

Housing Disrepair (HO000L)

| | |
|--------------------|--------------------------------------|
| Meeting: | Delegated decision |
| Date: | 2 nd August 2021 |
| Cabinet portfolio: | Cabinet Member for Housing |
| Report by: | Liz Cook, Service Director, Housing. |

For publication

1.0 Purpose of report

- 1.1 To seek approval for Chesterfield Borough Council to enter a partnership arrangement with Bolsover and North East Derbyshire District Councils and Derbyshire Law Centre (DLC), as a preventative measure in the dealing with approach to Housing Disrepair claims.

2.0 Recommendations

- 2.1 Approve the partnership arrangements with Chesterfield Borough Council, Bolsover and North East Derbyshire District Councils, and Derbyshire Law Centre (DLC), as a preventative measure in an approach to Housing Disrepair cases.
- 2.2 Approve the additional financial contribution of £12,000 per annum, funded from the Housing Responsive Repairs Budget for a 2-year fixed term agreement.

3.0 Report details

- 3.1 Since 2016 disrepair cases in Chesterfield have increased. In July 2021 the number of disrepair cases being dealt with by legal services and officers from Housing reached 43 in July 2021, with no reduction in numbers currently expected.

- 3.2 Disrepairs in this period have predominantly focused on damp and mould as the main area of disrepairs with associated repairs making up the full claim.
- 3.3 The disrepair claims are generated by companies and law firms that seek out disrepair claims by means of contacting tenants via phone calls, cold calling or leaflet dropping, often via third party claims management firms.
- 3.4 In 2020 a disrepair case ended in a court hearing and the outcome was CBC lost the case at a cost of circa £20K. Many smaller claims are settled out of court for smaller costs.
- 3.5 While a tenant will be entitled to compensation for a proven disrepair claim, external solicitors' costs considerably add to the sums that have to be paid. The Council has a good record in challenging such costs claims and securing reduction (sometimes substantial reduction), but even when reduced they add significantly to the amount paid out to settle a claim.
- 3.6 We have the potential of more cases reaching court and potential further considerable costs to CBC.
- 3.7 The Council is regularly corresponding with our tenants through social medial and Your Chesterfield, further work is being undertaken to advise tenants to report their concerns directly to the Council.
- 3.8 The impact on the tenant's financial position, wellbeing, or the risk a failed claim may have on the tenancy, could lead to increased vulnerability of tenants.
- 3.9 Dedicated individuals from the Housing and Regulatory Law teams must prioritise the increasing number of claims and handle the ever-increasing workload generated. As the claims are linked to court processes, there are time limits for different stages of the Council's response which cannot be ignored.
- 3.10 In recent weeks the workload has become overwhelming for the legal team and Housing staff in dealing with the cases.
- 3.11 A delayed response to a disrepair claim can have financial implications for CBC.

- 3.12 The legal team have recently engaged external legal support to assist with the cases to ease their workload while claims are particularly high, to help deal with the disrepairs in a timely manner. This helps to reduce the risk to CBC if the process is delayed.
- 3.13 The combined resource will enable DLC to appoint a full-time officer on a 2-year fixed term contract to undertake the work.

4.0 Financial Considerations

- 4.1 The cost of the partnership is £36,000.00 per annum and is a 2-year agreement. This is an annual cost of £12,000.00 from CBC and the remaining split [equally?] between Bolsover and North East Derbyshire.
- 4.2 The funding will support the 2-year fixed term employment of one person to join the team currently at the Derbyshire Law Centre to deal with disrepair cases and work with the three authorities.
- 4.3 A review will take place towards the end of the 2-year fixed term contract to extend or end the project/partnership
- 4.4 It is envisaged that the initial £12,000.00 outlay will be recovered over the first 12 months through less cases being picked up the external law firms and potential disrepairs dealt with by the DLC and CBC to resolve the repairs directly with the tenants. While the external law firms would claim their costs of pursuing a claim, DLC would not.
- 4.5 Regular reviews will take place to assess the impact of the project with a full review at 12 and 18 months to determine any future commitments from CBC.

5.0 Risk management

- 5.1 The main risks associated with the proposals are shown in the table below:

| Description of the Risk | Impact | Likelihood | Mitigating Action | Impact | Likelihood |
|--|--------|------------|---|--------|------------|
| No impact on the number disrepairs still being picked up by external law | High | High | Launch of a media campaign led by DLC to advise tenants of the rights and risks | High | Medium |

| | | | | | |
|--|------|--------|---|------|--------|
| <p>firms and costs claims not reducing.</p> | | | <p>over disrepair and different ways to pursue claims</p> | | |
| <p>The number of disrepair cases continue to increase and although DLC pick 'some' of the cases up, the costs to CBC are considerable.</p> | High | High | <p>Increased emphasis of carrying out property inspections earlier to reduce the need to use the disrepair route.</p> <p>Launch of a media campaign led by DLC advise tenants of the rights and risks over disrepair.</p> | High | Medium |
| <p>The additional costs to CBC of £24,000.00 over the project duration is an additional cost to the outlay caused by increased cases or cases not picked up by the DLC project team.</p> | High | Medium | <p>The project is initially fixed term for 2 years. At the end of this period if unsuccessful the partnership can be ended without further incurred costs.</p> | High | Medium |
| <p>Ongoing disrepair cases that are already in progress by the external law firms will not be able to have DLC involvement</p> | High | High | <p>Launch of a media campaign led by DLC to advise tenants of their rights over disrepair and any risks could lead to some tenants reconsidering their decision to instruct external law firms</p> | High | Low |

6.0 **Equalities Impact Assessment (EIA)**

6.1 An Equalities Impact Assessment will be required and produced.

7.0 **Recommendations**

7.1 Approve the partnership arrangements with Chesterfield Borough Council, Bolsover and North East Derbyshire District Councils, and Derbyshire Law Centre (DLC), as a preventative measure in an approach to Housing Disrepair cases.

7.2 Approve the additional financial contribution of £12,000/annum, funded from the Housing Responsive Repairs Budget for a 2-year fixed term agreement.

8.0 **Reasons for recommendations**

8.1 To help manage the number of potential disrepair claims being picked up by external solicitors' firms and potentially reduce costs of defending claims.

8.2 To ensure tenants have greater impartial advice on disrepair and how to contact CBC directly or via DLC.

8.3 To help protect our tenants from risk of potential costs and ensure their disrepair is dealt with effectively.

8.4 The partnership with DLC will ensure the tenant has independent advice.

8.5 Reduce potential litigation caseload for CBC Regulatory Law and Housing Services.