

To: All Members and Substitute Members of the
Overview & Scrutiny Committee - Housing
(Other Members for Information)

Cc: Portfolio Holder for Housing

When calling please ask for:
Georgina Hall, Democratic Services Officer

Policy & Governance

E-mail: georgina.hall@waverley.gov.uk

Direct line: 01483 523 224

Date: 15 January 2021

Membership of the Overview & Scrutiny Committee - Housing

| | |
|-------------------------------------|------------------------|
| Cllr Richard Seaborne (Chairman) | Cllr David Else |
| Cllr Peter Marriott (Vice Chairman) | Cllr Michael Goodridge |
| Cllr Christine Baker | Cllr Michaela Gray |
| Cllr Richard Cole | Cllr Jacquie Keen |
| Cllr Patricia Ellis | |

Co-opted Members from the Tenants' Panel

| | |
|---------------|--------------|
| Terry Daubney | Dennis Smith |
|---------------|--------------|

Substitutes

| | |
|----------------------|------------------|
| Cllr Jenny Else | Cllr Jerry Hyman |
| Cllr Carole Cockburn | Gillian Martin |
| Cllr Joan Heagin | |

Members who are unable to attend this meeting must submit apologies by the end of Tuesday, 19 January 2021 to enable a substitute to be arranged.

Dear Councillor

A meeting of the OVERVIEW & SCRUTINY COMMITTEE - HOUSING will be held as follows:

DATE: TUESDAY, 26 JANUARY 2021

TIME: 7.00 PM

PLACE: ZOOM MEETING – VIRTUAL MEETING

The Agenda for the Meeting is set out below.

The meeting can be viewed remotely in accordance with the provisions of The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020, via the Council's YouTube page.

Yours sincerely

ROBIN TAYLOR
Head of Policy and Governance

Most of our publications can be provided in alternative formats. For an audio version, large print, text only or a translated copy of this publication, please contact committees@waverley.gov.uk or call 01483 523351

This meeting will be webcast and can be viewed by visiting www.waverley.gov.uk/webcast

Waverley Corporate Strategy 2020 - 2025

Vision

Our vision is that Waverley will be environmentally, economically and financially sustainable with healthy, inclusive communities and housing available for all who need it.

Our strategic priorities:

- ✓ Local, open, participative government
- ✓ Supporting a strong, resilient local economy
- ✓ Taking action on Climate Emergency and protecting the environment
- ✓ Good quality housing for all income levels and age groups
- ✓ Effective strategic planning and development management to meet the needs of our communities
- ✓ Improving the health and wellbeing of our residents and communities
- ✓ Financial sustainability

Good scrutiny:

- is an independent, Member-led function working towards the delivery of the Council's priorities and plays an integral part in shaping and improving the delivery of services in the Borough;
- provides a critical friend challenge to the Executive to help support, prompt reflection and influence how public services are delivered;
- is led by 'independent minded governors' who take ownership of the scrutiny process; and,
- amplifies the voices and concerns of the public and acts as a key mechanism connecting the public to the democratic process.

NOTES FOR MEMBERS

Members are reminded that contact officers are shown at the end of each report and members are welcome to raise questions etc in advance of the meeting with the appropriate officer.

AGENDA

1. **MINUTES**

To confirm the Minutes of the meeting of the Housing Overview and Scrutiny Committee held on 23rd November 2020, published on the Council's website.

2. **APOLOGIES FOR ABSENCE AND SUBSTITUTES**

To receive apologies for absence and note any substitutions.

Members who are unable to attend this meeting must submit apologies by the end of Tuesday 19 January 2021 to enable a substitute to be arranged, if applicable.

3. **DECLARATIONS OF INTERESTS**

To receive from Members declarations of interests in relation to any items included on the agenda for this meeting, in accordance with Waverley's Code of Local Government Conduct.

4. **QUESTIONS BY MEMBERS OF THE PUBLIC**

The Chairman to respond to any written questions received from members of the public in accordance with Procedure Rule 10.

The deadline for submission of written questions for this meeting is 5pm on Tuesday 19 January 2021.

5. **QUESTIONS BY MEMBERS**

The Chairman will respond to any questions received from Members in accordance with Procedure Rule 11.

The deadline for receipt of written questions is 5pm on Tuesday 19 January.

6. **HOMELESSNESS UPDATE**

The Committee will receive a verbal update from the Housing Needs Manager on the current homelessness situation.

7. **RECOVERY, CHANGE AND TRANSFORMATION PROJECT UPDATE (HOUSING)** (Pages 7 - 12)

The Committee will receive a report on the progress made against the objectives of the Housing RCT Project. This agenda item will be led by the Service Improvement Manager.

Recommendation

It is recommended that the Committee review this report and agree any observations or comments it wishes to pass to the Executive.

8. HOUSING REVENUE ACCOUNT BUSINESS PLAN - REVENUE BUDGET AND CAPITAL PROGRAMME 2021/22 (Pages 13 - 36)

The Committee will scrutinise the 2021/22 budget. This agenda item will be led by the Housing Finance Manager.

Recommendation

That the Overview and Scrutiny Committee consider the draft budget projections and make observations to the Executive on:

1. 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 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 service charges in senior living accommodation be increased by 30 pence per week from 1 April 2021 to £19.80;
4. the recharge for energy costs in senior living accommodation be increased by 50 pence per week from 1 April 2021;
5. the revised HRA Business Plan for 2021/22 to 2024/25 as set out in Annexe 1 be approved;
6. the approval change for the fees and charges as set out in Annexe 2 is noted
7. the Housing Revenue Account Capital Programmes as shown in Annexe 3 be approved;
8. the financing of the capital programmes be approved in line with the resources shown in Annexe 4

9. ASSET MANAGEMENT STRATEGY 2021/22 (Pages 37 - 48)

The Committee will receive an updated strategy following the recommendations of the Committee regarding the scope of the Strategy and those made through the *Attitudes to Council Housing: Pride or Prejudice*

Review. This agenda item will be led by the Head of Housing Operations.

Recommendation

That the Committee review the report and comment on the approach outlined for developing the new 2022-27 HRA Asset Management Strategy and the interim action plan for 2021.

10. HOUSING MAINTENANCE - RESPONSIVE REPAIRS AND VOIDS CONTRACT (Pages 49 - 56)

To update the Committee on the latest developments regarding the contract. This agenda item will be led by the Operations Manager.

Recommendation

That the Committee note the report and provide officers with any observations or queries.

11. COMMITTEE WORK PROGRAMME (Pages 57 - 64)

The Housing Overview & Scrutiny Committee, is responsible for managing its work programme.

The work programme (attached) takes account of items identified on the latest Executive Forward Programme (Annexe 2) as due to come forward for decision.

A Scrutiny Tracker has been produced to assist the Committee in monitoring the recommendations that have been agreed at its meetings. The Tracker details the latest position on the implementation of these recommendations and is attached as Part C of the work programme.

This agenda item will be led by the Scrutiny Officer.

12. EXCLUSION OF PRESS AND PUBLIC

To consider, if necessary, the following recommendation on the motion of the Chairman:

Recommendation

That pursuant to Procedure Rule 20 and in accordance with Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of the following items on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during the items, there would be disclosure to them of exempt information (as defined by Section 100I of the Act) of the description specified in the appropriate paragraph(s) of the revised Part 1 of Schedule 12A to the Act (to be identified at the meeting).

13. ANY ISSUES TO BE CONSIDERED IN EXEMPT SESSION

To consider any matters relating to aspects of any reports on this agenda which it is felt need to be considered in Exempt session.

Officer contacts:

Mark Mills, Policy Officer - Scrutiny

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Georgina Hall, Democratic Services Officer

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WAVERLEY BOROUGH COUNCIL

HOUSING OVERVIEW AND SCRUTINY COMMITTEE

26 JANUARY 2021

Title:

**Housing (HRA) Recovery, Change and Transformation Project
Progress Report**

Portfolio Holder: Cllr Anne-Marie Rosoman, Portfolio Holder for Housing, Community Safety & Emergency Planning

Head of Service: Hugh Wagstaff, Head of Housing Operations

Key decision: No

Access: Public

1. Purpose and summary

To provide the Committee with an update report for their scrutiny on the Housing Team's Recovery, Change and Transformation Project. Following the easing of the Covid-19 lockdown in May 2020 the team have been making progress to reinstate services and work within new guidelines. With a further lockdown announced for 5 January 2021 change in guidance has been reviewed.

2. Recommendation

It is recommended that the Committee review this report and agree any observations or comments it wishes to pass to the Executive.

3. Reason for the recommendation

To share the progress made against the project objectives and the current, challenging and evolving service provision position with Members.

4. Background

Introduction

The Committee received an initial report providing the background to the project, the project five objectives, project actions and sharing the progress made at their July 2020 meeting. Further progress reports were presented in September and November identifying progress and challenges.

Project Objectives

Five key objectives were identified as essential to the recovery housing landlord services, with timeframes for returning to business as usual ("BAU"):

| | Objective | Estimated time to deliver (in months) | Start date (month) |
|----|---|--|---------------------------------------|
| 1. | Maximise rental income (support tenants in prioritising rent payments, signpost to benefits, agree repayment plans and consider legal action) | 11 months annual rent collection until March 2021 | April 2020 |
| 2. | Let homes (complete works on backlog of homes and recommence choice based lettings) | 12 months to clear backlog and return to BAU May 2021 | May 2020 “essential moves” |
| 3. | Reinstate responsive repairs and H&S/compliance works (inc Blunden Court works) | 12 months to clear legacy works, backlog and return to BAU June 2021 | Dependent on gov guidelines June 2020 |
| 4. | Re/commence capital works programme (complete backlog of works, prioritise and programme on hold/ new requests) | 12 months to clear on hold works and return to BAU June 2021 | Dependent on gov guidelines June 2020 |
| 5. | Maintain development programme for new homes | 11 months annual development programme – completed July 2020 | April 2020 |

Project Actions

The team developed a plan to restore services and respond to the backlog of requests. A phased approach, fundamentally putting the health and safety of tenants, visiting operatives and officers first, based on agreed priorities and team capacity, was developed.

The project has planned and delivered key housing services, to residents during the changing environment, as the pandemic restrictions were eased and changed, to meet the Council’s landlord responsibilities.

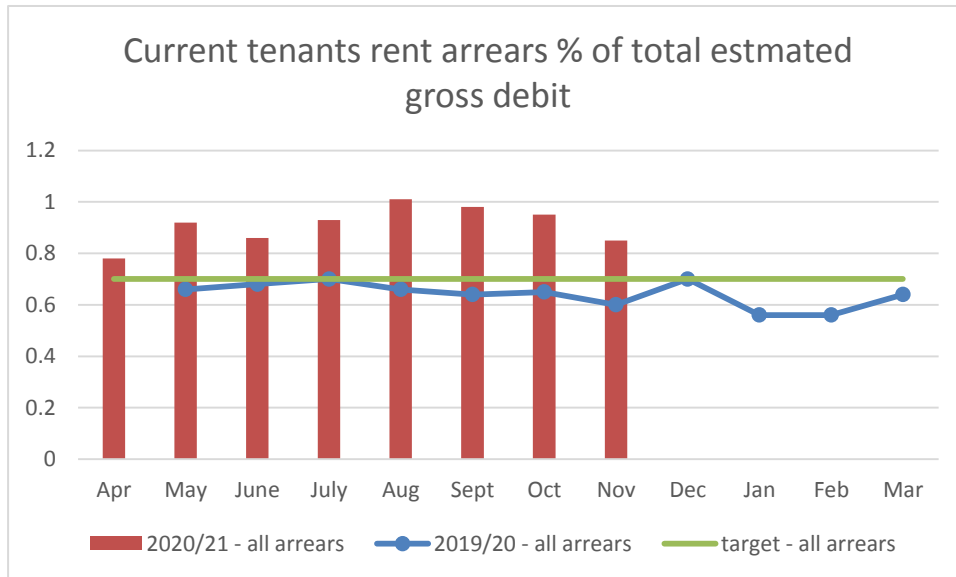
Each objective has a task focussed project group to review the former practice and programme, working in a pandemic advice and health and safety guidance to deliver services and create a new or revised work programme.

The overarching Project Board support the task groups and manage the project. The success of the project is monitored through key performance indicators. BAU will be identified as performance targets are met and the backlog of requests and works are cleared.

Project Objectives Progress

Rent - The team have continued to work empathetically with tenants to collect rent since the initial lockdown.

There was a small reduction of the arrears rate, for the third month, to 0.85%.



The total arrear value was £256k at the end of November 2020 (down from £286k at end of October), with 910 accounts in arrears, compared to £177k at the end of November 2019, with 670 accounts in arrears. Resulting in c45% increase in arrears and additional 240 tenants having problems paying their rent. However [HouseMark report](#) national average is c3.48% compared to Waverley <1% (NB 2.7% rent increase in April 2020).

No legal action was taken from the end March 2020 to September 2020 due to government guidance preventing action during the pandemic. No notices (seeking possession) were served during this period nor any escalation of expired notices. The team are working closely with tenants to support them to keep their home through repayment plans, financial advice and referrals.

In October 2020 the team started to review pre-covid high arrears cases and action taken on a case by case basis. Four notice seeking possession notices were issued in October and a further five in November, compared to 25 during the same period in 2019.

Notices were served due to lack of engagement and/or payments by tenants, to demonstrate the seriousness of the position. Following the notices c75% of tenants made a payment and/or contacted the team. No further legal action, if required, can be taken on these cases until January 2021. [NB awaiting any change in government guidance on evictions following National Lockdown January 2021]

Letting homes –Working practices and viewing and sign up processes have been reviewed and updated to comply with guidance on working safely during the coronavirus pandemic. The team have continued with socially distanced viewings and sign ups for new tenants during Lockdown Two.

We restarted the service late May with a backlog of c70 homes. As more homes were handed back this increased to c80 at end August and reduced to c50 at the end of October. However there were 64 homes empty as at end November, as the number of new voids has not decreased. 36 of the empty homes are new voids empty for <28 days.

The team relet 42 homes in November (increase from 29 homes relet in October and 15 let in September) Nine homes were turned around within the 20 day target, compared four in October. 140 properties have been relet in the period April to end November. This is the same number of homes turned around in the equivalent period in 2019/20.

Letting homes was stopped over the Christmas period, as usual. Moving home is permitted within the Lockdown Three (national restrictions) rules so the service will continue with new covid-19 safe processes.

Responsive repairs and compliance – the team suspended all but emergency works as the first lockdown was implemented. As the government guidance changed the team held contractor meetings to discuss working regimes under new measures, the expectations of the Council and contractor capacity with operatives returning from furloughed status. The outstanding repairs were reviewed with Ian Williams and an action plan developed.

The responsive repairs service resumed 8 June 2020 receiving c200 requests a week. During October and November the average reduced to 170 request per week. However there remains c1,000 outstanding repairs which equates to approximately five weeks work (with no new requests). The team are working closely with our interim contractor to steadily reduce the backlog.

Lockdown Two and National Lockdown does not prevent responsive works taking place but may add further delay if tenants are reluctant to have operatives in their home and/or the number of cases increases within the local population.

Through out lockdowns the team continue with compliance works including water hygiene and gas servicing. Electrical checks and associated works have were reintroduced in June too. Work commenced on 26 October for Blunden Court legionella/pipe work replacement expecting to be completed late April/early May 2021.

The **gas** safety check performance had greatly improved, with only two homes at the end of October without a gas safety certificate, however there were seven homes without gas safety check certificate at the end of November. At the end of November 99.84% compliance, end October 99.99% and end September 99.77% compared with HouseMark average of 99.1%. Lockdown 2.0 which commenced on 5 November can be attributed to the fall in performance as tenants were more reluctant to have operatives attend inside their home. Appointments have been made for December. (And the local court continues to accept applications for warrants of entry in appropriate cases.

Capital works – the team reviewed the capital work programmes and held contractor meetings to discuss working regimes under new measures, the expectations of the Council and contractor capacity with operatives returning from furloughed status.

The team are working on some external capital works programmes (structural works, remodelling, roofing and external decorations) and a small bathroom replacement programme. 45% of the annual budget has been invoiced/or committed. The full capital programme budget will not be spent this year. This is reflected in the forecast budget report. The underspend will be added the HRA

reserves.

New homes development – The new homes objective was been successfully completed in July 2020 and the team return to business as usual with adapted working practices and updated programme.

Conclusion

The team have progressed work identified in the key service areas and recovered services. New ways of working have been implemented to ensure the health, safety and wellbeing of residents, officers and contractors. The team are keeping abreast of the changes in guidance, continued to work through Lockdown 2.0 and are rising to the challenges of the National Lockdown.

These priority areas continue to be closely monitored by the Head of Service through key performance indicators, managers' reports and budget reports until backlogs have been cleared and we return to business as usual.

5. Relationship to the Corporate Strategy and Service Plan

The five key services areas of the project reflect the HRA Business Plan and Housing Operations Service Plan and the Council commitment to promote "*housing to buy and to rent, for those at all income levels*".

6. Implications of decision

6.1 Resource (Finance, procurement, staffing, IT)

Project acknowledges impact from 12 week lockdown increase in void rent loss and underspend of capital works and responsive repairs. Due to the suspension of works during the lockdown and slow recovery there is a potential underspend on responsive repairs and staffing of £1.3m.

6.2 Risk management

A risk assessment has been completed for the project and mitigations identified to be monitored by the Head of Service.

6.3 Legal

Throughout the lockdown and restrictions periods the Housing team has taken advice from Legal Services to ensure that the activities that have been progressed and have been carried out in line with Coronavirus regulations laid down by the Government, government guidance and to focus on the health and safety of both staff and tenants (including those shielding). This work continues into the recovery phase of the Council's response to the pandemic, with careful assessment of the Council's statutory responsibilities to its tenants – both in terms of its business as usual statutory functions and the continuing requirements of the Coronavirus statutory regulations and guidance.

6.4 Equality, diversity and inclusion

An equality impact assessment has been completed for the project. Noted the positives of increased communication by phone with all customers including disabled and older tenants to explain working practices and safety processes during the corona virus. During lockdown the team contacted all older tenants to complete a welfare check and as services are restarted tenants are contacted to risk assess

before any visit.

6.5 Climate emergency declaration

The lockdown has demonstrated that some services can be managed remotely. There has been a reduction in travel and move to reduce paperwork by offering digital services.

7. Consultation and engagement

Ongoing liaison with Tenants Panel, portfolio holder for housing, housing team and progress reports to Housing Overview and Scrutiny Committee. All tenants information letters sent in March, May and June and tenants newsletter planned for winter 2020.

8. Other options considered

Two other options were considered for the project and immediately ruled out.

“Do nothing” is not recommended as the service would continue to lose rental income from vacant homes, depreciate the asset of homes as responsive work, cyclical and improvement works are not completed. Failure to provide homes to those in housing need, increase dissatisfaction with service and risk of legal challenge.

Reinstate service “as was” is not recommended due to the risk of spreading the coronavirus and putting lives at risk.

9. Governance journey

9.1 Housing O&S and Executive as part of Housing O&S minutes/recommendations

Background Papers

There are no background papers, as defined by Section 100D(5) of the Local Government Act 1972).

CONTACT OFFICER:

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Position: Housing Service Improvement Manager
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Email: annalisa.howson@waverley.gov.uk

Agreed and signed off by:

Legal Services: 6 January 2021
Head of Finance: 12 January 2021
Strategic Director: 7 January 2021
Portfolio Holder: 12 January 2021

WAVERLEY BOROUGH COUNCIL

HOUSING OVERVIEW AND SCRUTINY COMMITTEE

26 JANUARY 2021

Title:

**Housing Revenue Account Business Plan –
Revenue Budget and Capital Programme 2021/22**

Portfolio Holder(s): Cllr Anne-Marie Rosoman, Portfolio Holder for Housing and Community Safety and Cllr Mark Merryweather, Portfolio Holder for Finance, Assets and Commercial Services

Head of Service: Hugh Wagstaff, Head of Housing Operations

Key decision: Yes

Access: Public

1. Purpose and summary

1.1.1 The Housing Overview and Scrutiny Committee is requested to consider the proposals identified within this report and make any observations for consideration by the Executive.

2. Recommendation

That the Overview and Scrutiny Committee consider the draft budget projections and make observations to the Executive on:

1. 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 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 service charges in senior living accommodation be increased by 30 pence per week from 1 April 2021 to £19.80;
4. the recharge for energy costs in senior living accommodation be increased by 50 pence per week from 1 April 2021;
5. the revised HRA Business Plan for 2021/22 to 2024/25 as set out in Annexe 1 be approved;
6. the approval change for the fees and charges as set out in Annexe 2 is noted

7. the Housing Revenue Account Capital Programmes as shown in Annexe 3 be approved;
8. the financing of the capital programmes be approved in line with the resources shown in Annexe 4

3. Reason for the recommendation

In order to approve the use of reserves and resources to fund Waverley Borough Council's Landlord Services, the 30 year maintenance programme, deliver proposals for building new affordable homes and investment stock remodelling.

4. Background

4.1 This report outlines the budgets to be included within the annual review and contains the update of the HRA 30 year Business Plan and the Budget for the year ahead, including the three-year Capital Programmes.

4.2 The Business Plan is underpinned by the Council's Medium Term Financial Plan and provides the resources to fund the 30-year maintenance forecast and deliver proposals for building new affordable homes and investment in stock remodelling.

4.3 On 10 November 2020 the Government published guidance on the operation of the Housing Revenue Account ring-fence. Although this new guidance replaces the former guidance, Circular 8/95, there are no new issues of principle. It does recognise that the landscape has changed with regard to the mix of ownership in Council estates. The guidance "highlights the need to be fair to both tenants and council tax payers and that there should be a fair and transparent apportionment of costs between the HRA and General Fund".

Business Plan

4.4 The latest projection for the Business Plan for the four years commencing 2021/22, is attached at Annexe 1. There has been rigorous scrutiny of HRA budgets throughout 2020 by officers and the Housing and Finance portfolio holders. The measures agreed by Council in 2017 balanced the Business Plan in the medium term following the major changes introduced by the Government that affected HRA finances.

4.5 The Business Plan has been affected by the Covid-19 pandemic. There has been lower spend on the core programme and stock maintenance due to tenants isolating and lockdown measures. Dwellings rental income has been affected by slower turnarounds of void properties. However, this is now improving and is back to budget levels of 1% and the Business Plan assumes this will continue.

- 4.6 The budgets for 2021/22 assume levels of income and spend returning to that expected in a normal year, not affected by the pandemic. During 2021/22, if the pandemic continues to affect the HRA, full year forecasts will be adjusted during budget monitoring and reported in monthly performance reports.
- 4.7 The Business Plan assumes modest growth in staffing levels to meet compliance legislation and housing development plans. Further information on this will be covered in Section 6.1 Resource.
- 4.8 The Government implemented major changes to HRA finances in 2016 with statutory annual rent reductions of 1% for four years. In 2019 the Government announced that providers of social housing would be permitted to increase average weekly rents by the previous September CPI (Consumer Price Index) plus additional 1% for five years from April 2020.
- 4.9 2021/22 will be the second of five years when the additional 1% is available. However, it is proposed to limit the additional percentage to 0.75% in recognition of the current economic situation. CPI has fallen during the last year as a result of Covid-19 related economic slowdown and was 0.5% in September 2020. This is 1.5% lower than the Bank of England target used in the HRA Business Plan and the Council's Medium Term Financial Plan.
- 4.10 The 2% CPI assumption has changed in the new HRA Business Plan for the years 22/23 (now 1.3%) and 23/24 (now 1.9%) in line with the General Fund revised assumptions that uses the OBR-central economic scenario published by HM Treasury in November 2020. From 24/25 CPI assumed to be 2%.
- 4.11 Although spend on the core programme and maintenance is lower in 2020/21 due to Covid-19, it is proposed to increase rents although less than the maximum permitted under Government rent policy published in February 2019 in order to fund the future new build and re-modelling capital programme that has continued throughout 2020/21.
- 4.12 Annual increases are also considered because of the cumulative effect on future rental streams on the HRA business plan as they affect the base rent from which all future rents are calculated. The Business Plan assumes that in 2022/23 to 2024/25 average rents are increased by the maximum allowable i.e. CPI +1% which equates to 2.3% in 22/23, 2.9% in 23/24 and 3% in 24/25. In subsequent years, the Business Plan assumes rents will increase by CPI only and that CPI is 2%.
- 4.13 The tables below demonstrate the cumulative effect on rental streams by applying three scenarios. It assumes for simplicity that the stock level remains the same throughout the 30 year HRA business Plan.
- 4.14 The three scenarios all assume the same rent assumptions from 2022/23 and is unchanged from the 2020/21 Business Plan calculation i.e. CPI + 1% until 2024/25 and then CPI 2% only thereafter.

- Scenario One: 1.5% increase in 2021/22 (max allowed i.e. CPI + 1%)
- Scenario Two: 1.25% increase in 2021/22
- Scenario Three: 0% increase in 2021/22

| Scenario | 5 Year Rental Stream £ms | Change effect £ms | Base Average Rent in Year 5 | 30 Yr Rental Stream £ms | 30 Year Effect £ms |
|---|--------------------------|-------------------|-----------------------------|-------------------------|--------------------|
| Maximum allowed CP1 +1% for 5 years | £153.3 | n.a | £131.66 | £1,205 | n.a |
| 1.25% Increase 21/22 then Business Plan | £152.9 | -£0.377 | £131.34 | £1,202 | -£2.86 |
| 0% increase 21/22 then Business Plan | £151.0 | -£2.267 | £129.71 | £1,187 | -£17.88 |

Based on 4,750 opening stock and no changes to stock number

CPI as at September 2020 i.e. 0.5% in 21/22. Assume 1.3% (22/23), 1.9% (23/24), 2% thereafter

4.15 A 1.25% increase in 2021/22 results in less income, than would be received if the Council were to apply the maximum permitted by Government, of nearly £0.4m over five years and nearly £3m over 30 years compared to the maximum permitted increase of 1.5%

4.16 A 0% increase in 2021/22 results in less income, than would be received if the Council were to apply the maximum permitted by Government, of £2.3m over five years and nearly £18m over 30 years compared to the maximum permitted increase of 1.5%

4.17 The cumulative effect by year of a 0% rent change in 21/22 is shown below

Cumulative Effect £ms of 0% increase in 21/22

| Scenario | 21/22 | 22/23 | 23/24 | 24/25 | 25/26 | Total 5 Years |
|--|--------|--------|--------|--------|--------|---------------|
| Maximum allowed CP1 +1% for 5 years | £29.11 | £29.78 | £30.64 | £31.56 | £32.19 | £153.30 |
| 0% increase 21/22 then Business Plan | £28.68 | £29.34 | £30.19 | £31.10 | £31.72 | £151.03 |
| Less Rental income than Government permi | -£0.43 | -£0.44 | -£0.45 | -£0.47 | -£0.48 | -£2.27 |

4.18 The proposed rent increase equates on average to £1.47 per week.

Rents

4.19 It is proposed that from April 2021/22 average weekly rents will be increased by 1.25% (CPI as at September 2020 was 0.5%). The updated 30 year HRA Business Plan assumes CPI of 1.3% in 22/23, 1.9% in 23/24 and 2% across all years thereafter and that rents will increase by the permitted CPI plus 1% from 22/23 to 24/25 i.e. 2.3% in 22/23, 2.9% in 23/24, 3% in 24/25 and 2% thereafter.

4.20 The table below indicates the current average social housing weekly rent and impact of an increase by each of the scenarios i.e. 1.5%, 1.25%, 0%, by

number of bedrooms.

| Bedroom | Total number 2020 | Average 2020 Weekly Rent | Average Weekly Rent plus 1.5% increase | Average Weekly Rent plus 1.25% increase | Average Weekly Rent plus 0.0% increase |
|---------|-------------------|--------------------------|--|---|--|
| 1 | 1810 | 106.24 | 107.83 | 107.57 | 106.24 |
| 2 | 1410 | 120.61 | 122.42 | 122.12 | 120.61 |
| 3 | 1499 | 135.44 | 137.47 | 137.13 | 135.44 |
| 4 | 30 | 140.79 | 142.90 | 142.55 | 140.79 |
| 5 | 1 | 161.44 | 163.86 | 163.46 | 161.44 |
| 6 | 2 | 172.16 | 174.74 | 174.31 | 172.16 |

4.21 The draft Housing Service Plan includes an objective to work with tenants and the Tenants Panel to support the collection of increased rent in a sensitive and proactive way.

4.22 The ongoing garages project aims to reduce the percentage of void garages and for them to be let in a timely manner. The focus for 2021/22 will be letting the high demand / low repair cost garage sites.

4.23 It is proposed that the weekly garage rents increase by 50 pence per week. Increased average standard rents will be £15.18 (£18.21 inc. VAT for private tenants).

4.24 It is proposed that service charges in the eight senior living schemes are increased by 30 pence per week bringing the new charge to £19.80 in 2021/22. In order to cost recover energy bills it is proposed that the heating reimbursement charge be increased by 50 pence per week in line with increases expected from the energy sector and expectations of the improved energy market during 2021/22.

Fees and Charges

4.25 A proposed schedule of charges for various services to leaseholders and shared owners is given in [Annexe 2](#). The income from fees and charges are already included in the Business Plan, representing less than 0.25% of total income to the HRA p.a. The main source of the fees derive from repairs to leasehold buildings.

Draft 2021/22 Capital Programme

4.26 The draft Capital Programmes at [Annexe 3](#) shows the proposals estimated to be spent in 2021/22 and the following years on each of the three elements to the capital programme.

4.27 The draft core programme spend has been affected in 2020/21 by Covid-19

and contractor performance particularly with regard to vacancy staffing levels.

- 4.28 The effect of the pandemic and subsequent lockdown measures has been mentioned throughout this report and there is uncertainty about how this will affect programme delivery in 2021/22. In addition to this, contract management has proved to be somewhat challenging throughout this year. There are a number of key priorities for next year's core programme particularly around energy efficiency, compliance and works to the communal and wider estate.
- 4.29 There is continued drive towards increasing the energy efficiency of the Waverley stock, by raising all properties to an EPC rating of C or above. This will be achieved through a number of different measures including programmes targeting further PV installations, loft insulation and heating upgrades.
- 4.30 In terms of ensuring compliance, there will be a focus on addressing the priorities identified from the current Fire Risk Assessment survey and from the forthcoming procurement of a new 5 year electrical testing regime.
- 4.31 Work to improve communal and estate areas continues with an emphasis on developing a cohesive approach to delivering priorities. This will ensure that residents' needs are fully understood through the work of the Community Development Team. There will also be an emphasis on improving the data used to set priorities and programmes of work through a renewed stock condition survey exercise of the Waverley stock.
- 4.32 The 30-year Business Plan also includes a programme to develop new affordable homes and a programme to remodel some of the existing stock. The major regeneration project at Ockford Ridge continues with the delivery of 37 new homes this year, a net gain of 17. A further two phases of the refurbishment and remodelling programme were completed at the end of the last financial year and a further phase which will include six homes are planned to be completed in 2021/22 budget year. Budget requests have been made for three further sites Site E, Ockford Ridge, Springfield, Elstead and Turners Mead and Chiddingfold. Other sites are coming forward and budget to undertake survey work has been identified for in the pre-development budget. Budgets for development sites include an allowance for enhanced energy efficiency measures to support delivery of the Councils aim to become carbon neutral by 2030.
- 4.33 The Housing Development Capital Programme Budget includes allocation for delivery of new affordable council homes for rent and shared ownership through the acquisition of property under Section 106 (s106) agreements. Three further homes were delivered through acquisition under s106 agreement this year and expressions of interest have been made on four other sites which subject to approval will deliver 25 new homes.
- 4.34 The Council declared a Climate Change Emergency on 18 September 2019. At the Housing Overview and Scrutiny meeting on 20 November 2019 it was recommended to Executive that there was a need to review the Waverley

Design Standards, approved in July 2018, to address the council's environmental and sustainability objectives and consider the financial implication of the proposed changes.

Financing

4.35 The Business Plan has been modelled to use contingency reserves and surpluses arising from the annual Business Plan, subject to maintaining a minimum £2 million Working Balance. These drawdowns will be allocated to New Affordable Homes and The Core Maintenance Programme.

4.36 The financial model in Waverley's HRA Business Plan incorporates the transfer to the HRA Revenue Reserve to support capital expenditure. Annexe 4 shows the Capital Programme proposals against the resources available in the next four years. The table at Annexe 4 shows that latest capital expenditure plans are affordable in the medium term.

4.37 In 2012 Waverley was required to take out £189m of borrowing to transfer the HRA to the new 'self-financing' basis. The HRA began making repayments of external debt principal in 2017/18. This is now scheduled to continue each year throughout the life of the Business Plan until repaid. In October 2018 the Government removed the borrowing cap for the HRA which had limited the total borrowing by an HRA-Council. The Council agreed not to borrow additional sums until rent increases were allowed again but noted that there is no need to borrow additional sums in the medium term as sufficient resources exist to meet projected capital needs. This position will be kept under review during 2021/22.

Local Government Act 2003 – Financial Administration

4.38 The Local Government Act 2003 formally introduced a number of specific sections covering:

- Budget calculations, report on robustness of estimates,
- Adequacy of reserves and
- Budget monitoring

4.39 **Robustness of Estimates** - Full account has been taken of potential costs and adequate provision has been made. A prudent assessment of income has been undertaken and only income that has a high level of certainty of being received is included within the Council's budgets.

4.40 The Council's Medium Term Financial Plan, together with information presented at the Annual Member Finance Briefings and subsequent reports demonstrate the financial challenges to Waverley Borough Council and Landlord Service in the future.

4.41 In view of the level of awareness amongst Members and the action taken to produce the Council's budget in 2021/22, the S.151 Officer is satisfied with the

robustness of the estimates presented.

4.42 **Adequate reserves** - are necessary to meet significant cost that could not reasonably have been foreseen in the preparation of the budget. The levels of the HRA working and repairs fund balances have been reviewed and the working balance is at least £2m. Annexe 4 shows the schedule of HRA balances and reserves. Plans for investment of balances in existing and new build properties are being drawn up to ensure the reserves are fully utilised.

4.43 **Budget Monitoring** - It is the view of Waverley's Section 151 Officer that the arrangements for budget monitoring, referred to above, satisfy the requirements of the Local Government Act 2003. Budget Monitoring in 2020/21 shows that the HRA is staying within budget on capital and revenue overall.

Conclusion

4.44 The team has completed a comprehensive review of the Housing Revenue Account and proposes income stream increases, capital works, improvements and new build budgeted programmes and the maintenance of healthy reserves to deliver the HRA Business Plan objectives.

5. Relationship to the Corporate Strategy and Service Plan

Waverley's landlord service deals with the management and maintenance of existing council homes and delivering housing. The Corporate Strategy aims to maximise the availability of housing that meets the needs of local people at all income levels and emphasises the value and worth of all residents. A viable business plan needs to be in place to aid delivery of these priorities.

6. Implications of decision

6.1 Resource (Finance, procurement, staffing, IT)

Resource implications are contained throughout the report. There is proposed growth in staffing costs outlined below:

- In order to meet the increase in reportable compliance for gas, electrical and fire safety it is proposed that an additional Compliance Officer is recruited in addition to a data control officer.
- In recent years the scope and scale of matters under the umbrella of compliance has changed in accordance with building construction standards, the evolution of existing standards and well publicised tragedies.
 - The proposed new team structure is designed to focus individual officer time on specific areas of compliance rather than a broad spectrum.
 - Incremental budget cost is £68,000 pa.
 - The capital New Build programme over the next 5 years is expected to deliver 153 new homes with a net gain of 79 homes (excluding Right to

Buy) with further homes delivered on developer sites through S106 agreements.

6.2 Risk management

A risk assessment has been completed for the project and mitigations identified to be monitored by the Head of Housing Operations.

6.3 Legal

There are no direct legal implications as a result of this report. The Council must set a balanced HRA budget and comply with all relevant legislation and guidance.

6.5 Climate emergency declaration

6.5.1 New Build contribution to the Council's environmental and sustainability objectives. Work with consultants to develop climate positive design, developing carbon off-set opportunities in materials used. Consultant and contractor shortlisting / tender process supports the Council's ambition of being carbon neutral by 2030.

Tender criteria are used to enable the Council to take account of the qualitative, technical and sustainability aspects of the tender as well as price when evaluating and reaching a contract award decision.

6.5.2 Demolition contractors are required to operate in an environmentally responsible manner with a firm commitment to recycle and reclaim the maximum materials recovered during the demolition and dismantling process.

6.5.3 Our build contractor appointment includes an assessment of responses in relation to minimise the carbon impact on delivery of schemes with specific references to addressing their environmental impact, pre-construction activity, build and post construction phases and management of their supply chain. Contractors are now required to demonstrate areas of innovation the firm has developed and how it might introduce and work with the council, having regard to the council's current Design Standards and Employers Requirements to deliver energy efficient and sustainable homes for existing and future tenants.

6.5.4 The Waverley Borough Council Housing Design Standards and Specification is due to be reviewed by Housing Overview and Scrutiny Committee (Task and Finish Group) from January 2021. Areas to be considered are opportunities and methods of delivery of carbon neutral / Passivhaus homes and value for money.

6.5.5 Working with other teams to identify ways the delivery of the Council's new build and regeneration programme can support delivery of other elements of the Council's Climate Change and Sustainability Strategy and Strategic Carbon Neutrality Action Plan.

6.6.6 Sustainability and reducing carbon are central to the review of the Asset Management Strategy, Responsive Repairs contract and capital works programmes.

7.Consultation and engagement

The Portfolio Holders and the Tenants Panel have been consulted on this paper prior to Housing Overview and Scrutiny committee.

8.Other options considered

Alternative rent scenarios are included in the body of the report.

9.Governance journey

Housing Overview and Scrutiny January 2021, Executive and Council February 2021.

Annexes:

Annexe 1.0 – HRA Business Plan 2021/22 to 2024/25

Annexe 2.0 – Housing Services Schedule of fees and charges 2021/22

Annexe 3.1 – HRA Core Programme 2021/22

Annexe 3.2 – HRA Housing Development Capital Programme 2021/22 to 2024/25

Annexe 4.0 – HRA Reserves 2021/22 to 2024/25

Background Papers

There are no background papers, as defined by Section 100D(5) of the Local Government Act 1972).

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Agreed and signed off by:

Legal Services: 7 December 2020
Strategic Director: 15 January 2021
Portfolio Holder: 7 December 2020

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| Annex 1 | | | | |
|--|--------------------|--------------------|--------------------|--------------------|
| HRA Business Plan 21/22 to 2023/24 | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
| INCOME | £ | £ | £ | £ |
| Net Dwelling Rent | -28,784,000 | -29,455,000 | -30,739,700 | -31,924,400 |
| Net Garage Rent | -352,700 | -357,200 | -363,900 | -371,200 |
| Service Charges | -357,000 | -364,100 | -371,300 | -378,700 |
| Cost recovered | -325,950 | -334,099 | -342,451 | -351,012 |
| Other income | -271,526 | -271,526 | -271,526 | -271,526 |
| Interest receipts | -202,160 | -50,000 | -50,000 | -50,000 |
| Total Income | -30,293,336 | -30,831,925 | -32,138,877 | -33,346,838 |
| EXPENDITURE | £ | £ | £ | £ |
| Cost of Operation | 1,662,630 | 1,598,200 | 1,638,200 | 1,679,100 |
| Staffing | 3,684,828 | 3,684,828 | 3,684,828 | 3,684,828 |
| Recharges | 425,780 | 425,800 | 425,800 | 425,800 |
| Back Funding pension Cost | 650,355 | 650,400 | 650,400 | 650,400 |
| Sub total | 6,423,593 | 6,359,228 | 6,399,228 | 6,440,128 |
| Stock Maintenance | 5,077,570 | 5,147,500 | 5,276,200 | 5,408,100 |
| HRA proportion of Corporate and Democratic Costs | 664,900 | 664,900 | 664,900 | 664,900 |
| Debt interest | 5,484,494 | 5,327,754 | 5,116,002 | 4,872,531 |
| Principal Repayment | 4,984,000 | 7,998,000 | 8,561,000 | 9,485,000 |
| Contingency | 265,000 | 265,000 | 265,000 | 265,000 |
| Sub total | 16,475,964 | 19,403,154 | 19,883,102 | 20,695,531 |
| Total Expenditure | 22,899,557 | 25,762,382 | 26,282,330 | 27,135,659 |
| Net INCOME -/ Net EXPENDITURE + | -7,393,779 | -5,069,543 | -5,856,547 | -6,211,179 |
| Working Balance Contribution to Reserves: | £ | £ | £ | £ |
| Contribution to/from- Reserves | | | | |
| Contingency | | -2,024,000 | | |
| New Build (Affordable Housing) | 3,000,000 | 6,808,097 | 786,000 | 1,355,000 |
| Core Capital Programme | 5,824,990 | 5,474,992 | 5,467,717 | 4,805,172 |
| Major Repair Reserves to/-from | | -1,700,000 | -400,000 | |
| WB to/-from Contingency | | | | |
| Working Balance | -1,431,211 | -3,489,547 | 2,830 | 51,008 |
| Other reserves | | | | |
| Total movement on Reserves | 7,393,779 | 5,069,543 | 5,856,547 | 6,211,179 |
| HRA Working Balance (min £2m) | £ | £ | £ | £ |
| Opening Balance | 6,921,951 | 5,490,740 | 2,001,193 | 2,004,023 |
| Movement within Reserves | | 0 | 0 | 0 |
| Movement in year - added/ + reduced | 0 | | | 0 |
| From -surplus /deficit | 1,431,211 | 3,489,547 | -2,830 | -51,008 |
| Closing Balance | 5,490,740 | 2,001,193 | 2,004,023 | 2,055,031 |

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Housing Services
Schedule of Fees and Charges for 2021/2022

| Unit of Charge | VAT Indicator | Existing Charge | Proposed Charge | % Increase |
|----------------|---------------|-----------------|-----------------|------------|
| | | £ | £ | |

Housing Services
Schedule of Fees and Charges for 2021/2022

| | Unit of Charge | VAT Indicator | Existing Charge | Proposed Charge | % Increase |
|---|----------------|---------------|-----------------|------------------|------------|
| | | | £ | £ | |
| Housing Revenue Account | | | | | |
| Supervision and Management Special | | | | | |
| Guest Rooms - E P Units - Single | Per Night | OS | 17.90 | 17.99 | 0.5% |
| Guest Rooms - E P Units - Double | Per Night | OS | 23.00 | 23.12 | 0.5% |
| Community Rooms - Residents | Session | OE | 21.00 | 21.11 | 0.5% |
| Community Rooms - Non Resident | Session | OE | 36.80 | 36.98 | 0.5% |
| Leaseholder Charges | | | | 75,000.00 | |
| The following charges replace the flat rate charge currently in place | | | | | |
| Annual practical notes and information to leaseholder. Check of leaseholder account to ensure there are no problems and ground rent invoicing with supporting documentation. | | | | | |
| | Annual | OO | 28.60 | 28.74 | 0.5% |
| Annual practical notes and information to shared owners. Check of account to ensure there are no problems, check to see if ground rent payable | | | | | |
| | Annual | OO | 25.50 | 25.63 | 0.5% |
| Annual practical notes and information to shared owners. Check of account to ensure there are no problems, check to see if ground rent payable | | | | | |
| | Annual | OO | 28.60 | 28.74 | 0.5% |
| Service charge invoicing and supporting documentation non-shared ownership. | | | | | |
| | Quarterly | OO | 3.90 | 3.92 | 0.5% |
| Service charge invoicing and supporting documentation non-shared ownership. | | | | | |
| | Annual | OO | 12.80 | 12.86 | 0.5% |
| Service charge invoicing and supporting documentation shared ownership. | | | | | |
| | | OO | 28.60 | 28.74 | 0.5% |
| Consent to alter | | OS | 59.20 | 59.50 | 0.5% |
| Retrospective/ Complex consent to alter | | OS | 81.60 | 82.01 | 0.5% |
| Consent to underlet | | OS | 33.70 | 33.87 | 0.5% |
| Consent to keep pets | | OS | 33.70 | 33.87 | 0.5% |

Housing Services
Schedule of Fees and Charges for 2021/2022

| | Unit of Charge | VAT Indicator | Existing Charge | Proposed Charge | % Increase |
|--|----------------|---------------|-----------------|-----------------|--------------------------------|
| Letter to lenders and other third parties | | OS | £ 28.60 | £ 28.74 | 0.5% |
| Reminder in relation to arrears with full printout of account | | OE | 28.60 | 28.74 | 0.5% |
| Section 20 management | | OE | 38.80 | 38.99 | 0.5% |
| | | | | 12.56 | 0.5% Plus Land Registry Charge |
| Obtaining Land Registry document as requested by leaseholder | | OS | 12.50 | | |
| Provision of duplicate invoices | | OS | 3.40 | 3.42 | 0.6% |
| Contacting or responding to you in relation to a problem with your flat. Non-complex replies by email will be free | | OS | 6.70 | 6.73 | 0.4% |
| Written contact and liaison with you in relation to statutory requirements, such as fire and asbestos risk assessments | | OE | 3.40 | 3.42 | 0.6% |
| Leasehold enquiry responses | | OS | 249.90 | 251.15 | 0.5% |
| Leasehold (with sinking fund) enquiry responses | | OS | 260.10 | 261.40 | 0.5% |
| Preliminary telephone advice for non-complex issues relating to your leasehold property | | | FREE | FREE | |
| Changing leaseholder records, leaseholder responsible for advising changes in writing | | | FREE | FREE | |

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ANNEX 3.1

| HRA Core Programme £K | 2021/22 |
|---|----------------|
| Heating Upgrades | 525 |
| Kitchens | 500 |
| Bathrooms | 500 |
| Aids and Adaptions * | 500 |
| Roofing & Associated works | 450 |
| Windows & Doors | 450 |
| Repairs to electrics following electric testing | 350 |
| Void Kitchens and Bathrooms | 300 |
| Asbestos Removal | 270 |
| Fire and Legionella Protection Measures | 225 |
| Energy Efficiency | 200 |
| Major refurbishment | 200 |
| Communal & Estate works | 160 |
| internal remodelling | 150 |
| Structural & Damp works | 150 |
| Professional Fees | 80 |
| Tree Management | 35 |
| Garage Works | 30 |
| Staffing Cost Capitalisation | 750 |
| Total Core Programme | 5,825 |

*** A & A Budget includes major adaptions at:**

| | |
|-------------------------------|--------------|
| 22 Peakfiled, Frensham | £200K |
| 8 Stephensfiled, Chiddingfold | £60K |

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ANNEX 3.2

| Housing Revenue Account Business Plan- Housing Development Capital Programme | | | | | |
|--|---|---------------------|-----------------------|-----------------------|-----------------------|
| Project Code | Project Name | 2021/22 Budget £ | 2022/23 Estimate £ | 2023/24 Estimate £ | 2024/25 Estimate £ |
| K5001 | Development Staff Costs | 442,830 | 442,830 | 442,830 | 442,830 |
| K5412 | Pre-development Expenditure | 200,000 | 200,000 | 200,000 | 200,000 |
| K5431 | Latent defects contingency | 20,000 | 20,000 | 20,000 | 20,000 |
| | Sub Total | 662,830 | 662,830 | 662,830 | 662,830 |
| | Budget Approved Schemes: | | | | |
| | With Planning Consent | | | | |
| K5422 | Aarons Hill, Godalming | 676,712 | | | 0 |
| K5407 | Ockford Ridge | 200,000 | 200,000 | 200,000 | 0 |
| K5426 | Ockford Ridge - Site B | 3,614,640 | 0 | 0 | 0 |
| K5427 | Ockford Ridge Site C, Godalming | 2,301,956 | 3,617,934 | | 0 |
| | Sub Total | 6,793,308 | 3,817,934 | 200,000 | 0 |
| | Budget Approved Schemes: | | | | |
| | Subject to planning consent | | | | |
| K5430 | Ockford Ridge - Site F | 545,000 | 2,765,000 | 1,177,000 | 0 |
| | Sub Total | 545,000 | 2,765,000 | 1,177,000 | 0 |
| | Budget Approved Stock Remodelling | | | | |
| K5019 | Ockford Ridge Refurbishment - Future phases | 450,000 | 450,000 | 0 | 0 |
| K5011 | Community Rooms remodelling | 0 | 0 | 0 | 0 |
| | Sub Total | 450,000 | 450,000 | 0 | 0 |
| | Budget sought | | | | |
| K5429 | Ockford Ridge - Site E | 431,860 | 1,668,946 | 1,571,581 | 0 |
| | Turners Mead | 360,989 | 145,100 | 0 | 0 |
| | 13-22 Springfield, Elstead | 285,450 | 3,436,973 | 2,095,816 | 0 |
| | Sub Total | 1,078,299 | 5,251,019 | 3,667,397 | 0 |
| | Land and Asset purchases | | | | |
| K5000 | Land acquisition and property purchase | 1,000,000 | 950,000 | | |
| K5020 | S106 affordable housing units | 3,500,000 | 3,500,000 | 2,031,000 | 3,352,000 |
| | Sub Total | 4,500,000 | 4,450,000 | 2,031,000 | 3,352,000 |
| | Approved Budget subject to planning | | | | |
| K5432 | Crossways | 456,294 | 1,965,914 | 295,900 | |
| K5433 | Parkhurst Fields | 208,076 | 720,960 | 0 | 0 |
| K5434 | Queensmead | 942,088 | 899,900 | 0 | 0 |
| K5435 | Pathfields | 1,322,616 | 1,234,046 | 0 | 0 |
| K5436 | Hartsgrove | 1,106,591 | 186,036 | 0 | 0 |
| | Sub Total | 4,035,665 | 5,006,856 | 295,900 | 0 |
| | Remodelling Budget subject to planning | | | | |
| K5437 | Borough wide refurbishment | 226,000 | 50,000 | 450,000 | 450,000 |
| | Sub Total | 226,000 | 50,000 | 450,000 | 450,000 |
| | Housing Development Total | 18,291,102 | 22,453,639 | 8,484,127 | 4,464,830 |
| | Funding: | | | | |
| | HRA Funding | 18,291,102 | 22,453,639 | 8,484,127 | 4,464,830 |
| | External Funding | 0 | 0 | 0 | 0 |
| | External Borrowing | 0 | 0 | 0 | 0 |
| | Total Funding: | 18,291,102 | 22,453,639 | 8,484,127 | 4,464,830 |

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| ANNEX 4 | | | | | |
|---|-------------------|-------------------|-------------------|-------------------|------------------|
| Housing Revenue Account Reserves | | | | | |
| | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
| Opening Reserves | | | | | |
| Working Balance | 6,942,857 | 6,921,951 | 5,490,740 | 2,001,193 | 2,004,023 |
| Contingency | 2,224,000 | 2,024,000 | 2,024,000 | 0 | 0 |
| New Affordable Homes | 14,736,914 | 11,420,009 | 5,700,533 | 1,531,811 | 91,284 |
| Stock Re-modelling | 5,130,973 | 4,910,973 | 4,234,973 | 3,734,973 | 450,000 |
| Major Repairs Reserve | 2,100,000 | 2,100,000 | 2,100,000 | 400,000 | 0 |
| Capital Receipts Unapplied | 17,571,899 | 14,254,994 | 8,359,367 | 382,548 | 409,921 |
| Total Reserves | 48,706,642 | 41,631,926 | 27,909,613 | 8,050,525 | 2,955,228 |
| Add from In Year Business Plan and cash for capital receipts | | | | | |
| Working Balance | -20,906 | -1,431,211 | -3,489,547 | 2,830 | 51,008 |
| Contingency | | | -2,024,000 | | |
| New Affordable Homes | 3,000,000 | 3,000,000 | 6,808,097 | 786,000 | 1,355,000 |
| Stock Re-modelling | | | | | |
| Major Repairs Reserve | 4,700,000 | 5,824,990 | 3,774,992 | 5,067,717 | 4,805,172 |
| Capital Receipts Unapplied | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 |
| Total Reserves | 10,679,094 | 10,393,779 | 8,069,543 | 8,856,547 | 9,211,179 |
| Movement on Reserves | | | | | |
| Working Balance | | | 1,700,000 | 400,000 | 0 |
| Contingency | | | -2,024,000 | 0 | |
| New Affordable Homes | | | 2,024,000 | 2,834,973 | |
| Stock Re-modelling | | | | -2,834,973 | |
| Major Repairs Reserve | | | -1,700,000 | -400,000 | 0 |
| Capital Receipts Unapplied | | | | | |
| Total Reserves =0 | 0 | 0 | 0 | 0 | 0 |
| Less use of Reserves | | | | | |
| Working Balance | | | | | |
| Contingency | 200,000 | | | | |
| New Affordable Homes | 6,316,905 | 8,719,475 | 10,976,820 | 5,061,500 | 1,284,746 |
| Stock Re-modelling | 220,000 | 676,000 | 500,000 | 450,000 | 450,000 |
| Major Repairs Reserve | 4,700,000 | 5,824,990 | 5,474,992 | 5,467,717 | 4,805,172 |
| Capital Receipts Unapplied | 6,316,905 | 8,895,627 | 10,976,820 | 2,972,627 | 2,730,084 |
| Total Reserves | 17,753,810 | 24,116,092 | 27,928,631 | 13,951,844 | 9,270,002 |
| Closing reserves | | | | | |
| Working Balance | 6,921,951 | 5,490,740 | 2,001,193 | 2,004,023 | 2,055,031 |
| Contingency | 2,024,000 | 2,024,000 | 0 | 0 | 0 |
| New Affordable Homes | 11,420,009 | 5,700,533 | 1,531,811 | 91,284 | 161,538 |
| Stock Re-modelling | 4,910,973 | 4,234,973 | 3,734,973 | 450,000 | -0 |
| Major Repairs Reserve | 2,100,000 | 2,100,000 | 400,000 | 0 | 0 |
| Capital Receipts Unapplied | 14,254,994 | 8,359,367 | 382,548 | 409,921 | 679,837 |
| Total Reserves | 41,631,926 | 27,909,613 | 8,050,525 | 2,955,228 | 2,896,406 |

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WAVERLEY BOROUGH COUNCIL

HOUSING OVERVIEW & SCRUTINY COMMITTEE
26 JANUARY 2021

Title:

Update on development of 2022-2027 Housing Asset Management Strategy

Portfolio Holder: Cllr Anne-Marie Rosoman, Portfolio Holder for Housing & Community Safety

Head of Service: Hugh Wagstaff, Head of Housing Operations

Key decision: No

Access: Public

1. Purpose and summary

- 1.1 Housing's current Asset Management Strategy (AMS) covers the period 2015-2020 ending in March 2021. A decision was made to delay the development of a new strategy covering the period of 2021-26 to fit in with the Climate Change Emergency declaration and this has resulted in the need for an interim action plan for 2021/2 in advance of a development of a new strategy for 2022-27
- 1.2 The purpose of this report is to set out both a plan for delivering a new five year strategy linked to the HRA 30 Year Business Plan, to outline the specific priorities/action plan for the coming financial year and for O&S to scrutinise and review the approach adopted in this report.

2. Recommendation

The Housing Overview and Scrutiny Committee is asked to:

- Review the report and comment on the approach outlined for the developing the new 2022-27 HRA Asset Management Strategy and the interim action plan for 2021.

3. Reason for the recommendation

To inform Housing Overview and Scrutiny Committee of the development and discussion relating to the proposed 2022-27 Asset Management Strategy.

4. Background

- 4.1 A report was originally presented to the Housing Overview and Scrutiny Committee in July 2018 and set out a pathway for a proposed new strategy to replace the current 2015-2020 AMS. The current AMS will expire at the end of 2020/21 and work to develop a new one for 2021-26 has yet to commence although some preparatory work has taken place. This is in part due to the response to the Climate Change Emergency but has also been the result of changes in key personnel together with the unforeseen impact of the pandemic.
- 4.2 The main focus for 2021 will be the development of a new AMS by autumn 2021 whilst also delivering an agreed action plan linked to key priorities within the business plan and budget.

Development of a new Strategy

- 4.3 The current AMS sets out the Council's approach to managing its housing related assets, held in the Housing Revenue Account. Its aim is to ensure that the housing stock meets the needs and aspirations of the Borough and its residents both current and future, whilst also ensuring best use of available resources as well as achieving value for money.
- 4.4 The new AMS will be updated to reflect changes in legislation and regulation, funding regimes and the impact on investment and future priorities. It will enable the Council to deliver a balanced approach to investment across both the existing housing portfolio and through new build and regeneration. Importantly, it will also link overall objectives to a more detailed action plan and prioritise them accordingly.

Key Priorities

- 4.5 Whilst the new AMS will consider the existing strategy and in particular maintaining agreed AMS principles contained in it, it will also set out a framework for including the following:
- An Environmental & Sustainability Strategy (ESS) to achieve Net Zero Carbon for the housing stock by 2030 (Carbon Neutrality Action Plan 2020-30)
 - The Social Housing White Report (2020) and the introduction of a new charter with tenants at the centre particularly around safe and secure homes and better
 - Building and Fire Safety Bills and how this will affect asset performance
 - The Regulator of Social Housing's Home Standard
 - Waverley's New Build Design Standard and the continued investment to develop new housing across the Borough
 - The Council's 30 Year HRA Business Plan
 - Feedback from tenants – principally through a satisfaction survey (STAR) and working with the Tenants' Panel
- 4.6 Commitment to become a net zero carbon council by 2030 is a key strategic

objective for the Council as part of the Climate Change Emergency declaration. To achieve this target there will be a substantial amount of planned investment across the borough in terms of works to residents homes against a backdrop of increased demand on specialist contractors as all other social housing landlords strive to meet their own targets. Central government investment will be instrumental in reaching the overall objective.

- 4.7 Access to funding, future phases Green Homes Grant, Social Housing Decarbonisation Fund and other grant funding, as discussed above is critical and depends on specialist resources being recruited to lead and co-ordinate specific funding applications. Recruitment of an energy specialist will also aid specification and validation of new technologies in the housing stock, supporting the net zero carbon objectives. A cross-team approach will be required involving all services areas in housing to ensure buy-in from all concerned and vitally to ensure the overall success.
- 4.8 Asset management is a critical service in the Council and the role of a Strategic Asset Manager is key to both supporting development the new AM Strategy and delivering on the objectives set out for next five years. Recruitment to this post is essential and will ensure that objectives/actions are managed and monitored throughout the strategy's lifetime. Engaging the services of external consultant to support the development of the AMS will be crucial.
- 4.9 Accurate information will be key to future decision making and investment. Stock condition data will be crucial in determining priorities and being in a favourable position to bid for grant funding. The following are key areas where there will be a strong focus on improving the information hold about properties:
- Maintaining stock condition data through continued rolling survey programmes; tackling the backlog of surveys resulting from lockdown measures and access to properties
 - Quality audit of data used for energy calculation/ratings to identify anomalies and missing data with the overall objective of building a Net Zero Carbon Plan of improvement measures
 - Reviewing systems for holding all data related to compliance and cyclical testing regimes and to move towards a holistic dashboard approach to reporting

Strategic direction and scope

- 4.10 It is expected that series of focus meetings and workshops will be organised for key stakeholders to have an opportunity to influence the direction and content of the new strategy. The following competing investment priorities will form part of this debate:
- Net zero carbon measures vs other investment areas
 - Home for life vs flexible tenancies
 - Focus on pure living accommodation (kitchen & bathrooms) vs wider home improvements
 - Minimum statutory vs enhanced Waverley (Modern Homes) Standard
 - Tenant's needs vs tenant's aspirations

- Repair vs replacement work programmes
- External envelope vs wider estate works

4.11 In addition to the above strategic questions, Annexe 2 sets out a proposed framework for the content of the HRA Asset Management Strategy used in the previous strategy.

Next steps

4.12 Work on developing the strategy will be commence in January 2021 and conclude with a recommendation for approval by Council in autumn 2021. This will allow the necessary time to ensure that internal stakeholders are fully consulted, understand objectives/action plan and what this will mean in practical terms operationally for Year 1 (2022/23).

4.13 The table below sets out some of the key milestones with provisional timetable for completion; a more detailed timetable of actual dates will follow once work commences and how milestones fit in to governance timelines.

| Action | Provisional Dates |
|--|--------------------------|
| Discussion of brief with Management Board/Executive Board | January 21 |
| Define brief and detailed specification | January |
| Engage specialist consultant to advise and support AMS development | February |
| Scoping and data gathering | March |
| Focus meetings and workshops with relevant stakeholders | April |
| First Draft | May |
| Consultation with Tenants' Panel and stakeholders | June |
| Second Draft for consultation | July |
| Executive Board to review and agree | August |
| Housing Overview and Scrutiny review and endorsement | September |
| Council approval | October |

Interim Action Plan 2021/22

4.14 Annexe 1 outlines a number of actions which were highlighted as still outstanding from the interim review of the AMS in 2018 and still remain key areas to be addressed. It also identifies newer actions which are directly linked to priorities in the budget for 2021/22.

5. Relationship to the Corporate Strategy and Service Plan

Waverley's landlord service deals with the management and maintenance of existing council homes and delivering housing. The Corporate Strategy aims to maximise the availability of housing that meets the needs of local people at all income levels, and emphasises the value and worth of all residents. A viable Asset Management needs to be in place to aid delivery of these priorities.

6. Implications of decision

6.1 Resource (Finance, procurement, staffing, IT)

Managing and maintaining the Council's housing stock generates a revenue stream of approx. £30 million each year. In order to ensure that the stock is maintained to a good standard, significant investment is required each year. The HRA Asset Management Strategy complements and informs the 30 year HRA Business Plan and aims to ensure that financial resources are appropriately invested and which achieves long term sustainability. The strategy is intended to be part the 22/23 HRA Business Plan (Council Feb 2022).

6.2 Risk management

A risk assessment will be carried out prior to the project commencing.

6.3 Legal

There are no legal implications associated with this report.

6.4 Equality, diversity and inclusion

The Asset Management Strategy supports Waverley's commitment to ensuring that those living in Council housing stock are provided with accommodation that suits their diverse needs.

Equality impact assessments are carried out across the council to ensure service delivery meets the requirements of the Public Sector Equality Duty under the Equality Act 2010.

6.5 Climate emergency declaration

Sustainability and reducing carbon are central to the development of the Asset Management Strategy and future investment in the housing stock.

7. Consultation and engagement

- 7.1. Consultation has taken place with Management Board and the Portfolio Holder. Stakeholder consultation and resident engagement will form an integral part of the future development of the AMS.

8. Other options considered

An Asset Management Strategy is a key document in ensuring that the housing stock meets the needs and aspirations of the Borough and its residents.

9. Governance journey

This report has been presented at Management Board and Executive Briefing prior to Housing O&S.

Annexes:

Annexe 1 – Interim Action Plan 2021/22

Annexe 2 – Proposed Asset Management Strategy Framework

Background Papers

There are no background papers, as defined by Section 100D(5) of the Local Government Act 1972).

This report is linked to the following relevant strategies/documents/reports:-

- Carbon Neutrality Action Plan 2020 – 2030
- 30 Year HRA Business Plan
- Waverley Borough Council New Build Design Standard (2018)
- Scoping of Asset Management Strategy 2021-2026 (July 2018)

CONTACT OFFICER:

Name: Peter David

Position: Interim Strategic Asset Manager

Telephone: 01483 523547

Email: peter.david@waverley.gov.uk

Agreed and signed off by:

Legal Services: 6 January 2021

Head of Finance: 15 December 2020

Strategic Director: 15 December 2020

Portfolio Holder: 16 December 2020

| Action | Action Type | Source |
|--|----------------|-------------|
| Target Decent Homes Standard failures rate and develop a catch-up programme to meet agreed targets. | HRA Budget | 2018 Review |
| Review work previously undertaken to develop a Waverley Maintenance Standard and affordability of this additional standard. | Review | 2018 Review |
| Catch-up with stock condition survey backlog created as a result of lockdown and maintain 20% rolling programme target per annum. Improve any gaps in current stock condition data. | HRA Budget | 2018 Review |
| Continue to implement garage strategy following survey with particular focus on refurbishment/redevelopment/demolition and minimising void loss. | Review | 2018 Review |
| Continue to deliver Affordable Homes Delivery Plan | HRA Budget | 2018 Review |
| Review viability model and potential sites for redevelopment/disposal | Review | 2018 Review |
| Procure new contractors to deliver a four year window and door renewal programme commencing in 2021/22 | HRA Budget | New |
| Develop a replacement roof programme in tandem with a new Photo Voltaic Panel programme | HRA Budget | New |
| Develop a joined up approach to estate/communal improvement works sequencing external decorations programmes and ground maintenance contracts | Policy/Process | New |
| Develop a strategy for programming investment in parking/paths/curtilage for e.g. major infrastructure, deep scrape or patch repair measures | Policy/Process | New |
| Review the use of Keystone Asset Management System and develop a plan going forward to understand benefit to the organisation of implementing any new modules for e.g. for planned maintenance programmes or risk management regimes | Review | New |
| Develop Fire Risk Assessment work specification/programmes from outcomes of current survey | Policy/Process | New |
| Develop links between cyclical testing programmes and planned works for e.g. electrical and emergency lighting | Policy/Process | New |

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INTRODUCTION, VISION, CONTEXT AND EXECUTIVE SUMMARY

To include the following:

- Foreword by the Portfolio Holder for Housing
- Vision for the management of Housing assets
- Executive Summary setting out the Housing priorities
- Links to the Corporate Plan and Financial Business Plan
- Introduction to asset management
 - Purpose and Scope of the HRA Asset Management Strategy, detailing the extent of the strategy
 - Asset management framework; responsive repairs, cyclical and planned, empty homes, compliance, tenants own improvements
 - Setting the scene of the national, local and corporate context
- Achievements against previous strategy
- Monitoring and Reviewing the Strategy
- Governance – Asset Management Group Terms of Reference

DIRECTIONAL STRATEGIES

Sets out:

- Funding position and impact from changes to Government policies
 - Estimated capital resources required for stock investment – 5, 10 and 30 year plans
 - Estimated capital resources required for new affordable homes and stock remodelling
 - Impairment of assets and the impact of this
- The Strategic approach
- Strategic 5 Year Action Plan
- Risk Management and Audit
- Performance Management
- Value for Money

ASSET PROFILE

Includes:

- Housing stock
 - Right-to-Buy
 - Stock movement
 - Stock condition
 - HRA Stock analysis
 - Stock history
 - Decent Homes – to date

HOUSING DEMAND AND DELIVERY

Sets out:

- Demand
 - Choice Based Lettings

- Localism
- Introductory and flexible tenancies
- Easy Move Scheme
- Delivery
- New Affordable Homes Programme
 - Development sites
 - Garages

DIRECTIONAL OBJECTIVES – DELIVERING THE STRATEGY

Includes objectives relating to:

- Stock viability, options appraisals and disposals
- Stock survey, collection and data management
- The future of Decent Homes – Decent Homes Plus aspirations
- Responsive Repairs
- Voids
- Planned and Cyclical
- Senior Living Accommodation
- Health and Safety
 - Housing Health and Safety Rating System
 - Asbestos
 - Legionella
 - Fire Safety
 - Gas, Smoke Alarms and Carbon Monoxide Detectors
 - Electrical checks
 - Estate and Common part risk assessment inspections
 - Slips, trips and falls
- Disabled Adaptations
- Re-investment Priorities
 - Waverley Standard
 - Regeneration
 - Refurbishment/remodelling
- New Homes Standard
- Security
- Component Lifetimes
- Energy Efficiency and Standard Assessment Procedure (SAP)
- Procurement

FUTURE ASPIRATIONS

Details:

- Investment priorities, community investment
- Technology
- Tenant communication, consultation and involvement

APPENDICES

Will include the following appendices:

- HRA Capital Programme
- HRA Capital 5, 10 and 30 year Projection

- 30 year Business Plan
- Asset Management links to other areas, planned, responsive etc.
- Waverley Standard Summary
- Void Standard Summary
- Procurement Strategy
- Housing Service Staff Structure
- Stock Viability Model Summary Sheet
- Risk Register
- HRA Asset Management Strategy Action Plan

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WAVERLEY BOROUGH COUNCIL

HOUSING OVERVIEW AND SCRUTINY COMMITTEE

26 JANUARY 2021

Title:

**Housing Maintenance Procurement
UPDATE**

Portfolio Holder: Cllr Anne-Marie Rosoman, Portfolio Holder for Housing and Communities

Head of Service: Hugh Wagstaff, Head of Housing Operations

Key decision: No

Access: Public

1. Purpose

The purpose of this report is to provide an update and overview to committee on the Housing Maintenance Procurement project and to provide assurances that the procurement timeline is on schedule.

2. Recommendation

It is recommended that committee find this report as a true reflection of the procurement activities to date and provide officers with any observations or queries they may have.

3. Background

3.1 Procurement activities commenced in earnest in August 2020, following the presentation to the Housing Overview and Scrutiny Committee on 6 July 2020

3.2 Internal consultation and feedback workshops were held with various officers in Housing week commencing 21 September 2020.

3.3 A feedback session was held with the incumbent interim repairs contractor Ian Williams on 25 September 2020.

3.4 A workshop was held to understand joint procurement opportunities with Runnymede and Woking Borough Councils on 8 September 2020. The decision was made that due to the democratic and governance process there was not enough time for the other Local Authorities to join in the procurement.

3.5 It was agreed to hold regular meetings to look for future joint working opportunities and meetings were held on 12 October and 9 December 2020.

- 3.6 A workshop was held to review and agree the pricing and evaluation model methodology on 15 October 2020 which fed into the contract documentation and associated specification.
- 3.7 Tenant Panel engagement workshop took place on 22 October 2020 which was well attended.
- 3.8 The Notice of Intent to commence the Section 20 leaseholder engagement process was published and leaseholder letters circulated. The period ran from 27 October 2020 for 35 days and a number of observations were noted from the leaseholders.
- 3.9 The Prior Information Notice will be published on 11 January and it will be live on the new government procurement portal “Find A Tender” for a period of 30 days.
- 3.10 An updated timeline of key milestones is attached in Annexe 1.

4. Relationship to the Corporate Strategy and Service Plan

4.1 This project’s relationship with the Corporate Strategy includes:

- A financially sound Waverley, with infrastructure and services fit for the future
- Housing to buy and rent, for those at all income levels

4.2 This project’s relationship with the Housing Operations Service plan includes:

- The service is financially robust with at least £2m reserve
- The service meets the needs of all tenants and their families
- The customer experience will be improved by meeting and exceeding satisfaction targets annually

5. Implications of decision

5.1 Resource (Finance, procurement, staffing, IT)

The implications of the decision have not substantially changed since the report submitted to Committee on 16 March 2020, these include:

Finance - there will be a financial implication in regards to additional costs for consultants to support 2 projects running concurrently (only £50k has been ring fenced).The £50k and a further £150k for additional staff resource support was put into the HRA 20/21 Budget. In addition, the HRA 20/21 Budget includes £200K contingency ring fenced for potential spend. The HRA budget was approved by Council on 18 February 2020.

Procurement – there will be a requirement for support from the Procurement Officer to manage the procurement process and ensure compliance with the Public Contract Regulations.

Staffing – with the strands of work running concurrently, there will be a need for secondment of officers to focus on the procurement project(s) and therefore requirement to backfill posts to ensure business as usual service delivery is not impacted.

A Housing Operations Support Officer has been recruited on a fixed term contract to support officers during the procurement and mobilisation of the new contract phase.

IT – during the procurement phase there is likely to be minimal impact on IT, however following the contract award to which ever option, there will be extensive IT support required to build interfaces and ensure the new service delivery is fit for purpose.

5.2 Risk management

A full risk register is presented to the Housing Maintenance Governance Board for consideration.

5.3 Legal

The contract will be procured in full compliance with both the Council's Contract Procurement Rules, as well as both national and European legislation relating to the procurement of a public contract. Any implications brought about by Brexit, be that a no deal situation or otherwise, will be factored into both the procurement process and the legal support provided for the project.

5.4 Equality, diversity and inclusion

There are no direct equality, diversity or inclusion implications in this report. Equality impact assessments are carried out when necessary across the council to ensure service delivery meets the requirements of the Public Sector Equality Duty under the Equality Act 2010.

5.5 Climate emergency declaration

The environmental and sustainability requirements have been built into the client requirements of the contract specification with a requirement for whoever will deliver the service to ensure services are focused on carbon neutrality wherever feasible.

6. Consultation and engagement

The Housing Overview and Scrutiny Committee have included monitoring and oversight of the Housing Maintenance Procurement as part of their ongoing work programme.

7. Governance journey

- 7.1 The report has been presented to Housing Overview and Scrutiny Committee on 16 March 2020, and a request that the item be kept as a standing agenda item.
- 7.2 A request has been made to the Overview and Scrutiny Governance Board to add the project to the ongoing work programme for review.
- 7.3 A Housing Overview and Scrutiny working group held workshops in June 2020 with a report and recommendations presented to Housing Overview and Scrutiny Committee on 6 July 2020
- 7.4 A governance board made up of key officers from procurement, legal and finance alongside the Portfolio Holder for Housing, Strategic Directors and Head of Housing Operations provide strategic oversight, direction and make key decisions.

Annexes:

Annexe 1 – Programme timeline of key milestones

Background Papers

There are no background papers, as defined by Section 100D(5) of the Local Government Act 1972).

CONTACT OFFICER:

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Email: Heather.Rigg@waverley.gov.uk

Agreed and signed off by:
Legal Services: 14 December 2020
Head of Finance: 15 December 2020 (Lindsay Kennedy reviewed)
Strategic Director: 14 December 2020
Portfolio Holder: 9 December 2020

ANNEX ONE – TIMELINE AND MILESTONES

| Stage | Time Frame | Milestones | Status |
|---|------------------------------|--|--|
| Market Engagement | Sept 2020 | <ul style="list-style-type: none"> Workshop with Woking & Runnymede LAs WBC Internal Workshops Meeting with Ian Williams (interim contractor) Market Engagement Outcome / Procurement Strategy Review | All Complete |
| Document Preparation | Sept – December 2020 | <ul style="list-style-type: none"> Initial Review of Procurement Information Document KPI Review and Price Model Workshop as requested by WBC Project Working Group Review WBC Tenant Workshop Final Document Page turning / review meeting by Project Team WBC Legal Team sign off contract | Complete Complete Complete Complete Ongoing Ongoing |
| First Stage - Leaseholder Consultation | October – January 2021 | <ul style="list-style-type: none"> Sign off FFT Notice of Intention Conclusion of Observation Period | Complete Until January 2021 |
| PAS - Return - Evaluation | January 2021 – February 2021 | <ul style="list-style-type: none"> Publish Contract Notice Technical Submission Scoring by WBC panel PAS Recommendation/report approval Review of Initial tender Documents | January 2021 Feb 2021 (TBC) Feb 2021 (TBC) TBC |
| Initial Tender Return - Tender Return Period - Evaluation | March - June 2021 | <ul style="list-style-type: none"> Issue Initial Tender Technical Submission Scoring by WBC panel | March 2021 (TBC) 2April – May 2021 |

ANNEX ONE – TIMELINE AND MILESTONES

| | | | |
|---|--|---|--|
| | | <ul style="list-style-type: none"> • Initial Tender • Recommendation/report approval | (TBC) May 21 (TBC) TBC |
| Negotiation | June 2021 | <ul style="list-style-type: none"> • Negotiation Sessions – FFT and WBC panel • Review of Final Tender Documents • WBC Legal Team sign off contract amendments from negotiation (as required) | June 2021 (TBC) June 2021 (TBC) TBC |
| First Tender & Board Approval - Tender Return Period - Evaluation | June – October 2021 | Issue Final Tender Technical Submission Scoring by WBC panel Outcome and report discussion / sign off internally by WBC Housing Overview and Scrutiny Meeting to review and endorse outcome/report Executive Meeting to approve outcome | June 2021(TBC) August 2021 (TBC) TBC September 2021 (TBC) October 2021 (TBC) |
| Second Stage Leaseholder Consultation | October – November 2021 | Sign off FFT Notice of Proposal | TBC |
| Contract Preparation | November 2021 | WBC Legal Team final sign off for prepared contract documentation (FFT) | TBC |
| Mobilisation | December 2021 – February 2022 | | TBC |

ANNEX ONE – TIMELINE AND MILESTONES

| | | | |
|-----------------------|---------------|--|-----|
| Contract Commencement | February 2022 | | TBC |
|-----------------------|---------------|--|-----|

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INTRODUCTION TO WAVERLEY BOROUGH COUNCIL

OVERVIEW AND SCRUTINY WORK PROGRAMME

The programme is designed to assist the Council in achieving its corporate priorities by ensuring topics add value to the Council's objectives, are strategic in outlook, are timed to optimise scrutiny input and reflect the concerns of Waverley residents and council members. The programme is indicative and is open to being amended with the agreement of the Chair with whom the item is concerned. The work programme consists of three sections:-

- Section A – Lists the Scrutiny tracker of recommendations for the municipal year.
- Section B – Lists items for Overview and Scrutiny consideration. It is not expected that the committee cover all items listed on the work programme and some items will be carried over into the following municipal year. In-depth scrutiny review topics for consideration by the respective Committee will also be listed in this section.
- Section C – Lists live in-depth scrutiny task and finish groups, including objectives, key issues and progress.

Section A
Scrutiny Tracker 2020/21

| Housing O&S Scrutiny Tracker | | | | |
|------------------------------|------------------------------|--|---|---------------|
| Meeting date | Agenda item | Outcomes / Recommendations | Officer / Executive Response | Timescale |
| 23 November 2020 | Committee Work Programme | Request for an informal session on the Housing White Paper and the CIH Conference. | Arranged for December 22 at 1pm | December 2020 |
| | Revised Corporate Strategy | The vision should be forward looking and changed to say 'Waverley sought to promote and sustain' References to the Climate Emergency Action Plan should be changed to say Carbon Neutrality Action Plan. | Vision statement included in final version and references to Climate Emergency Action Plan changed. | December 2020 |
| | Anti-Social Behaviour Policy | To give further clarity as to the scope of the document and to add a section on councillors' role. | | |
| 28 September 2020 | Homelessness Strategy Update | The Committee noted the contents of the report and resolved to escalate concerns about resource capacity to house more homeless people over the winter period were the Covid situation to deteriorate further. | An update was given at the November meeting. | November 2020 |

Housing Overview and Scrutiny Committee

| | | | | |
|-------------------------|---|--|--|--|
| 6 July 2020 | Housing Maintenance Contracts Procurement – Working Group Report | The Committee agreed to make the 9 recommendations within the report (with one alteration to the third recommendations) to the Portfolio Holder. | The Portfolio Holder thanked the Committee for its work and agrees to implement the recommendations. | Intention to procure November 2020. Contract commences February 2022 |
| 14 January 2020 | Housing Revenue Account Business Plan, Revenue Budget and Capital Programme (Hugh Wagstaff) | The Committee generally supported the recommendations listed from Executive to Council. | The recommendations were agreed at full Council Tuesday 18 February 2020. | February 2020 |
| 20 November 2019 | Private Sector Housing (Andrew Smith) | The Committee requested that officers share the information delivered to the Committee on the role of the Private Sector Housing team with the towns and parishes. | Once the Council's Town and Parish meetings begin again officers will revisit this. | TBC |
| 3 July 2018 | HRA Asset Management Strategy 2021 – 2026 scoping report (Hugh Wagstaff) | The Committee requested that the current strategy to be updated to ensure it reflects changing technologies, in addition to other considerations listed on page of the report. | Officers will update the Strategy to reflect changes in development and technology. This item is on the work programme and will return to the Committee in the new year. | The new Strategy will be for 2021 – 2026. |

Housing Overview and Scrutiny Committee

Section B

Work programme 2020/21

| Subject | Purpose for Scrutiny | Lead Member / Officer | Date for O&S consideration | Date for Executive decision (if applicable) |
|--|---|---------------------------------|---------------------------------------|--|
| Housing Revenue Account | To scrutinise the 2021/22 budget. | Hugh Wagstaff / Lindsay Kennedy | January 2021 | February 2020 |
| Asset Management Strategy 2021 – 2026 | To receive an updated Strategy following the recommendations of the Committee regarding the scope of the Strategy July 2018 and those made through the <i>Attitudes to Council Housing: Pride or Prejudice Review</i> . | Hugh Wagstaff | January 2021 | Spring 2021 |
| Recovery, Change and Transformation Project Update (Housing) | To receive an update on the progress made against the objectives of the Housing RCT Project. Includes update on Housing maintenance – responsive repairs and voids contract. | Annalisa Howson | Standing item 2020 | N/A |
| Housing Maintenance – Response Repairs and Voids Contract | For the Committee to remain up to date with the latest developments regarding the contract. | Hugh Wagstaff /Heather Rigg | January 2021 | N/A |
| Corporate Performance Report | To scrutinise the performance of the areas within the Committee’s remit. | Heads of Service | Quarterly – next one January ‘20 | N/A |
| Housing Development Update | To receive an update on the current council housing developments. | Andrew Smith/ Louisa Blundell | January 2021 | N/A |
| Service Plans | To consider and contribute to the Service Plans 2021-23 | Hugh Wagstaff / Andrew Smith | January 2021 | February 2021 |
| Affordable Housing SPD | To consider the Affordable Housing SPD. | Katherine Dove | January/March | February/March |
| Housing Strategy | To scrutinise and input into the Strategy before it is finalised and approved Spring 2021. | Andrew Smith / Alice Lean | March 2021 | Spring 2021 |

Housing Overview and Scrutiny Committee

| Subject | Purpose for Scrutiny | Lead Member / Officer | Date for O&S consideration | Date for Executive decision (if applicable) |
|--|---|-------------------------------|----------------------------|---|
| Mental health and housing | To receive a presentation from officers about how the Council works with tenants, and those in housing need, who suffer with mental health issues. | Laura Dillon and Andrew Smith | TBC | N/A |
| Affordable housing and housing need within the borough | Following the Housing Strategy and Enabling team's work into profiling housing need within the borough, for the Committee to understand the role of affordable housing and how it meets the needs of residents. | Andrew Smith / Alice Lean | TBC | N/A |
| Housing Associations (HAs) | To follow the September 2019 information session, the Committee may wish to invite a representative from a major housing association within the borough to present to the Committee. | Andrew Smith | TBC | N/A |

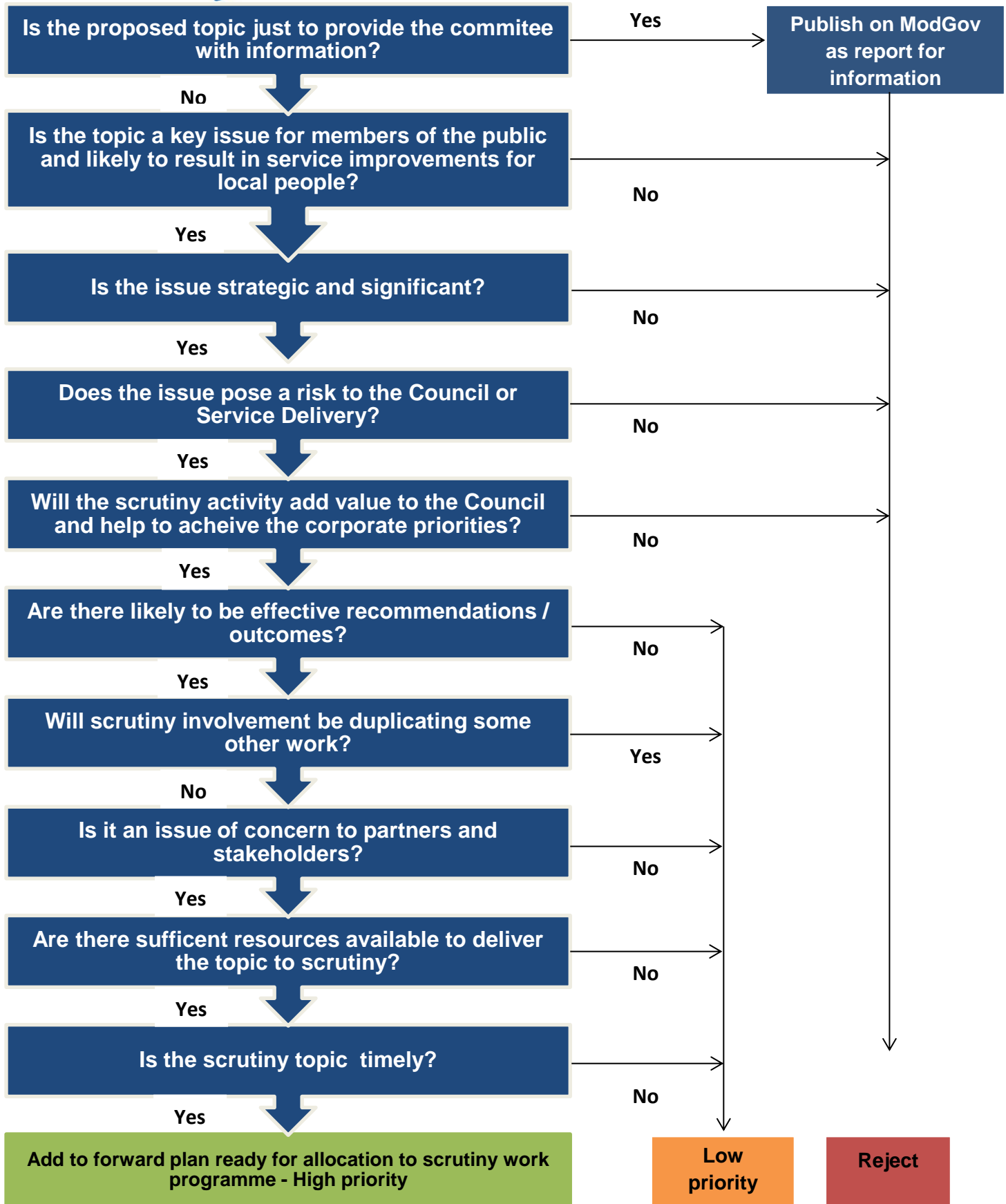
Section C

Scrutiny Reviews 2019/20

| Subject | Objective | Key issues | Lead officer | Progress |
|--|---|---|---|---|
| Housing Design Standards – energy efficiency | To make recommendations to the Executive on the standards to which the Council should build its homes in terms of energy efficiency. | <ul style="list-style-type: none"> • Climate Change Declaration (September 2019 Council) • Energy Performance Certificates • Zero-carbon homes | Scrutiny Policy Officer and Louisa Blundell | Scoping document agreed at November meeting and first meeting arranged for 15 January 2021. |
| Allocation Policy | Following a recommendation by the <i>Council Housing Attitudes: Pride or Prejudice</i> working group to review the Policy to ensure the criteria and process are appropriate and aligned to the Council's priorities. | <ul style="list-style-type: none"> • Eligibility and criteria • Communication and promotion • Choice-based lettings | Scrutiny Policy Officer and Annalisa Howson | To be started once the design standards review is completed (not before 2021). |

Housing Overview and Scrutiny Committee

| | | | | |
|---------------------------------------|--|--|---|--|
| Housing Consumer Regulatory Standards | To assess the service and areas for improvement in order to inform the service improvement plan. | <ul style="list-style-type: none">• Homes and Communities Agency• The four consumer standards | Scrutiny Policy Officer and Annalisa Howson | This review was included in the Housing Operations Service Plan 2020-23 and has not yet been scoped. |
|---------------------------------------|--|--|---|--|



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