

CABINET - THURSDAY, 1 JUNE 2023**Report of the Director Housing and Wellbeing
Lead Member:****Part A**LANDLORD SERVICES CAPACITYPurpose of Report

That Cabinet recommend to Council an increase in the Housing Revenue Account (HRA) 2023/2024 budget of £102.8k to fund a new Head of Landlord Services post, and provide the Director of Housing and Wellbeing with delegated authority to draw down a sum of up to £500k each year from the HRA Financing Fund to meet the challenges arising from a complex operating environment and improve services provided to tenants.

The £102.8k is an addition to the 2023/2024 budget, and therefore this distinct report to Cabinet, and subsequently Council is necessary.

Recommendations

1. That it be recommended to Council the HRA salary revenue budget be increased by £102.8k on an ongoing basis to fund a new Head of Landlord Services post.
2. That it be recommended to Council that delegated authority be given to the Director of Housing and Wellbeing in consultation with the Lead Member for Public and Private Sector Housing and the Council's Section 151 Officer or Head of Finance to draw down from the HRA Financing Fund a sum of up to £500k each year to fund initiatives to meet the challenges arising from a complex operating environment and improve services provided to tenants.

Reasons

1. To provide an appropriate level of senior officer capacity to manage the risks associated with the delivery of landlord services in light of an enhanced regulatory regime; and support delivery of a progressive agenda around asset management including decarbonisation of the Council's Housing Stock and the improvement of sheltered accommodation.
2. To provide timely access to a flexible financial resource which can be deployed on a targeted basis to improve performance around (for example) voids and repairs, and to provide a governance mechanism by which the fund can be spent.

Policy Justification and Previous Decisions

Implementation of the recommendations will provide capacity to support continued compliance with 5 consumer standards set out by the Regulator of Social Housing. These are:

- Home Standard - quality of accommodation and repairs and maintenance
- Tenancy Standard - how properties are allocated/exchanged and terms around tenure
- Neighbourhood and Community Standard - issues around neighbourhood and communal areas and anti-social behaviour
- Tenant Involvement and Empowerment Standard - customer service and complaints, tenant rights and involvement
- Tenant Satisfaction Measures Standard - reporting against the TSMs, which cover information on areas such as repairs, safety checks and complaints.

The Home Standard includes a specific expectation that:

Registered providers shall ensure a prudent, planned approach to repairs and maintenance of homes and communal areas. This should demonstrate an appropriate balance of planned and responsive repairs, and value for money. The approach should include: responsive and cyclical repairs, planned and capital work, work on empty properties, and adaptations.

Achievement of the following void loss KPIs set out in the Council's Corporate Business Plan 2023-24 will be supported:

- *Percentage rent loss from void properties (Proxy Target) Age restricted properties.*
- *Percentage rent loss from void properties (Proxy Target) Non age restricted properties.*

Implementation Timetable including Future Decisions

Subject to Cabinet and full Council approval, recruitment to a Head of Landlord Services position will take place in quarter 2 of 2023/2024.

Initiatives funded through the HRA Financing Fund will be deployed on a targeted basis to improve services to tenants as necessary.

Report Implications

Financial Implications

The 2023/2024 budget increase of £102.8k and the £500k to be used flexibly can be fully funded through the HRA Financing fund. Cabinet approved the creation of the Financing Fund in February 2016 to make provision for external pressures. The fund is made up from sums transferred over from working balances at the end of each year and currently totals £17.2 million.

The recent work undertaken by Savills UK has identified that investment capacity exists within the HRA Business Plan.

Risk Management

The risks associated with the decision Cabinet is asked to make and proposed actions to mitigate those risks are set out in the table below.

Risk Identified	Likelihood	Impact	Overall Risk	Risk Management Actions Planned
Increased establishment cost impacts negatively on the HRA Business Plan in the long term.	2 Unlikely	3 Significant	6 Moderate	A further review of the HRA Business Plan will be completed in 2024. Expenditure on staffing levels will be benchmarked on an annual basis.

Equality and Diversity

No equality and diversity implications have been identified.

Climate Change and Carbon Impact

It is expected that increased capacity will support delivery of programmes to improve the energy efficiency of tenants' homes, and reduce carbon emissions.

Crime and Disorder

No significant crime and disorder implications have been identified.

Publicity Arrangements

Not applicable.

Consultations

Not applicable.

Links to the Corporate Strategy

Caring for the Environment	Yes
Healthy Communities	Yes
A Thriving Economy	No
Your Council	Yes

Background Papers:

[Appendix 1 - Housing Revenue Account Asset Management Strategy 2023-2028 .pdf \(charnwood.gov.uk\)](#)

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Part B

Background

The Council owns and manages around 5,445 rented dwellings, over 300 leasehold dwellings, 806 garages, 13 shop premises, 21 leasehold shops, and estates. The Council's dwelling stock includes 14 blocks of sheltered accommodation. The Landlord Service collects over £21 million of rental income.

The Landlord Service is large, making up around a quarter of the Council's workforce, with around 128 employees. The annual revenue and capital budgets amount to around £10 million and £8 million respectively.

A summary of the key functions delivered by the service, teams, and the service level organisational structure. can be found at Appendix 1.

The recently completed Leadership Review created a Director of Housing and Wellbeing level post to provide oversight and co-ordination across all housing and community related functions delivered by the Council and deliver on a progressive agenda.

The Leadership Review acknowledged that further refinements to the structure would be needed, particularly around the delivery of Landlord Services. The current Corporate Leadership Team structure can be found at Appendix 2.

Operating Environment and Risk

The national operating environment for housing has become increasingly challenging over the last 18 months, with reduced resources, supply chain, labour and materials challenges and escalating costs, as well as a significant agenda to embrace around decarbonisation, and a new pro-active regulatory regime. This new regime will be a step change in the regulation of social housing, setting new expectations about the services that landlords provide for their tenants.

There are significant property related risks relating to tenant safety, including those associated with fire, gas, electrical, water, asbestos, lifts, and damp and mould.

A dedicated Head of Landlord Services is needed to support compliance with emerging new regulatory standards, and keep tenants safe.

Service Pressures and Delivery of a Progressive Agenda

Whilst the recently completed stock condition survey delivered by Savills UK has shown the Council's stock to be in good condition, there is a need to continue to improve repairs services to tenants, speed up delivery, and reduce the amount of time empty properties spend in works.

In parallel, there is a need to deliver the Housing Revenue Asset Management Strategy 2023-2028, which contains actions which reflect both the national challenges for housing, including (but certainly not limited to)...

- *We will 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*
- *We will develop our understanding of costs to remedy damp and mould across our stock and put in place a policy to tackle it.*
- *We will update our repairs policy with an increased emphasis on tenant safety in 2023/24*

...and the significant local challenge around sheltered accommodation:

- *We will develop costed plans for improvement to our sheltered housing stock and carry out an options appraisal to consider how these can be delivered.*

The Asset Management Strategy sets out that resources will be put in place to deliver the priorities set out in the plan. A dedicated Head of Landlord Services, with an appropriate span of control, and flexible financial resource, is needed to support delivery of this agenda.

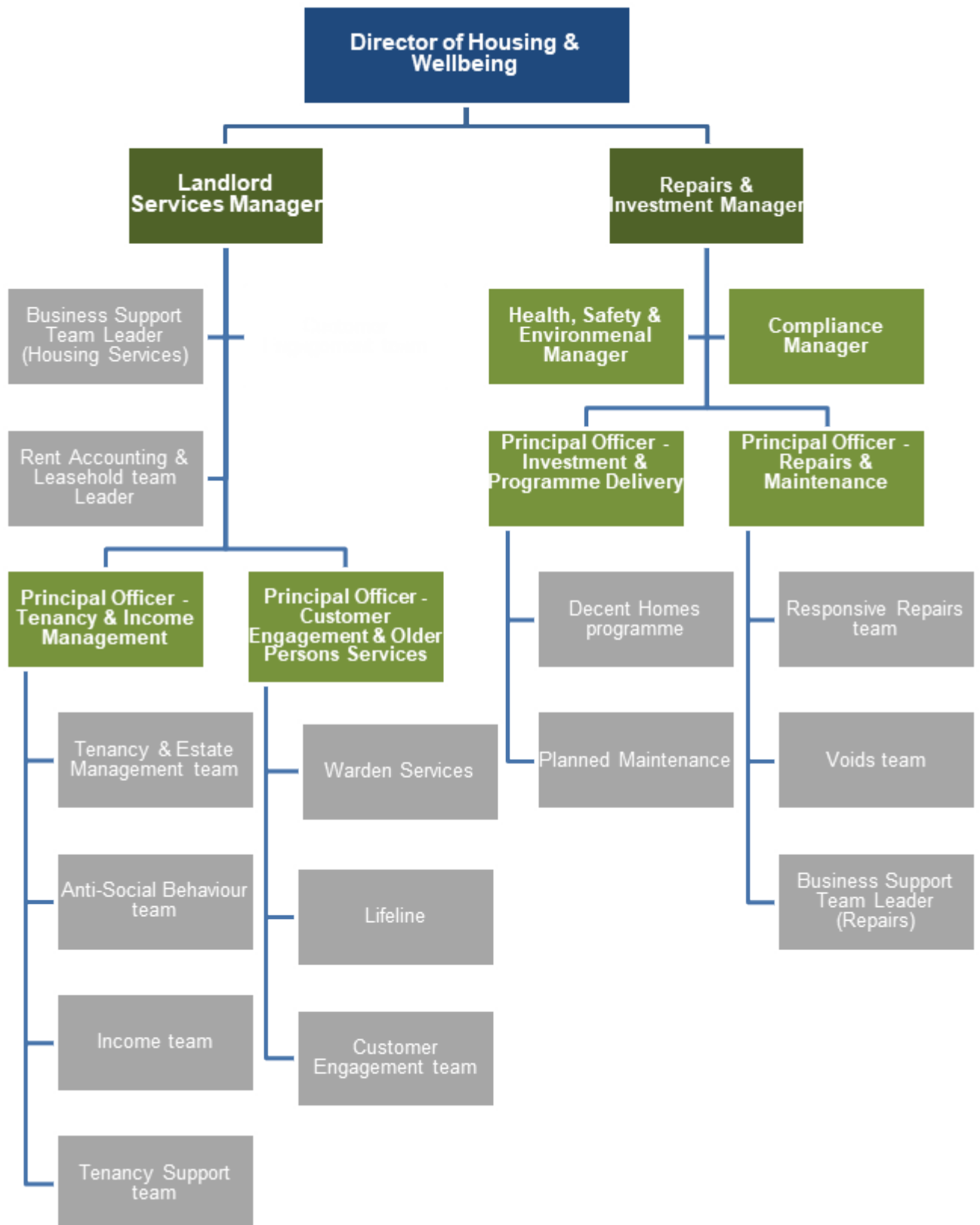
Appendices

Appendix 1 - Summary of Landlord Services Teams, Functions, and Structure

Appendix 2 - Corporate Leadership Team Structure

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- Tenancy and estate management - changes in tenancy, tenancy breaches, and the management of estates / communal areas.
- Tenancy support and financial inclusion - providing support to the most vulnerable tenants.
- Income management - collecting current and former rent arrears.
- Lifeline and warden services - providing a 24hr / 365 days / year lifeline service (with on call warden) for subscribers, and warden and cleaning services to tenants in sheltered accommodation.
- Rent accounting, leasehold and business support - providing services to circa 300 leaseholders, rent accounting, and service improvement / business support services.
- Customer engagement - working with tenants to develop housing services and improve estates.
- Responsive repairs, voids, and business support teams - supporting the delivery of and undertaking day to day repairs 24hr / 365 days / year at HRA assets, and works to void properties.
- Investment and programme delivery - creating and delivering planned investment programmes (through third party delivery) to maintain and improve HRA assets
- Compliance - dealing with gas and electrical servicing, fire risk assessments and actions, and the management of asbestos.
- Health and safety - keeping staff and tenants safe, and delivering training to maintain the competencies of the former.



Appendix 2 - Corporate Leadership Team Structure

