will be a phased completion through 2024. Between these sites is significant public realm and green space; the Paddock. MDC is coordinating improvements that will transform this area to create and augment places where people can relax and enjoy. The Paddock is on programme to complete by Spring 2024 and will integrate with the adjacent Mountbatten House scheme that will provide 164 high quality homes. The Britton Farm residential scheme is also within its construction phase and will provide 44 high quality affordable homes.
- 3.21 108 delegated approvals were concluded during the current calendar year which included 51 new property lettings including the Pentagon Centre plus 4 Academy school conversions.
- 3.22 In the previous financial year, the council received £278,179 in capital receipts. So far this year this has increased to £445,000 with another £744,000 agreed subject to legal completions.

#### 4. Providing political leadership and challenge

- 4.1. My portfolio impacts significantly on all residents of Medway, be that the homes that they live in or the council buildings they attend to access services offered by the council.
- 4.2. I chair the Housing Revenue Account (HRA) Governance Group, including members, tenants, and officers to ensure that the HRA meets its strategic objectives. The Group oversees progress of the planned works programme (2000+ workstreams annually to improve council homes), arrangements for ensuring housing stock is compliant and safe, the preparation for social housing regulation from April 2024, complaints trend monitoring and general performance measures.
- 4.3. Overseeing the baseline and first year recording of the Tenant Satisfaction Measures, a perception-based set of questions in relation to the performance of the HRA.
- 4.4. I meet regularly with the Assistant Directors and Heads of Service to discuss progress against service and council plan objectives, as well as setting the direction for initiatives that will increase the prevention of homelessness, improving standards in the private sector and ensuring council homes are safe and well maintained.
- 4.5. I have undertaken visits with teams to look at accommodation in the private sector, as well as attending meetings with council officers, statutory partners, and landowners to generate progress in relation to challenging buildings within the area. I have met with managers and staff within the housing service

to hear their views in relation to the way that the council operates and what support they need from their portfolio holder.

- 4.6. Working to increase the supply of affordable housing, I have spoken at the Kent Developers forum and Medway Developer forum to set out the council's ambitions but also to understand the issues that there are across the sector currently, and what role the Council can play in improving delivery.
- 4.7. In order to address the systemic challenges relating to homelessness, I have worked closely with the team to explore the possibility and appropriateness of a broad licensing scheme in Medway to improve conditions, the establishment of a lettings function with the ambition of setting up a Council owned lettings agency, investment in staffing resource and further purchasing of temporary accommodation to get better value for the Council but also the taxpayer.
- 4.8. Regular meetings are held with our special Heritage site leads, and conservation officers, alongside the JV Medway Norse, to review the requirements of our listed buildings and Heritage portfolio, We share responsibility for delivering the buildings updates with English Heritage/Heritage England, and work to the latest condition programme to maintain the structures The Corn Exchange for example, following external works being completed, we have implemented internal works, and will continue to support the internal Clients to maintain the plant and décor. Good progress has been made on this, this year too, with both Upnor and Rochester Castles.
- 4.9. I chair the Corporate Strategic Property Board, which meets quarterly, during which I have overseen updates and approvals across the Council's general fund properties relating to facilities management and asset management.
- 4.10. I regularly conduct update and oversight meetings with representatives of Medway Development Company (MDC), including site visits. I am regularly updated by both the Assistant Director for Regeneration and Service Heads on projects involving MDC as part of the Council's supervisory role.

## 5. Championing the Interests of Medway residents

- 5.1. In delivering a range of statutory services, the interests of the residents must be central to the way that services operate. Through a range of mechanisms, I am able to receive feedback regarding the way in which the council operates and work with the senior leadership team to improve outcomes.
- 5.2. I am currently overseeing the development of a refreshed housing strategy for Medway that will make clear the Councils' ambitions but also highlight the diverse range of support that is available to improve independence, the supply of affordable homes, how engagement and participation are essential and how we will aim to improve energy efficiency of properties across all sectors.

## 6. Support for key service areas

- 6.1 Going forward there is an increased inflationary pressure on projects due to both national and international events outside of the Council's control. Counterfactors have been considered to deal with issues the best way we can. Contractors continue to cite resource issues with labour, and the ability to source materials. We are identifying issues on our dashboard risk registers

and will continue to look at monitoring and mitigation. The Council are now aware of inflationary pressures of market estimate prices from the updated RICS BCIS indices.

## 7. Conclusion

- 7.1 The services within my Portfolio play an integral part in making Medway a vibrant, exciting, and enjoyable place to live and to visit. While recognising and seeking to address the current financial challenges, there are significant opportunities to provide long-term benefits for Medway and I look forward to working with colleagues and partners to bring these to fruition.

### Lead officer contact

Mark Breathwick, Assistant Director, Culture & Community,  
[mark.breathwick@medway.gov.uk](mailto:mark.breathwick@medway.gov.uk)

Sunny Ee, Assistant Director, Regeneration  
[Sunny.Ee@medway.gov.uk](mailto:Sunny.Ee@medway.gov.uk)

### Appendices

None.

### Background papers

None.