

WAVERLEY BOROUGH COUNCIL

MINUTES OF THE OVERVIEW & SCRUTINY COMMITTEE - HOUSING - 26 JANUARY
2021

(To be read in conjunction with the Agenda for the Meeting)

Present

Cllr Richard Seaborne (Chairman)
Cllr Peter Marriott (Vice Chairman)
Cllr Christine Baker
Cllr Richard Cole
Cllr Patricia Ellis

Cllr David Else
Cllr Michael Goodridge
Cllr Michaela Gray
Cllr Jacquie Keen

Apologies

Dennis Smith

Also Present

Cllr Paul Follows, Cllr Jerry Hyman, Cllr Mark Merryweather, Cllr Anne-Marie Rosoman,
Cllr Liz Townsend

35. MINUTES (Agenda item 1.)

The Minutes of the Meeting held on 23 November 2020 were confirmed as a correct record and would be signed by the Chairman once the Covid 19 crisis had abated.

36. APOLOGIES FOR ABSENCE AND SUBSTITUTES (Agenda item 2.)

Apologies for absence were received from Dennis Smith of the Waverley Tenants' Panel. He was substituted by Gillian Martin, also from the Waverley Tenants' Panel.

37. DECLARATIONS OF INTERESTS (Agenda item 3.)

There were no declarations in relation to items on the agenda.

38. QUESTIONS BY MEMBERS OF THE PUBLIC (Agenda item 4.)

No questions were received.

39. QUESTIONS BY MEMBERS (Agenda item 5.)

No questions were received.

40. HOMELESSNESS UPDATE (Agenda item 6.)

The Housing Needs Manager gave a verbal update and answered questions.

- Two households are currently in temporary accommodation as they were at risk of rough sleeping
- Three Waverley clients were in the York Road Project, Woking. These are block-booked bed spaces.
- A rough sleeper count was carried out in November 2020. Three rough sleepers were identified.
- There was currently one known rough sleeper in Waverley who has refused offers of help up to now
- Modular units were being developed to house rough sleepers. Elmbridge and Reigate and Banstead Councils have provided good examples of the use of these type of modular units. The work regarding modular units in Elmbridge and Reigate and Banstead is a result of good joint working across the Surrey local authority area.
- The Council have had to amend the location of the two pods which they secured funding for from the Government. One site had been identified but this was then discounted so another site is being looked at which appears to be suitable. There was a deadline of 31 March 2021 to have the modular units in place but most authorities including Waverley were going to struggle with the deadline, therefore the funding was expected to be carried forward.

The Chairman thanked the Housing Needs Manager and his team for their work.

41. RECOVERY, CHANGE AND TRANSFORMATION PROJECT UPDATE (HOUSING) (Agenda item 7.)

The Service Improvement Manager reported that since the end of Spring 2020, staff have been recovering the services from the situation caused by the first lockdown. Staff continued to collect rents in an empathetic way. The Council continued to perform well on rent collection although it was not meeting its targets. 3% was the national average for rent arrears. Waverley had rent arrears of just under 1%. At the end of December 2020 Waverley's rent arrears losses totalled £290,000. 872 tenants had made a universal credit claim. 400 more residents had made claims for universal credit since March 2020 which showed the effect the pandemic was having on council tenants.

There had been an extension of the rules to not allow evictions during the pandemic. The Service Improvement Manager explained that it was possible to take legal action for severe cases of non-payment of rent but this was not a method the Council wanted to use. There was one tenant with very high levels of rent arrears at the present time. Action would not be taken as there were questions surrounding the capacity of the tenant.

Progress was being made with re-letting homes, 98 were re-let in quarter three. Nineteen were let within target.

The service were clearing the backlog of responsive repairs.

At the end of December 2020, 99.8% of properties had had a gas safety check (five homes without a valid certificate). The team continue to try to make contact with the residents to gain access. Two homes have tenants who are shielding, two

cases have escalated accordingly and the fifth access was gained early January and safety check completed.

The Capital Works programme was reforecast. 50% of the budget was allocated and committed for 2020/21. The 50% underspend remains in the reserve for future programmes.

It was stated that it was not the case that people were wanting responsive repairs but not letting people have access. It was further noted that risk assessments were carried out before anyone went into a home. External work at Blunden Court has been completed and internal works have commenced. Refuge flats had also been set up for people whilst work was carried out in their homes.

The housing team had implemented new ways of working and were continuing to adapt and respond to the changing environment caused by the pandemic.

The Chairman asked whether the Council were building up a log jam of tenants who would need to be evicted after the Covid crisis had abated. The Service Improvement Manager explained that the Council had been actively engaging with tenants, notices could be served on households with six months' rent arrears which helped to prioritise rent and arrears payments. Eviction was always a last resort. There were only two evictions last year, normally taken to get legal possession of the home following serious arrears and the tenant abandoning the home. Waverley has a responsibility to those homeless or threatened with homelessness. The Rents and Homelessness teams work together to advise tenants and make them understand the seriousness of the situation. The Council has a really good track record of preventing homelessness.

The Committee commended the work of the service in difficult conditions.

42. HOUSING REVENUE ACCOUNT BUSINESS PLAN - REVENUE BUDGET AND CAPITAL PROGRAMME 2021/22 (Agenda item 8.)

This agenda item was presented by the Housing Finance Manager. She said the Council had a 30 year rolling business plan. The new Housing Budget assumed business as usual. Voids had now come back down to normal levels. Income would be £30.3 million with a proposed 1.25% rent rise. A rent increase was needed for capital reinvestment. Stock maintenance would cost £5.1 million. The core capital programme would cost £5.8 million and would include heating upgrades and new kitchens. There would be 153 new homes over the next 5 years, a net gain of 79. The Right to Buy scheme meant that the Council were losing 15 homes per annum. The opening reserves were £49 million. There is a predicted underspend in 2020/21 due to Covid 19.

The maximum rent increase the Council were permitted under Government rules was 1.5%. Even with the maximum rent increase the loss to Council reserves would be £ 2.86 million over 5 years.

Proportions of spending in the capital programme (excluding staff) would be as followed:
25% kitchens and bathrooms. This would equate to 145 kitchens and 164 bathrooms.

17% safety and compliance. This would equate to £845,000.
13% structural works – major refurbishment and internal remodelling. This would equate to £660,000.
10% heating upgrades
10% aids and adaptations
9% roofing
9% doors and windows
4% energy efficiency
3% other

The proposed Housing delivery budget for 2021/22 is £18.3 million. Capital budget estimates for 22/23 to 23/24 are £35.4 million. The new build budget was much higher in 2022/23 at nearly £8000,000. This was made up of Springfield at £3.4 million, Ockford Ridge Site E at £1.7 million and Turners Mead at £0.2 million. In response to a question, councillors were told Turners Mead in Chiddingfold would see two new properties.

2021/22 total income would be £30.3 million. Dwellings rent would be £28.8 million after the 1.25% increase. The core budget was £5.8 million.

The budget assumed business as usual and that the service could go into people's homes to carry out work.

Tenants' Panel Representative Terry Daubney commented that many tenants struggled to pay their rents as it was so a 1.25% increase would be difficult for them. He did however understand the need to plan for the future.

The Committee wanted to know where money was coming from for contingencies. They were told that it would come from reserves.

Councillors were concerned about fire risks surrounding cladding due to the Grenfell Tower tragedy. The Interim Asset Manager explained that for Waverley the issue was less about cladding and more about ensuring appropriate fire breaks and doors. The Housing Development Manager stated that contractors had to demonstrate that the materials they were using were safe and the Council's specifications ensured that. The service were proactive in identifying risks and removing them. The service were also considering the materials used in hard landscaping.

The Chairman stated that the Hackett Report was going to introduce new responsibilities and more staff would be needed.

It was noted that the HRA Business Plan was linked to other financial strategies.

The Committee were concerned that reserves would be minimal in four years time. It was explained that this was because the Council were spending on their current stock. Councillors noted that this left the Council with very little money with which to build houses by 2024/25. The Committee wanted to know at what point officers would come to the Council with a proposal to refund the service, especially if it was losing 15 houses per year to the Right to Buy Scheme. The Strategic Director explained that the loan structure was done in a way to allow reserves to be built up and then spent. The Council would look at new borrowing rather than restructuring

existing borrowing. The Government had revised what was possible regarding investments and had taken down the borrowing rate.

Some members of the Committee were concerned that there did not appear to be any consideration of the effect of the climate change declaration on then housing budget. It was explained that the Asset Management Strategy dealt with this.

RESOLVED

1. The Committee accepted the proposal that the rent level for Council dwellings be increased by 1.25% from the 20/21 level with effect from 1 April 2021 within the permitted guidelines contained within the Government's rent setting policy.
2. The Committee accepted that the average weekly charge for garages rented by both Council and non-Council tenants be increased by 50 pence per week excluding VAT from 1 April 2021.
3. The Committee accepted that the service charges in senior living accommodation be increased by 30 pence per week from 1 April 2021 to £19.80.
4. The Committee accepted that the recharge for energy costs in senior living accommodation be increased by 50 pence from 1 April 2021.
5. The Committee agreed that the revised HRA Business Plan for 2021/22 to 2024/25 should be approved.
6. The Committee noted the approval charge for the fees and charges in Annexe 2 of the report
7. The Committee agreed that the Housing Revenue Capital Programmes as shown in Annexe 3 of the report should be approved
8. The Committee agreed that the financing of the capital programmes should be approved in line with the resources shown in annexe 4 of the report.

The Committee were happy with how the budget information had been presented to them.

43. ASSET MANAGEMENT STRATEGY 2021/22 (Agenda item 9.)

This agenda item was presented by the Interim Asset Manager. He noted that there had been a 2015 – 2020 Asset Management Strategy. The new strategy would be a 2022 – 27 strategy.

A lot of reference was made in the strategy to the climate change agenda. The Council did not have all the solutions yet and were working closely with energy experts.

The key was that the aspirations of tenants were met. The new strategy would be a route map for how the organisation invested in its housing. There would be a lot of consultation with all stakeholders including tenants, the tenants' panel, members and staff.

High level considerations were as follows:

- Achieving net zero carbon measures against other investment priorities
- Tenants aspirations against needs
- Different investment standards
- Different investment approaches

- HRA Business Plan

There was a high cost per property to achieve carbon neutrality - £380 million. Energiesprong wraparound technology cost about £80,000 per property. Individual EPC recommendations cost £75,000 per property. The service had to consider wider home improvements versus a focus on standard living accommodation for kitchens and bathrooms, especially in the light of covid and people being at home more. The service also had to consider wider estate works i.e. kerbside appeal (landscaping, bin stores, cycle stores versus external block works as well as considering parking, parks and curtilage works. It had to consider minimum statutory decent homes standards versus enhanced modern homes standard and enhanced design criteria for the Lifetime Homes Standard versus flexible tenancies approach. It also had to give consideration to the Future Decent Homes Plus standard and repair versus replacement investment works. Thought had to be given to a holistic block approach to works and to just in time works.

The work had a link to HRA Business Plan and there had to be consideration of the level of reserve for core / new building programmes and the impact of CPI 2% increase from 2024/25.

The service were working with Community Development Officers regarding parking issues.

It was felt that the Council needed to improve its data so it knew where to invest its money regarding energy efficiency. In the interim houses needed to be brought up to energy efficiency level C or B.

The Chairman noted that in order to achieve the Council's energy efficiency targets the Council would need to make two houses a day energy efficient.

It was felt that there needed to be more costs and timescales within the Asset Management Strategy Action Plan in order to make it more of a plan and less of a list.

RESOLVED

That a verbal update on the Asset Management Strategy would be a standing item on subsequent Housing Overview and Scrutiny Agendas.

44. HOUSING MAINTENANCE - RESPONSIVE REPAIRS AND VOIDS CONTRACT
(Agenda item 10.)

It was reported that work was on target.

45. COMMITTEE WORK PROGRAMME (Agenda item 11.)

The Corporate Policy Manager reported that the progress report on the Asset Management Strategy was a standing item on the agenda as was the Corporate Performance Report. The Recovery Change and Transformation Project and the Voids Contract would be on the agenda. There would also be a Housing Development update at the Overview and Scrutiny meeting in March along with service plans and the Housing Strategy. The Affordable Housing SPD would come

off the agenda as members had had the opportunity to comment. There would need to be an item on the lessons learnt from housing complaints coming to the next meeting or the one after that. The Housing Design Standards Task and Finish Group had begun and there would be an update put on the agenda for the Committee.

One Councillor felt that the mental health of tenants shouldn't be low down on the list of priorities, especially in the current Covid climate. Strategic Director Annie Righton said mental health would be extremely labour intensive to look at so the Committee would need to be focussed with clear achievable outcomes. It was also noted that mental health issues were on the agenda for the Community and Wellbeing Overview and Scrutiny Committee who were particularly looking at how to localise the work Surrey County Council were doing on suicide prevention. It was suggested by the Chairman that Committee members invite themselves to attend other committees about this. It was agreed that the Housing Overview and Scrutiny Committee would look at the issue of mental health at its summer meeting.

It was agreed that the Service Improvement Manager would give brief feedback at the next committee meeting regarding ongoing repairs.

The meeting commenced at 7.00 pm and concluded at 9.34 pm

Chairman