

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:

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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 \(www.gov.uk\)](https://www.gov.uk)