



HOUSING MANAGEMENT ADVISORY BOARD

To: Board Members Ali, Davis, Edwardes (Chair), Hudson, Riley (Vice-Chair), D. Wright, J. Wright, Councillors Goode, Infield and Monk (For attention)

All other members of the Council
(For information)

You are requested to attend the meeting of the Housing Management Advisory Board to be held in Committee Room 1, at the Council Offices, Southfields, Loughborough on Wednesday, 8th November 2023 at 4.30 pm for the following business.

Chief Executive

Southfields
Loughborough

31st October 2023

AGENDA SUPPLEMENT

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| 4. | <u>BUDGET SETTING AND PRIORITIES FOR 2024/25</u> | 2 - 7 |
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| 5. | <u>CAPITAL DELIVERY UPDATE</u> | 8 - 14 |
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HOUSING MANAGEMENT ADVISORY BOARD

Report of the Director of Housing and Wellbeing

BUDGET SETTING AND PRIORITIES FOR 2024/25

Purpose of the report

To provide an overview of the budget-setting process, and to enable members of the Board to comment on priorities for 2024/2025.

Action requested

The Board is asked to:

- Note the budget-setting process.
- Comment on the priorities and budget pressures for 2024/25 identified.

Background

Annual budget setting process

Each year the Council sets budgets for the following year. The current review of the Housing Revenue Account Business Plan will feed into this process. An indication of the process and the timescales for the key events that drive the process is set out in the below table:

Event	Description
Cabinet Meeting December 2023	A report is taken to Cabinet to: <ul style="list-style-type: none">• Advise members of the projected base budget position for 2024/2025.• Review the savings and growth proposals put forward for the year 2024/2025, and to begin a period of consultation.
Housing Management Advisory Board January 2024	A report is taken to the HMAB to set out the draft proposed Housing Revenue Account (HRA) Revenue Budget for 2024/25. This report will detail the proposed rent and service charge levels for the following year.

<p>Cabinet</p> <p>February 2024</p>	<p>A report is taken to Cabinet to set out the proposed General Fund and Housing Revenue Account (HRA) Revenue Budgets for 2024/25.</p> <p>The report also presents the proposals in respect of rent and service charges within the Housing Revenue Account.</p>
<p>Council</p> <p>February 2024</p>	<p>A report is taken to Council setting out the recommendations of the Cabinet regarding the proposed General Fund and HRA Revenue Budgets for 2024/25. These budgets represent the financial spending plans for all services of the Council, and it is a legal requirement to set a balanced budget each financial year. The report also includes the original budget for the Housing Revenue Account together with changes to rents and service charges.</p>

Priorities for 2024/25

National Context

The Social Housing (Regulation) Act 2023 received Royal Assent on 20th July 2023. Some of the key features of the Act are:

- Strengthening the Regulator of Social Housing to carry out regular inspections of the largest social housing providers and the power to issue unlimited fines.
- Additional Housing Ombudsman powers to publish best practice guidance to landlords following investigations into tenant complaints.
- Powers to set strict time limits for social landlords to address hazards such as damp and mould.
- The introduction of a new suite of tenant satisfaction measures (TSMs) that social landlords must report on, annually.
- New qualification requirements for social housing managers.
- A requirement for registered providers to nominate a person responsible for health and safety issues.

The Regulator of Social Housing has subsequently finished its consultation on a new set of consumer standards that registered social landlords, including the council must meet.

There is a strong emphasis on redress to tenants when things go wrong, tenant safety, and good quality homes. The headline draft standards are appended.

Local Context and Priorities for 2024/25

Priorities will be refined over the coming months. The areas of focus reflect the national themes around responding to tenant concerns and the provision of safe, good quality accommodation.

Priority - Improving the customer experience of the repairs service / preventing complaints and resolving them faster.

To support a faster response to tenant enquiries and therefore to prevent complaints, and resolve them faster, three new Resident Liaison Officer posts have been created in the Repairs and Investment Service.

Tenant Satisfaction Measure (TSM) data has been collected in line with the national requirement referred to above. The information is contained elsewhere in the Performance Information Pack contained elsewhere in the agenda of the meeting this report features on.

The TSM data shows the level of complaints is too high and that complaints are not responded to in a timely manner. The position in respect of the latter has worsened as there is a requirement of the Housing Ombudsman's Complaints Handling Code to respond to all complaints in writing, formally, whereas historically complaints could be responded to informally, by telephone, and a note made of the conversation with the tenant / their representative.

Analysis of complaints has been undertaken. The data shows many complaints could be prevented by improving communication with tenants. The additional Resident Liaison Officer posts are expected to achieve this.

A project to improve repairs processes is also in progress. Systems are being developed to support the tracking of responsive repair works, including those relating to damp and mould.

Priority - Delivery of the Asset Management Strategy 2023-2028

The Asset Management Strategy 2023-2028 endorsed by the Board and subsequently approved by the Council's Cabinet contains a range of actions to support the delivery of good quality housing. These include, but are not limited to:

- Delivery of the damp and mould framework considered and endorsed by the HMAB (the original action contained in the strategy was to develop such a document).
- Development of a roadmap for delivery of SAP C by 2030 (a good level of energy efficiency) and net zero carbon by 2050.
- Development of procedures relating to [stock condition] data and maintenance to ensure that information remains up to date.

- Progression of the review of sheltered accommodation.
- Investment in the Council's housing stock to maintain the Charnwood and Decent Homes standards.
- Actions arising from the review of garage sites, which is in progress.

Priority - Reducing the number of voids in repair.

The current number of voids is too high. The number of Allocations Officers has been increased, and this has increased the number of properties being let.

To support the faster repair of properties, a new void repairs manager post has been created and interviews scheduled. This post will have direct control over both in house void operatives and contracted services. A tender is currently out for a contractor to support the work of the in-house team on standard voids. Major void works are expected to be completed by the newly appointed Jeakins Weir Ltd, which has commenced pricing.

Financial Pressures

The following budget pressures (increased budget need) are proposed to form part of the 2024/2025 budget.

Area of Budget Pressure	Amount £	Comment
Repairs	527,000	In a context of high inflation, the cost of materials used by the service has increased significantly over the period; by 86% from 19/20 to 23/24. Repairs contract costs have also increased, along with costs associated with the defence of disrepair claims.
Door entry maintenance	40,000	Repairs are completed as required.
Resident Liaison Officer resource	129,000	See Section (above) <i>Local Context and Priorities for 2024/25</i>
Rent payments predictive analytics software costs.	24,000	This system has been used to identify and target resources at tenants at risk of non-payment. Rent collection and arrears performance has improved year on year since its introduction.

Universal Credit Officer	43,300	This post was introduced several years ago to support tenants to transfer on to and claim Universal Credit successfully and therefore to sustain rental income and prevent evictions. The government roll out of Universal Credit has been intermittent, however continues.
Cleaning of Communal Areas	18,000	Increase of costs due to inflationary pressures off-set by Service Charge income
Estate Maintenance	38,100	More items / rubbish is being left in communal areas.
Leasehold Services	12,600	Increased costs associated with an increase in leaseholders and associated work. Costs are expected to be recovered through the administration and management charge levied to leaseholders.

Capital Budgets

Officer to contact:

Peter Oliver
 Director of Housing and Wellbeing
 Peter.oliver@charnwood.gov.uk
 01509 634666

Appendix 1

Draft Headline Consumer Standards

- *The Safety and Quality Standard – requires landlords to provide safe and good quality homes and landlord services to tenants.*
- *The Transparency, Influence and Accountability Standard – requires landlords to be open with tenants and treat them with fairness and respect so that tenants can access services, raise complaints when necessary, influence decision making and hold their landlord to account.*
- *The Neighbourhood and Community Standard – requires landlords to engage with other relevant parties so that tenants can live in safe and well-maintained neighbourhoods and feel safe in their homes.*
- *The Tenancy Standard – sets requirements for the fair allocation and letting of homes and for how those tenancies are managed and ended by landlords.*

More information can be found here:

[Consultation on the consumer standards - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

HOUSING MANAGEMENT ADVISORY BOARD

Report of the Director of Housing and Wellbeing

CAPITAL DELIVERY UPDATE

Purpose of the report

To provide an update on the delivery of capital works.

Action requested

The Board is asked to note and comment on the update.

Background

Generally, capital works are works that improve the value of properties. For example, a replacement kitchen, bathroom, heating system, or roof. Other costs such as asbestos removal (so works can commence safely) and staff time working on the projects can also be capitalised.

Current Position

The spend position to the end of September 2023, estimated annual spend for 2023/2024, and commentary for each workstream can be found at Appendix 1.

Contracts are in place for all workstreams, apart from the redevelopment of St Michael's Court in Thurmaston. Planning permission for the proposed 9 bungalows there is pending.

A new contractor, Jeakins Weir Ltd, has been appointed to complete kitchen, bathroom, major voids, and major structural works. The contract is being mobilised. This is a process where health and safety arrangements are confirmed, procedures around the raising of orders, delivery of works and tenant liaison are agreed, and programmes developed. Physical delivery of works in homes is expected to start in the new year.

The volume of works across other streams is increasing and the position in this respect is expected to continue in to 2024/2025. Estimated capital budgets for 2024/2025 can be found at Appendix 2.

Budgets for kitchens and bathrooms are based on the delivery of 233 of each to deal with a backlog of works under the Charnwood Standard. There are 414 kitchens aged over 20 years in general needs properties, and 490 bathrooms aged over 30 years.

Appendix 1 - Capital Spend Report - Position at September 2023

Costc(T)	Current Budget to spend this year (excludes accrual) including amounts carried forward from 2022/23	Year to Date Actual spend	Forecast Year end Spend (how much of this years budget will be spent)	Comment
	£	£	£	
Major Void Works	656,000	(30,422)	100,000.00	Jeakins Weir Ltd now appointed to progress major voids. Mobilisation in progress. Pricing has commenced. Work expected to start in November 23.
Major Adaptations	611,200	222,158	822,000.00	CLC Contractors Ltd has committed to delivering 90 major adaptation works by the end of the financial year. Full spend expected. Budget virement pending.
Communal Area Improvements	350,000	42,380	150,000.00	Ian Williams Ltd is undertaking work in communal areas.
Kitchens	1,396,000	160,134	370,000.00	Jeakins Weir Ltd has been appointed. Mobilisation in progress. Delivery expected in Q4.

Bathrooms	1,743,800	93,807	260,000.00	Jeakins Weir Ltd has been appointed. Mobilisation in progress. Delivery expected in Q4.
Electrical Upgrades	150,000	13,328	125,000.00	Dodd Group in place. Domestic installations are in good condition with little need for replacement. Fan installation works completed as damp and mould remediation are to be capitalised.
Windows	426,000	1,910	300,000	Bell Group is surveying. Programme pending.
Door Replacement	700,000	95,784	500,000	Harmony in place to deliver fire door works. 127 fire (front) doors completed at dwellings. Bell Group in place to deliver standard doors. Surveys are in progress.
Re-roofing	650,000	37,452	600,000	J Wright roofing has started to replace the roofs, Ecology surveys have led to a slower than expected start.
Major Structural Works	400,000	195,927	250,000.00	Jeakins Weir has been appointed. Mobilisation in progress. Further delivery expected in Q4.
Estate and External Works	300,000	207,479	300,000.00	Ian Williams in place, and positive delivery over the Summer months.

Central Heating and Boiler Installation	543,000	150,038	£ 543,000.00	Programme completed by PH Jones. Full spend expected.
	7,926,000	1,189,974	4,320,000	

Asbestos Removal	200,000	178,130	200,000.00	Full spend expected. Asbestos is removed in the course of capital works.
Communal Area Electric	68,000	0	57,000.00	Lighting upgrade works in progress.
Carbon Monoxide Alarms	50,000	4,426	10,000.00	Detection is being installed where necessary when the annual gas service is undertaken.
Fire Safety Works	100,000	(3,694)	100,000	Passive fire works surveyed and ordered. Full spend expected.
Sheltered Housing Improvements inc heating & equipment	239,800	27,834	239,800	Digital upgrade in progress. Works completed at Arnold Smith House and Beresford Court. Full spend expected.
	657,800	206,696	606,800	

Door Entry Systems	200,000	(74,320)	200,000.00	Bamfords in place. 11 properties have had communal doors installed. Full spend expected.
Stairlifts	60,000	47,902	60,000.00	Full spend expected.

Garages	50,000	0	50,000.00	Demolition works planned at one location.
Mobility Scooter Storage	30,000	0	15,000	Harmony undertaking works at Sorrell Court.
Minor Adaptations	50,000	1,754	3,000.00	Demand led. Full cost of works not being capitalised. Review in progress.
Housing Capital Technical Costs	438,100	0	400,000.00	Relates to capitalised salary.
Delivery of Stock Condition Survey and Associated Costs	60,200	0	60,200.00	Project complete. Full spend expected.
Digital Filing - HRA Software	33,200	26,775	33,200.00	Project complete. Full spend expected.
Redevelopment Sheltered Accommodation - St Michael's Court, Thurmaston	2,000,000	109,186	400,000.00	Planning application in progress. It is possible the current estimated spend will not be reached due to delays in provision of information from third parties relating to the live planning application.
	2,921,500	111,297	1,221,400	
	11,505,300	1,507,967	6,148,200	

Appendix 2 - Proposed capital budgets for 2024/2025

Workstream	Amount £
Major Adaptations	450,000
Minor Adaptations	50,000
Stairlifts	60,000
Major Voids	280,000
Asbestos Removal	200,000
Communal Area Improvements	75,200
Communal Area Electrical Upgrades	68,000
Fire Safety Works	100,000
Garages	100,000
Kitchens	1,794,100
Bathrooms	2,900,850
Electrical Upgrades	100,000
Window Replacement	345,000

Heating	1,292,000
Sheltered Housing Improvements	190,000
Redevelopment Sheltered Accommodation - St Michael's Court, Thurmaston	1,600,000
Door Replacement	700,000
Roofing Works	600,000
Insulation	250,000
Major Structural Works	250,000
Estate and External Works	215,000
Housing Capital Technical Costs	312,000
Door Entry Systems	73,000
Total	11,805,150

Officer to contact:

Peter Oliver
 Director of Housing and Wellbeing
 Peter.oliver@charnwood.gov.uk
 01509 634666

HOUSING MANAGEMENT ADVISORY BOARD

Report of the Director of Housing and Wellbeing

ASSET MANAGEMENT STRATEGY UPDATE

Purpose of the report

To provide an update on the delivery of the Asset Management Strategy 2023-2028.

Action requested

The Board is asked to:

- Note and comment on the update.

Background

The Housing Management Advisory Board received a detailed presentation from Savills UK on the strategy in February 2023. The Council's Cabinet subsequently approved the Strategy in March 2023.

A cross directorate working group is in place to take forward the actions identified in strategy.

Progress and updates on the actions can be found at Appendix 1.

Officer to contact:

Peter Oliver
Director of Housing and Wellbeing
Peter.oliver@charnwood.gov.uk
01509 634666

Appendix 1 - Asset Management Strategy Action Plan Update

No	Action	Update
1	Review the use and classification of our age restricted stock	The HMAB has considered a report and endorsed the declassification of 45+ properties. A report is to be taken to the Council's Cabinet in January 2024 for a decision to be made.
2	Develop a separate, linked, disposals, acquisitions, and development strategy	This action is linked to the Council's Housing Strategy which is in development and will be brought forward in early 2024.
3	Develop costed plans for improvement to our sheltered housing stock and carry out an options appraisal to consider how these can be delivered	The development at St Michael's is being progressed. The approach to the wider portfolio of sheltered accommodation is being developed with a strategy expected to be brought forward in 2024.
4	Consider development of an adapted housing register	Adaptation data is on QL the Council's housing management system. At this point in time a distinct adapted housing register is not being progressed, however the Allocations Policy is expected to be reviewed in 2024/2025 and the position will be considered further then.
5	Develop procedures relating to data and maintenance to ensure that information remains up to date	Options have been explored with other asset management systems, however at this point in time, the intention is to develop the existing system, improving data quality rather than mobilise a new system. A sub-group has been established which is taking forward a project which will support the interface of stock condition data collected on site by the stock condition surveyor and the QL housing system. There is an emphasis on keeping stock data up to date in the proposed new consumer standards.
6	Carry out M&E surveys in communal areas to identify any future costs arising	In progress.
7	Develop a roadmap for delivery of SAP C by 2030 and net zero carbon by 2050 including consideration of funding required to deliver net zero	High level energy studies have been completed setting out the costs of this work, which are very high. This work is to be taken forward in 2024/25.

8	Review specifications and programmes of work to check they align with energy efficiency – targets. This will include reviewing specifications for doors and windows, roofing, heating, and likely component replacement timescales.	See 7 (above).
9	We will maintain a costed list of actions arising from FRAs and associated surveys and cross check with fire safety related HRA business plan allowances.	FRA surveys have been completed and works are in progress. There is an existing budget for this work. A review of budget provision based on likely future works will be carried out in 2024/2025.
10	Work with our legal team to review best practice to achieve 100% compliance on gas inspections	In progress. PH Jones Ltd is piloting Saturday appointments.
11	Complete EICR certificates for 100% of properties by March 2023.	100% has not been reached, however the number of completed surveys is increasing. A no-access process has been developed.
12	Develop a lift policy and management plan.	In progress.
13	consult residents on the targeting of estate/external improvement works	To be taken forward in 2024/2025.
14	consider the use of the current IT system, and our requirements in respect of the real time update of asset data following field survey.	See 5 (above)
15	Consult residents on our investment standard	This relates to the Charnwood Standard which is based on fixed component lifecycles. A revised decent homes standard is likely; which will have a bearing on this item.
16	Develop our understanding of costs to remedy damp and mould across our stock and put in place a policy to tackle it.	Damp and mould framework agreed by the HMAB and a subgroup has been set up to take the actions forward.
17	Update our repairs policy with an increased emphasis on tenant safety in 2023/24	In development and expected to be brought forward in early 2024. A detailed tenant handbook has been produced which contains many elements of repairs policy.
18	Complete a review of garage sites in 2023/24	In progress. Many garage sites have constraints which make options limited.
19	Develop a policy to clarify our approach to recharging leaseholders for building safety and zero carbon works	To be taken forward in 2024/2025. The approach to working with leaseholders around fire doors is already defined.

20	Prioritise and carry out options appraisals on poorly performing stock over the next 12 – 24 months in line with the prioritisation framework in this strategy	Decision taken to decommission St Michael's Court. Work has not started on a broader basis i.e., in respect of voids due to constrained capacity and a priority focus on other areas of the voids process.
21	Introduce a proactive void disposal strategy to release resources for growth	See 20 (above)
22	Stress test the impact of net zero carbon, sheltered housing improvements and regeneration plans on the business plan, considering changes in the plan based on our investment priorities	7/9/23 Complete. Significant additional borrowing required (£89 million). Most social landlords do not have the finance to complete this work.
23	Establish mechanisms and annual targets to build up our survey data to inform an investment plan at a per property level	See 5 (above)
24	Produce the 5 Year Investment Plan which is reviewed and approved on an annual basis	To be taken forward in 2024/2025.
25	Put resources in place to deliver the investment priorities set out in this plan	In progress. Head of Landlord Services post created and appointed to. The postholder will commence in post in December 2023. A sheltered accommodation review project support officer post is in development (job description drafted and job evaluation has taken place).
26	Review the Asset Management Team structure	An increased level of resident liaison officer resource has been introduced. Additional resources will be needed for any decarbonisation work.
27	Develop regular reporting mechanisms against the KPIs in this strategy to report performance to the senior leadership team and tenants and members	To be developed in 2024/2025.