

LANDLORD SERVICES ADVISORY BOARD

Friday, 28 January 2022 - 10.30 am

Council Chamber, Council Offices, The Burys, Godalming

Or Zoom Meeting ID 851 1436 8296 Passcode 291148

A G E N D A

Circulation:

Members:

Cllr Nick Palmer (Chairman)

Cllr Paul Rivers (Chairman)

Terry Daubney, Waverley Tenants' Panel (Vice Chairman)

Cllr Simon Dear

Cllr Jacquie Keen

Gillian Martin, Waverley Tenants Panel

Danielle Sleightholme, Waverley Tenants Panel

Cllr Michaela Wicks

Officers:

Annie Righton

Hugh Wagstaff

Andrew Smith

Annalisa Howson

Jeanette Englefield

1 **Apologies for absence**

To receive apologies for absence.

2 **Minutes of the previous meeting** (Pages 3 - 20)

To agree the minutes of the previous meeting.

3 **Declarations of interest**

To receive any declarations of interests under the Waverley Members' Code of Conduct.

4 **Service Plans 2022 - 2025** (Pages 21 - 30)

To consider the Service Plans for 2022 – 2025 and:

- a) Agree any observations to be passed to the Executive
- b) Confirm the reporting cycle to the LSAB
- c) Agree future LSAB agenda items

5 **Housing Revenue Account (HRA) Business Plan - Revenue Budget and Capital Programme 2022/23** (Pages 31 - 54)

To consider the proposed HRA Business Plan – Revenue Budget and Capital Programme 2022/23 and agree comments to be passed to the Executive on:

- i. Proposed rent increase
- ii. Proposed weekly charge for garage rents
- iii. Proposed service charges in senior living accommodation
- iv. Proposed recharge for energy costs in senior living accommodation

- v. The revised HRA Business Plan for 2022/23 to 2025/26
- vi. Proposed fees and charges

6 **Work programme** (Pages 55 - 68)

7 **Date of next meeting**

Thursday 24 February at 10am.

LANDLORD SERVICES ADVISORY BOARD

10 January 2022

NOTES

Present:

Cllr Paul Follows (Chairman)
Terry Daubney, Waverley Tenants' Panel (Vice-Chairman)
Cllr Simon Dear
Cllr Jacquie Keen
Gillian Martin, Waverley Tenants Panel
Danielle Sleightholme, Waverley Tenants Panel

Apologies:

Councillor Anne-Marie Rosoman

8 Apologies for absence

Apologies received from Cllr Rosoman.

9 Minutes of the previous meeting

The minutes of the meeting held on 2 December were agreed.

Noted that Cllr Follows had spoken with Cala Homes regarding external lighting at night on the development site at Ockford Park.

10 Declarations of interests

There were no declarations of interests.

11 Affordable Homes Delivery Strategy Consultation (Pages 5 - 12)

Alice Lean and Esther Lyons, Housing Strategy and Enabling Managers presented to the Board on draft Affordable Homes Delivery Strategy which would be going out to consultation at the end of January.

The new Strategy focussed on the creation of new affordable homes by the council and by Housing Associations. It reflected the current context of changes in national policy (eg First Homes), the new Waverley Corporate Strategy and the council's climate emergency declaration, and the issue of what 'affordable' meant in Waverley. The Strategy was informed by two studies commissioned to provide local evidence on housing affordability for end users, and the viability of delivering affordable housing for the developer.

The key themes of the strategy were: Build more; Build better; Build for life. Key issues in the consultation were: achieving more consistency in approach between the council and other providers; the impact of new products such as First Homes; the impact of the Covid pandemic on how homes were used (home-working) and the importance of outdoor space; the impact climate change and need for sustainable development; and affordability and rent levels.

Following the consultation (27 January to 24 February), the aim was to have the new Strategy approved by Council in April 2022.

The Board discussed

- affordability – ‘affordable rent’ was 80% of market rents, but the market rent in Waverley meant that in reality so-called affordable rents were not affordable for residents on low- or middle-incomes. The aim was to define a ‘Waverley affordable rent’ which better reflected the reality of market rents in the borough and provided options for working age renters who did not receive full Housing Benefit.
- the impact of the pandemic and people having to work from home, or spend more time at home which had emphasised the importance of having some private outdoor space for play and relaxation.
- building for life and what this meant in practice – there were many older people living in large family homes who would like to downsize, but not to the very small homes typically provided for older people. What options were there for providing bungalows, or maisonettes, with some private or shared outdoor space that might be more appealing to those looking to downsize?
- tension between households of different generations in close proximity, versus the risk of creating communities of older people by restricting availability of certain properties by age.
- the availability of land on which Waverley could build – the council continued to develop under-used garage sites, and was able to acquire affordable homes under S106 agreements. Land acquisition was expensive, and it was too soon to assess whether the changes in where work happened were permanent and might result in the release of land or buildings previously used for employment. This would be explored as part of the review of the Local Plan Part 1.

Officers encouraged Board members to respond to the consultation and it was **agreed that Terry Daubney and Cllr Jacquie Keen, and the new Housing PFH, would meet with Alice and Esther to go through the detail of the new Strategy and agree feedback.**

12 Regulator of Social Housing Consultation on Tenant Satisfaction Measures

Annalisa Howson, Service Improvement Manager, introduced consultation document from the Regulator of Social Housing (RSH) on proposed Tenant Satisfaction Measures.

The RSH was proposing 22 tenant satisfaction measures by which tenants would be able to hold their landlord accountable. There were 10 measures that would be measured by landlords themselves, and 12 measures that would be based on surveys of tenant perceptions carried out by or on behalf of the landlord.

The Board discussed a number of issues, with a view to informing the response to the consultation:

- a. Survey methodology
 - Agreed that face-to-face or phone surveys were likely to provide the best response, but a mix of methods would be needed to secure responses from across the tenant population.
 - A prescribed method of surveying tenants would be preferable, removing choice from landlords, to increase the likelihood of outcomes being comparable between landlords.

- There was value in the survey being carried out independently, to ensure that the methodology was robust, and to give assurances to tenants about the confidentiality of their responses.
- b. Survey fatigue
- There was some concern about the frequency of the survey – to be assured of 500+ responses, it was likely that over 1,000 tenants would need to be surveyed each year. This would be in addition to the separate STAR survey, and satisfaction surveys in relation to repairs.
 - Tenant perceptions typically lagged behind a measurable improvement in service, so the Board was unsure what the benefit would be in carrying out the tenant perception survey annually. Perhaps the landlord data responses could be collected annually, and the perception survey every other year?
- c. Number and range of measures
- Questions need to be meaningful in terms of the tenant/landlord relationship, so that landlords are able to respond to outcomes.
 - There were no measures relating to rent levels or value for money.
- d. Neighbourhoods
- Questions are broad and open to different interpretations therefore difficult to make comparisons between landlords.
 - ASB not defined so every respondent will have their own definition and base their answers on that.
 - NM01 measures the relative number of ASB cases per 1,000 homes but doesn't measure outcomes. Also implicit assumption that ASB is an issue for landlords and tenants.

Board Members were asked to feedback any other comments to officers, and a draft consultation response incorporating comments put forward would be circulated to Board members for final comments.

13 Outcome of Responsive Repairs and Void Procurement (Pages 13 - 18)

Heather Rigg, Operations Manager – Housing Operations, gave a presentation to the Board (slides attached) setting out the outcome of the procurement of a new Responsive Repairs and Voids Contract.

The preferred bidder was Ian Williams Ltd, the incumbent contractor. The new contract was expected to go live from 1 April, although the timetable for this was very tight.

The Board noted that there were no 'penalties' against the contractor set out in the contract and a high priority would be put on developing a positive relationship with the contractor. The new contractor would be invited to attend a LSAB meeting soon after implementation.

The Key Performance Indicator Handbook, including customer satisfaction targets, would need to be reviewed with the new contractor, and the post-repairs independent satisfaction surveys re-introduced.

Agreed that the LSAB would have the opportunity to meet with the new contractor and with TFL (who carry out the satisfaction surveys) at an appropriate point in the mobilisation of the new contract.

14 Work programme

The Board noted the future Work Programme.

Terry Daubney asked for a report back on the Senior Living consultation, as a number of issues had been raised with the Tenants Panel.

15 Next meeting

Friday 28 January 2022.



Affordable Homes Delivery Strategy 2022-25

Alice Lean & Esther Lyons
Housing Strategy and Enabling Managers



1

Housing Strategy & Enabling Team

Alice Lean
Housing Strategy & Enabling Manager
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Working Monday – Thursday



Esther Lyons
Housing Strategy & Enabling Manager
esther.lyons@waverley.gov.uk
01483 523430
Working Monday, Tuesday, Thursday




2

A new strategy for 2022-25 focusing on delivery of new council and housing association affordable homes



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Context

- National policy changes e.g. First Homes
- New Waverley Corporate Strategy
- Climate Emergency Declaration
- Increasing affordability issues locally
- New evidence studies commissioned to inform the strategy

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Updated local evidence

- Waverley Housing Affordability Study (Justin Gardner Consulting / Icen) analyses affordability for the end user
- First Homes Viability Update (Three Dragons) considers the viability of delivering affordable housing to the developer

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A new ambitious strategy

Themes developed with Executive and Portfolio Holder



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Key themes

- **Build More**
- **Build Better**
- **Better For Life**



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Build More

- **Increasing momentum** in the delivery of Locally Affordable Homes, with ambitious targets across Waverley's own build programme and from other affordable housing providers
- **Innovative financing** using our financial flexibilities and assets as a local authority to fund more homes
- **Making most effective use of our planning powers**, utilising the full range of mechanisms available, and lobbying for better
- **Harnessing the power of partnerships** Building upon our strong relationships, we will lever in experience, expertise and funding to deliver what our communities need

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Build Better

Aligning new supply more closely with need Developments will be informed by a better understanding of changing needs across the borough.

Rethinking rents New homes built will cater for all income levels, including households on the lowest incomes.

Design to be proud of With our partners, we will create high quality homes in attractive environments, promoting cohesive, inclusive communities. We want affordable housing to be a tenure of choice in Waverley.

Synergy between services We will forge stronger links with Health, Adult Social Care, our Town & Parish Councils, housing providers and neighbouring councils.

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Build for Life

Greener homes We will develop affordable homes which are both built sustainably and enable residents to live in a more environmentally sustainable way, now and for years to come.

Places for people to belong We will deliver inclusive, cohesive developments that enable communities to thrive for the wellbeing of the whole community. We will improve our understanding of customers' experiences, needs and expectations in a post-Covid world.

Homes for all our lives We will collaborate more closely with Adult Social Care partners to build the right homes for older people and those with specialist needs.

Homes for a stronger economy We will support the local economy by building homes that local workers on low incomes can afford. This underpins the essential services that keep the borough going and the leisure and hospitality services we all enjoy.

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Key issues

- Council and other affordable housing provider new build
- Impact of new products such as First Homes
- Impact of pandemic and associated changes e.g. WFH, economic factors
- Climate change and eco-friendly initiatives
- Affordability and rent levels

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Consultation

- Consultation period from 27.01.22- 24.02.22
- Targeted at individuals and organisations
- Promoted through Waverley Homes and People, Council's social media platforms, Business e-newsletter, member bulletins, Cascade, website
- Input to consultation from Landlord Services Advisory Board

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Next Steps

- Services O&S
24.01.22 as part of
consultation
- Executive 5.4.22
- Full Council 26.04.22
for adoption



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Year 1 Actions

- Update Affordable Housing Supplementary
Planning Document to set rent levels
and First Homes policy
- Further detail in
Affordable Housing
Delivery Plan and
Housing Association
Programmes



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Landlord Services Advisory Board input

- Waverley council housebuilding programme: quantity; quality; affordability
- Tenant engagement
- Your feedback and comments
- Questions?

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Responsive Repairs and Voids procurement outcome

Landlord Services Advisory Board

10 January 2022



1

Procurement Timeline

- Jan 2021 - documents were published to note intention to procure – from 73 registrations of interest there were 11 Expressions of Interest
- Jan 2021 – the 11 EOI were reduced to 9 as 2 bidders failed to meet the compliance and financial thresholds
- March 2021 – The selection questionnaire submissions were evaluated and marked on 9 bidders
- April 2021 – The 9 bidders were reduced to 4 who were invited to submit a tender
- June 2021 – Technical marking and financial evaluation was completed with support from tenant reps and corporate colleagues. The 2 lowest placed bidders were removed.
- Sept 2021 – Contract negotiations discussions were undertaken
- November 2021 – Final Tender submissions were marked, and financial evaluation undertaken
- December 2021 – Final evaluation report was produced following robust scrutiny from Management Board, Procurement Governance Board and Finance, as well as updates to Executive.
- December 2021 – Preferred bidder letters were issued to leaseholders to enable observations or queries
- January 2022 – Bidder feedback to be issued and 30-day standstill period will commence
- Feb 2022 - Formal Contract Award
- April 2022 – Contract commencement

2

Procurement Headlines

- The former Housing O&S Committee through a task and finish group provided recommendations on the contractual vehicle, methodology and specification requirements. These were reflected in the tender documentation that the bidders were evaluated on.
- The tenants' representatives were involved in through out the process and were extremely supportive during the technical marking sessions.
- Following a comprehensive tender evaluation process, Ian Williams Ltd achieved the highest combined scores for price and quality and has been confirmed as the preferred bidder and subject to contract and final due diligence, will be awarded the contract

3

Recommendations from the O&S Working Group Report June 2020

- The Working Group made 9 recommendations following their review in June 2020. Of these 7 were included as part of the procurement methodology and tender specification requirements:
 - 1 The procurement marking criteria was split with 60% on quality and 40% on pricing
 - 2 Customer satisfaction information was provided as part of the specification documentation
 - 3 Incentives and penalties were not included as part of the contract particulars
 - 4 Safeguarding training and channels to report concerns would be available to contractors
 - 5 The Council would be first point of contact for residents raising work orders however the contractor could then take follow on calls and there would be a future option for the contractor to take all calls if deemed suitable
 - 6 The Council would continue to use an independent market research provider to gather customer satisfaction information
 - 7 The contract would include a clause to enable the Council to explore alternative delivery options during the contractual term

4

Preferred bidder commitments – contract mobilisation

Whilst Ian Williams are the incumbent contractor mobilisation is still crucial key focus areas include:

- Resourcing and Direct Delivery – increase work force from 11 to 18 operatives and with 80% work delivered directly and sub contractors only utilised for specialist work
- Improved IT integration – to develop the basic interface to Orchard to give full transparency and real time accessibility with improved appointment facilities.
- Alignment with the Ian Williams Hub – dedicated WBC schedulers will be employed
- Introduce Customer Liaison Officer – to take responsibility for social value projects, customer complaint management and resident support
- Mobilisation Lead & Governance Structure – focused on communication, training, development of KPIs and Performance Management, & integration with other WBC contractors

5

Preferred bidder commitments – operational delivery

As part of the ongoing delivery of the contract Ian Williams have committed to:

- Ensuring shared values and training with WBC
- Having dedicated resources ringfenced to the specific RR and Voids workstreams
- Improved IT and systems integration providing
 - Real time communication
 - Multi channel communication
 - Automated resident call backs at busy periods
- Standardised van stock which is replenished weekly
- Use of analytics and data to drive continuous improvement
- Minimised use of subcontractors to specialist trades only

6

Preferred bidder commitments – quality management and performance indicators

- Ian Williams are ISO 9001:2015 accredited meaning they have set processes and procedures which are fully compliant.
- There will be dedicated surveyors and fore persons on the WBC contract to supervise and review all works undertaken
- There will be both planned and unannounced H&S visits
- All works will have before and after photographs take and these will be shared with WBC
- There will be regular meetings at all levels to ensure that performance monitoring and review is managed and continuous improvement action plans will be developed
- There will be benchmarking on the WBC contract against other Ian Williams contracts

7

Preferred bidder commitments – resident engagement and social value

- Focused on embedding the objectives of the Social Housing White Paper
- Will tailor their communication approach based on customer and geographic needs
- Customer Service and Social Value will be a key workstream and have dedicated working group set up
- A joint communications and messaging plan set up – including a social media strategy
- Will complete a customer profiling exercise to identify customers who have specific needs
- Set up residents surgeries in our Senior Living Schemes
- Will work with WBC to develop customer self service app to directly manage repairs
- Will implement the final mile technology as part of the development to allow appointment tracking and have a positive impact on cancellations or no accesses
- Will work with WBC to develop a joint Social Value strategy and proposals

8

Preferred bidder commitments – resident engagement and social value

- Will work with WBC to develop a joint Social Value strategy and proposals
- Suggested proposal areas include:
 - Customer training and sponsorship
 - Community Project involvement
 - Voluntary work
 - Local Environment improvement schemes
 - Employment or apprenticeship schemes

9

Preferred bidder commitments – business continuity and sustainability

- Ian Williams will work with WBC to develop bespoke business continuity and disaster recovery plans which will align to WBC policies
- There will be regular review at quarterly CORE group meetings
- IW have in house target to reduce CO2 emissions to net zero by 2030, in line with the Council targets
- Adherence to the targets will be measured corporately and will also be included in KPI measures and in the contract risk register

10

Preferred bidder commitments – business continuity and sustainability

- The Ian Williams sustainability plan includes:
 - Reduction of carbon emissions at their head office through investment in green technology
 - To work in partnership with their supply chain to introduce specific green products such as insulation products through to technical design
 - A fleet strategy by 2040 only hybrid/plug in vehicles will be used
 - Work with WBC to develop recycling and reuse of materials or items in void properties
 - Work with WBC to consider how they can support retro fit of products in customer homes to encourage sustainability and behaviour changes – through LED light bulbs to considering installation of home EV chargers
 - Social responsibility projects –working with local projects to promote them locally

11

Any Questions?



12

WAVERLEY BOROUGH COUNCIL

LANDLORD SERVICES ADVISORY BOARD

28 JANUARY 2022

Title:

SERVICE PLANS 2022-2025
(3 YEAR ROLLING PLANS)

Portfolio Holder(s): Co-Portfolio Holders for Housing Paul Rivers and Nick Palmer

Head of Service: Hugh Wagstaff, Head of Housing Operations

Key decision: No

Access: Public

1. Purpose and summary

- 1.1. The Service Plans have been prepared by Heads of Service in collaboration with their teams and Portfolio Holders to set out the service objectives for the coming three years in line with the [Corporate Strategy 2020-2025](#) and the Medium Term Financial Plan.
- 1.2. In 2019 the Council reviewed its approach to service planning, changing them from annual plans to three yearly rolling plans. This approach allows not only for an easier alignment with the Council's Medium Term Financial Plan (MTFP), but also a better transparency on delivery of multi-year projects and other initiatives. The ongoing service delivery is set out for the year ahead and will be monitored as part of the annual review process to reflect the needs of the organisation. Progress on Service Plans is monitored on a quarterly basis through the Corporate Performance Report.
- 1.3. It is worth noting that the service plans are an operational management tool, and as such are laid out in a way which allows easy and clear understanding of key functions performed by teams and the specific timescale set for their delivery as well as highlighting potential risks should an action was not completed. The plans also contain a list of ongoing projects.
- 1.4. The Landlord Services Advisory Board is asked to review the areas under their remit as listed below:
 - Housing Operations Service Plan 2022-25
 - Housing Delivery and Communities Service Plan 2022-25 (Housing Development only)

2. **Recommendation**

It is recommended that the Landlord Services Advisory Board consider the Service Plans for 2022-25 as set out at Annexe 1 and:

- a) makes any observations or comments to the Executive,
- b) confirm mid year reporting cycle to LSAB, and
- c) make suggestions for future LSAB agenda items

3. **Reason for the recommendation**

The annual review process of service plans is a subject of internal as well as external scrutiny. The LSAB review the proposals and pass their comments and recommendations to the Executive for their consideration ahead of the approval process. The LSAB will monitor the progress and performance of actions in the service plan and may indicate future agenda items to review projects in more detail.

4. **Relationship to the Corporate Strategy and Service Plan(s)**

Waverley's performance management framework helps ensure that Waverley delivers against all of its Corporate Priorities. The housing service plans link to the Corporate Strategy's priority for "*Good quality housing for all income levels and age groups*" and the Corporate aim "*to be the best council landlord in the South East and to be acknowledged so by our tenants*"

5. **Implications of decision(s)**

5.1 **Resource (Finance, procurement, staffing, IT)**

Draft Service Plans are prepared as part of the annual budget setting process and any financial implications are included in the draft budget proposals that will be also presented at the 28 January 2022 LSAB.

5.2 **Risk management**

Risk management has been built into the format of the plans, allowing visibility of any potential impact should an action fail to be delivered.

5.3 **Legal**

There are no legal implications arising directly from this report. Heads of Service will identify which of their Service Plan Actions/Outputs will require legal support and will discuss in advance with the Legal Services team their requirements, including internal and/or external (if necessary) legal resource and budgeting for that support.

5.4 **Equality, diversity and inclusion**

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

4. Relationship to the Corporate Strategy and Service Plan(s)

5.5 Climate emergency declaration

Each service has reviewed their proposals to take into consideration new environmental and sustainability objectives arising from the [Corporate Strategy 2020-2025](#) in light of [Climate Emergency](#) introduced by the Council in September 2019. Further revision of the objectives might be required once the Climate Emergency Action Plan has been created and approved.

6. Consultation and engagement

6.1 The preparation of Service Plans take place in early autumn alongside the budget planning process and will include consultation proposals where appropriate. The Plans are discussed with the Portfolio Holders and go through an internal sign off process by the Senior Management Team. The external scrutiny stage starts with the review by the LSAB and Overview and Scrutiny Committees at January cycle and final approval by the Executive at a February/March meeting.

7. Other options considered

7.1 Not applicable

8. Governance journey

8.1 The Landlord Services Advisory Board and Overview and Scrutiny Committees will pass on their comments and recommendations to the Executive who will take these into consideration when approving the proposals. Once approved the Service Plans will guide the Council's operations for the coming year and the next scheduled review will take place in autumn/winter 2022, when the new proposals for the year 2023-2026 will be considered.

Annexes:

Annexe 1 Joint Housing Operations and Delivery Service Plan

Background Papers

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

CONTACT OFFICER:

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Agreed and signed off by:

Head of Finance: Agreed in the SMT meeting on 9 November 2021

Strategic Director: Agreed in the SMT meeting on 9 November 2021
Portfolio Holder: Agreed in the Executive Briefing on 7 December 2021
Legal Services: Agreed on 7 December 2021

Service Plan 2022-2025 (rolling 3 years)		Head of Service:	Hugh Wagstaff
		Strategic Director:	Annie Righton
Service:	Housing Operations	Portfolio Holders:	Cllr Paul Rivers and Cllr Nick Palmer

This Service Plan is a rolling three year programme of both business as usual and project activity. It is reviewed annually to ensure it is consistent with and reflects the Council's priorities and the Medium Term Financial Plan. It has also been prepared within the context of the Covid pandemic which has had an impact on the timing of some projects due to staffing and resourcing implications. From time to time Service Plans will also be subject to review by councillors and officers as a result of the need to reprioritise resources to react to changing circumstances or opportunities. The delivery progress is monitored on quarterly basis as part of the Corporate Performance Report reviewed by Senior Management Team, O&S Committees and Executive.

Service description

Housing Operations is made up of five teams who manage and maintain Council homes and tenancies:

- **Property Service Team** - responsible for the management of the council's housing portfolio and ensuring homes are kept in good repair through the delivery of planned and reactive works and health and safety compliance. (Monitored through the Corporate Performance indicators: HO2, HO3, HO4 and HO5)

- **Housing Management Team** - ensure tenancy conditions are met, supporting tenants and delivering community development opportunities (Monitored through the Corporate Performance Indicator HO6).

The management and maintenance teams work closely with the Corporate Customer Service team who provide the first line of contact for tenant enquiries.

- **Rent Accounts Team** - responsible for charging and collecting rent and service charges. (Monitored through the Corporate Performance Indicator H01). The team also manage leasehold enquiries, recharges and Right to Buy applications.

- **Asset Management Team** - responsible for long term management of homes and maintain assets PD sent info

- **Senior Living Team** - support older and/or vulnerable tenants to live independently at designated schemes.

The Housing Operations Service are also supported by the Service Improvement Team to deliver overarching actions and initiatives to support good practice and adherence to regulatory standards.

Corporate & Service Level Projects (Service wide or cross cutting projects) - Multi-year

Outcome 1. The service is financially robust with at least £2m reserve.								
Corporate Priority: A financially sound Waverley, with infrastructure and resilient services fit for the future / effective strategic planning and development management which supports the planning and infrastructure needs of local communities								
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action	D/S*	Success is measured / demonstrated by
SP22/25HO1.1	Lead an annual review of Housing Revenue Account (HRA) Business Plan to ensure the service is able to deliver its objectives of investment and growth and is financially sound.	Within the existing budgets and resources	01/09/2020 01/09/2022	01/11/2022 01/11/2022	Head of Housing Operations (HW)	Reduction in service and investment.	S	Balanced HRA funding services to meet tenants needs
SP22/25HO1.2	Publish and implement a "New Asset Management Strategy" to ensure a prudent, energy efficient, planned approach to repair, maintain and improve homes and communal areas. The strategy will help deliver the Council's target to be carbon neutral by 2030.	Within the existing budgets and resources	01/01/19	01/06/22	Strategic Asset Manager (PD)	Poorly maintained homes. Breaching home safety legislation, failing Regulator of Social Housing standards, risk to health of residents and reputation, failure to contribute to carbon neutrality	S	Published AMS and works meeting target
SP22/25HO1.3	Annual review of Value for Money to ensure optimal benefit is derived from resources and assets.	Within the existing budgets and resources	01/04/20	31/10/2022	All Managers	Reduction in service delivery, new and current home investment. Failure to reduce carbon emissions.	S	upper quartile performance in Housemark benchmarking report

Outcome 2. The service meets the needs of all tenants and their families. (including Communications)								
Corporate Priority: Open, democratic and participative governance / effective strategic planning and development management which supports the planning and infrastructure needs of local communities / a sense of responsibility by all for our environment, promoting biodiversity, championing the green economy and protecting our planet								
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action	D/S*	Success is measured / demonstrated by
SP22/25HO2.1	Review and embed "Regulatory Consumer Standards" with tenants and Members to assess service and areas for improvement to inform the service improvement plan.	Within the existing budgets and resources	01/10/20	31/03/2023	Service Improvement Manager (AH)	Regulatory investigation into failing service.	S	self assessment against regulator standards with evidence and action plan
SP22/25HO2.2	Work with tenants and tenant representatives to manage the current financial position (with increasing fuel costs, removal of UC uplift, end of furlough, inflation)and the 2022 rent increase in a sensitive and proactive way, to maintain rent collection rate.	Within the existing budgets and resources	01/04/2022	31/12/2022	Rent Accounts Manager (DH)	Reduced income collection, financial hardship inc fuel poverty.	S	maintain rent collection at 99%
SP22/25HO2.3	Implement the "Tenant Involvement Strategy" to embed a culture of consistent and meaningful tenant involvement in services. To ensure residents voices are heard and responded to. (STAR 2023)	Within the existing budgets and resources	01/04/21	31/03/22	Service Improvement Manager (AH)	Fail to meet tenants needs.	S	increased number of tenant volunteers and increase in satisfaction at STAR 2023
SP22/25HO2.4	All teams to review communications with residents to build trusted relationship between tenants and landlord, share good practice and increase satisfaction (STAR	Within the existing budgets and resources	01/04/22	30/03/25	Service Improvement Manager (AH)	fail to meet tenants needs, poor service delivery	S	increase in satisfaction at STAR 2023
SP22/25HO2.5	Reintroduce and embed transactional Responsive Repairs survey to gain live data and resolve issues promptly to improve service delivery.	Within the existing budgets and resources	01/04/22	30/06/22	Housing Operations Manager (HR)	fail to meet tenants needs, poor service delivery	S	monthly responsive repair feedback reports and increase in satisfaction
SP22/25HO2.6	Review and implement governance arrangements to demonstrate compliance to Regulatory Standards and Charter for Social Housing Residents	Within the existing budgets and resources	01/04/22	31/03/23	Service Improvement Manager (AH)	fail to meet tenants needs, poor service delivery, Regulatory investigation into failing service	S	successful implementation of Landlord Service Advisory Board
SP22/25HO2.7	To lead annual senior living tenants consultation to assess service delivery, residents needs and improvements.	Within the existing budgets and resources	01/04/22	30/03/23	Senior Living and Careline Manager (DB)	Fail to meet tenants needs.	S	increase in satisfaction at STAR 2023
SP22/25HO2.8	Work with tenants and tenant representatives to ensure safety of homes and improve tenants satisfaction (STAR 2023)	Within the existing budgets and resources	01/04/22	30/03/23	Housing Operations Manager (HR)	fail to meet tenants needs, poor service delivery, Regulatory investigation into failing service	S	increase in satisfaction at STAR 2023

Outcome 3. Our people will be skilled and professional to put residents at the heart of everything we do (50% with professional qualification by 2023).								
Corporate Priority: Open, democratic and participative governance / high quality public services accessible for all								
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action	D/S*	Success is measured / demonstrated by
SP22/25HO3.1	Be active partner with Chartered Institute of Housing as a Gold Standard Corporate Partner to ensure access and information for staff development - annual review.	£20k training	01/04/19	31/03/24	Service Improvement Manager (AH)	Poor service delivery.	D	increase in satisfaction at STAR 2023 and staff engagement survey
SP22/25HO3.2	Develop and retain qualified staff to deliver the service objectives and professional standards.	£20k training	01/04/19	31/03/24	Head of Housing Operations (HW)	Poor service delivery.	D	increase in satisfaction at STAR 2023 and staff engagement survey
SP22/25HO3.3	Regular review of staffing resources to add capacity and resilience to ensure professional service delivery, succession planning and health and wellbeing of team	Within the existing budgets and resources	01/04/22	30/10/23	Head of Housing Operations (HW)	Poor service delivery.	D	increase in satisfaction at STAR 2023 and staff engagement survey
SP22/25HO3.4	Appraise Hybrid working arrangements against performance targets	Within the existing budgets and resources	01/05/22	30/09/22	Service Improvement Manager (AH)	Poor service delivery.	D	increase in satisfaction at STAR 2023 and staff engagement survey
SP22/25HO3.5	Assess internal communications between teams and services to ensure staff connected in hybrid environment and positive in staff survey (2022/23)	Within the existing budgets and resources	01/04/22	30/03/23	Service Improvement Manager (AH)	Poor service delivery.	D	increase in satisfaction at STAR 2023 and staff engagement survey

SP22/25HO3.6	Develop template person specification to reflect the expected attributes of a housing professional across the service	Within the existing budgets and resources	01/04/22	30/03/23	Service Improvement Manager (AH)	Poor service delivery.	D	new template for jobs advertised 2023
SP22/25HO3.7	To review and embed accurate record keeping to improve service delivery and satisfaction with service (STAR 2023)	Within the existing budgets and resources	01/04/22	30/03/23	Head of Housing Operations (HW)	Poor service delivery.	D	increase in satisfaction at STAR 2023

Outcome 4. Delivering high quality public service with partners and be recognised as an effective partner within the community by attaining nominations, publishing case studies and participating in joint

Corporate Priority: Open, democratic and participative governance / high quality public services accessible for all / effective strategic planning and development management which supports the planning and infrastructure needs of local communities

Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action	D/S*	Success is measured / demonstrated by
SP22/25HO4.1	To maintain effective partnerships to support Community Safety, good neighbourhoods and communities resulting in council housing tenants feeling safe in their neighbourhood (STAR 2023 question).	Within the existing budgets and resources	01/04/20	30/09/2023	Housing Manager (LD) and Senior Living and Careline Manager (DB)	Poor service delivery.	S	increase in satisfaction at STAR 2023
SP22/25HO4.2	Work with Partners to seek opportunities to promote health and wellbeing and address health inequalities. All staff to attend Safeguarding and Mental Health training to support residents in accessing support to live best life.	Within the existing budgets and resources	01/04/20	31/12/2021 31/12/2022	Service Improvement Manager (AH)	Reputational damage with partners.	D	Promote at least two initiatives through staff training and/or tenants newsletter
SP22/25HO4.3	To maintain and develop professional relationships with statutory agencies to support and signpost tenants appropriately with Safeguarding, ASB, mental health and domestic abuse cases.	Within the existing budgets and resources	01/04/21	31/03/23	Housing Manager (LD) and Senior Living and Careline Manager (DB)	Fail to meet tenants needs. Failure to adhere to residents charter or regulatory code	S	Attend at least three statutory agency partnership groups and maintain signposting records
SP22/25HO4.4	To develop Housing Procurement Strategy to be responsive to market and agile in procurement to build successful long term contractor partnerships.	Within the existing budgets and resources	01/04/22	30/03/23	Strategic Asset Manager (PD) and Housing Operations Manager (HR)	Reputational damage with partners. Poor service delivery.	S	Publish strategy

Outcome 5. The customer experience will be improved by meeting and exceeding satisfaction targets annually.

Corporate Priority: High quality public services accessible for all / effective strategic planning and development management which supports the planning and infrastructure needs of local communities

Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action	D/S*	Success is measured / demonstrated by
SP22/25HO5.1	Implement new Responsive repairs and Voids contract to meet key service performance indicators with strong contract management and to delivery higher tenant satisfaction.	Within the existing budgets and resources	01/05/20	30/10/21	Operations Manager (HR)	Decreased tenant satisfaction.	S	new contractor mobilised 1 April 2022, series of contract managment meetings and increase in KPIs
SP22/25HO5.2	Continue review programme for policies, to reflect good practice and legislative changes and to support the Council's target to be carbon neutral by 2030.	Within the existing budgets and resources	01/04/20	01/04/23	Service Improvement Manager (AH)	Risk of legal challenge.	S	up to date policy docuemtns
SP22/25HO5.3	Ongoing development of corporate website and digital services to increase range of means to access services. ?Review housing management database to assess fitness for future.?	£50k	01/01/20	31/03/22	Service Improvement Manager (AH)	Decreased tenant satisfaction.	S	increase in traffic to website and increase in satisfaction at STAR 2023

SP22/25HO5.4	Complete contract procurement for Compliance services (asbestos, water hygiene, fire doors and commercial gas) and capital works framework contract.	Within the existing budgets and resources	01/04/20	31/03/22	Operations Manager (HR)	Non-compliance with H&S legislation.	S	new contracts mobilised on project timescales
SP22/25HO5.5	Review and refine performance management processes to ensure service has a strong control environment to allow risks to be identified and managed. Changes in external environment are responded to as and when required.	Within the existing budgets and resources	01/04/20	31/03/22	Service Improvement Manager (AH)	Decreased tenant satisfaction.	S	publish performance management information at Landlord Services Advisory Board and online
SP22/25HO5.6	Progress Health and Safety Compliance Programme and complete a tenant communications review and commence satisfaction monitoring - provide quarterly reports	Within the existing budgets and resources	01/04/22	30/03/23	Compliance Manager (PH) and Service Improvement Manager (AH)	Risk of legal challenge.	S	tenant engagement in review and increase in satisfaction at STAR 2023
SP22/25HO5.7	Further analysis of most unsatisfied tenants from STAR survey by age and property type to identify improvement programmes	Within the existing budgets and resources	01/10/21	30/03/22	Service Improvement Manager (AH)	Decreased tenant satisfaction.	S	increase in satisfaction at STAR 2023
SP22/25HO5.8	Service Managers deliver improvement programmes as identified through STAR analysis to provide quarterly reports	Within the existing budgets and resources	01/04/22	31/03/23	tba	Decreased tenant satisfaction.	S	increase in satisfaction at STAR 2023

Service Plan 2022-2025 (rolling 3 years)		Head of Service:	Andrew Smith
		Strategic Director:	Annie Righton
Service:	Housing Delivery and Communities	Portfolio Holders:	Cllr Paul Rivers and Cllr Nick Palmer

This Service Plan is a rolling three year programme of both business as usual and project activity. It is reviewed annually to ensure it is consistent with and reflects the Council's priorities and the medium term financial plan. It has also been prepared within the context of the Covid pandemic which has had an impact on the timing of some projects due to staffing and resourcing implications. From time to time Service Plans will also be subject to review by councillors and officers as a result of the need to reprioritise resources to react to changing circumstances or opportunities. Their progress is monitored on quarterly basis as part of the Corporate Performance Report reviewed by Senior Management Team, O&S Committees and Executive. The delivery progress is monitored on quarterly basis as part of the Corporate Performance Report reviewed by Senior Management Team, O&S Committees and Executive.

Service Profile		
Housing Delivery and Communities Service consists of six teams including:		
<ul style="list-style-type: none"> • Housing Development Team - Identifies opportunities for increasing the supply of council homes, manages the new-build and stock remodelling programmes. (Monitored through the Corporate performance indicators: P6, P7, H10). • Service Improvement Team - Develops policies and procedures, manages performance data, the housing management database, implements service improvements and delivers specialist projects including tenant involvement activities. Note: actions and outputs for this team are set out in the Housing Operations Service Plan, as they relate to landlord services. 		
Service Team: Housing Development	Team Leader: Louisa Blundell	
Ongoing Service Delivery - reviewed annually		

Outcome 7	Deliver new affordable homes: increase delivery of well designed, well-built affordable housing.							
	Corporate Priority: Good quality housing for all income levels and age groups; Improving the health and wellbeing of our residents and communities							
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action	D/S*	Success is measured / demonstrated by
SP22/25 HDC7.4	Develop 60 new Council homes over the Service Plan period. New homes will all meet criteria specified in Waverley New Build Design Standards (adopted September 2021). Deliver four new build schemes in Chiddingfold, two schemes in Churt and one in Godalming to start on site Summer 2021 and other sites as agreed, including proposals for Elstead, Farnham (Joseph Ewart Trust) and Ewhurst.	Budgets to be agreed by Executive	01/04/22	31/03/25	Housing Development Manager	Low level of affordable housing delivery, increased numbers on Housing Register, increased homelessness., but also impact on Council's reputation and failure to deliver new build programme.	D	Homes described in the actions/outputs column are delivered.

SP22/25 HDC7.6	Dramatically reduce carbon footprint of all new homes through construction, energy consumption and overall management following the adoption of the Climate Emergency motion, which sets out the council's aim to become carbon-neutral by 2030. Carbon neutral new build homes will form part of the detailed action plan currently being prepared, which will set out key actions and identify milestones to achieving the target. Homes will be net zero in operation.	Increased construction costs: currently estimated at between 9-15% per unit.	01/04/22	31/03/25	Housing Development Manager	Failure to deliver new build programme that reduces carbon footprint; unlikely to achieve planning consent if new schemes do not achieve Council objectives on climate change.	D	Homes are delivered that meet Design Standards adopted by the Council in July 2021.
SP22/25 HDC7.7	Deliver Ockford Ridge new build and refurbishment: Site B: handover Spring 2022 Site C: Demolition completed; start on site Spring 2022 Sites E & F: These sites are progressing with investigation and concept designs prepared. Applications to be submitted Summer 2022 (Note: build rates may vary from timetable and annual Service Plan reviews will reflect this) Next phase of refurbishments: out to tender for 7 homes	Budgets agreed or to be agreed by Executive	01/04/22	31/03/25	Head of Housing Delivery & Communities/Housing Development Manager	As HDC7.3, but also impact on Council's reputation and failure to deliver new build programme.	D	Homes described in the actions/outputs column are delivered.
SP22/25 HDC7.8	Seek opportunities in targeted locations to address shortages and actively bid for affordable homes under 106 Agreement with developers: In contract with Brookworth Homes for homes in Ewhurst Several further schemes (around 50 units) in contract by end of Plan period (31/03/2025).	Budgets for new schemes to be agreed by Executive	01/04/22	31/03/25	Housing Development Manager	Lower level of affordable homes delivered; failure to gain new homes through 106 pipeline.	D	Homes delivered under S106 as described in actions/outputs column; schemes referred to completed during Service Plan period.
SP22/25 HDC7.9	Expand new build shared ownership, particularly through acquisition under 106 Agreements with developers.	Agree budgets	01/04/20	31/03/24	Housing Development Manager	Failure to broaden Council's affordable housing offer and utilise cross-subsidy for rented units.	D	Shared Ownership homes delivered, marketed and sold; correct mix established on each scheme to ensure wider offer and sufficient cross-subsidy for rented homes.

Corporate compliance

Outcomes.	Standing Corporate Compliance Actions are achieved							
Corporate Priority: ALL								
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action	D/S*	Success is measured / demonstrated by
SP22/25 HO 6.1 and HDC13.1	All Performance Agreement Meetings are completed by the target date, staff targets are set and L&D identified.	Within the existing budget, support of HR Team needed	March	May	Head of Service	Staff performance and personal development is compromised and morale affected.	D	Objective achieved
SP22/25 HO6.3 and HDC13.3	Complete budget preparation in line with agreed timetable.	Within existing budgets, support of Finance Team needed	August	January	Head of Service	Legal obligations are jeopardised.	D	Budget adopted by Full Council.
SP22/25 HO6.4 and HDC13.4	The Corporate Risk Register is reviewed and updated quarterly in accordance with the agreed timetable.	Dependent on outcome of review, support from the Procurement Officer	Quarterly		Head of Service	Risk Register is not kept up to date and risks are not identified sufficiently to protect the	S	HoS has updated the register
SP22/25 HO6.5 and HDC13.5	Internal Audit Recommendations are actioned in line with agreed timescales.	Within existing budgets, support from the Internal Audit Manager	Ongoing		Head of Service	Organisation is put at risk.	D	no outstanding recommendations
SP22/25 HO6.6 and HDC13.6	Annual Review of Employee Risk Assessments.	Within existing budgets, support from Emergency	April	July	Head of Service	Employees' health is potentially put at risk and the organisation	S	All employees to have completed their relevant risk

SP22/25 HO6.7 andHDC13.7	Annual Business Continuity Plans Review.	Within existing budgets, support from Emergency Planning Officer	January	February	Head of Service	Unable to provide vital services in an emergency situation.	S	Each Service to review their business continuity plan annually. Measured by annual test of plans against most likely business continuity events
SP22/25 HO 6.8 and HDC13.8	Make sure that Accessibility regulations are adhered to – ensure all documents that appear on the Waverley website (owned by the service) are created in an accessible format and make available accessibility training to staff where appropriate. Make sure that Equality Impact Assessments are carried out by teams as appropriate.	Within existing budgets, support from Corporate Equality Group	Ongoing		Head of Service	Visually impaired website readers will be excluded from accessing documents. Failure to comply with the legislation puts the organisation at risk of being fined.	S	All documents published on our website to be accessible - checked quarterly by Website Team
SP22/25 HO6.9 and HDC13.9	HoS to ensure that all staff within the service are aware of the current Safeguarding Policy for Children and Adults-updated2020.docx process and procedures including the Safeguarding referral process and that any issues are dealt with in a prompt manner. Where required make sure that key members of staff complete appropriate training recommended by Waverley's Safeguarding Board.	Within existing budgets, support from Safeguarding Board	Ongoing		Head of Service	Failure to discharge our responsibility under the Care Act 2014 and Children Act 2004, and potentially putting lives and wellbeing of our residents and staff at risk.	S	Safeguarding Policy regularly refreshed and updated; staff and members know how to make a safeguarding referral to Surrey County Council's Children and Adult Services Training programme implemented and rolled out to all staff and members.
SP22/25 HO 6.10 and HDC13.10	Information management - data is deleted in accordance with the data retention schedule.	Within existing budgets, support from Data Protection Officer and Information Governance representatives	Ongoing		Head of Service	Failure to comply with the legislation puts the organisation at risk of being fined. Over retention of information is costly in terms of storage and access.	S	The teams can demonstrate that data outside of the retention period gets logged and safely disposed off

WAVERLEY BOROUGH COUNCIL

LANDLORD SERVICES ADVISORY BOARD

28 JANUARY 2022

Title:

**Housing Revenue Account Business Plan –
Revenue Budget and Capital Programme 2022/23**

Portfolio Holder(s): Co-Portfolio Holders for Housing Paul Rivers and Nick Palmer

Head of Service: Hugh Wagstaff, Head of Housing Operations

Key decision: Yes

Access: Public

1. Purpose and summary

The purpose of the report is for the Landlord Services Advisory Board to scrutinise the draft Housing Revenue Account Business Plan – Revenue Budget and Capital programme 2022/23 and pass comments to the Executive ahead of its meeting on 8 February.

2. Recommendation

It is recommended that the Landlord Services Advisory Board make comments to the Executive on the proposed recommendations that:

- i** the rent level for Council dwellings be increased by a maximum of 4.10% from the 2021/22 level with effect from 1 April 2022 within the permitted guidelines contained within the Government's rent setting policy;
- ii** 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 2022;
- iii** the service charges in senior living accommodation be increased by 30 pence per week from 1 April 2022 to £20.10;
- iv** the recharge for energy costs in senior living accommodation be increased by 50 pence per week from 1 April 2022;
- v** the revised HRA Business Plan for 2022/23 to 2025/26 as set out in Annexe 1 be approved;
- vi** the fees and charges as set out in Annexe 2 be approved:

vii the Housing Revenue Account Capital Programmes as shown in Annexe 3 and Annexe 4 be approved;

viii the financing of the capital programmes be approved in line with the resources shown in Annexe 5: and

ix a strategic review will be undertaken on the 30-year HRA Business Plan in line with the content of this report during 2022/23.

3. Reason for the recommendation

To provide the resources to fund Waverley Borough Council's Landlord Services management operations, maintenance programme and building new affordable homes.

4. Background

4.1 This report outlines the annual update of the self-financing and financial sustainability review of the HRA 30-year Business Plan, the Revenue Budget for 2022/23 including the Capital and New Build Programmes.

Business Plan Summary

4.2 The HRA is a separate account for the landlord costs and income for council dwellings, which is ringfenced as per statute. The Business Plan sets out the financial plan for this HRA account, consisting of income, mainly from rent, and the operational and financing costs of managing and developing the housing stock to meet the Council's obligations to its housing tenants. The latest projection for the Business Plan for the four years commencing 2022/23, is attached at Annexe 1.

4.3 In 2012 the Council was required by central government to take out a mortgage to buy out of the national rent subsidy system and become a wholly self-financing landlord account. A 30-year business plan was set in 2012/13 to support the self-financing and repay that debt over a period of 25 years, with principal repayments beginning in year six (2017/18). This enabled a build-up of reserves to start a Stock Remodelling budget and a New Affordable Homes building programme to support the replacement of stock lost through Right to Buy and meet the growing demand for affordable housing in the borough.

4.4 The 30-year Business Plan assumed that operating costs would remain stable with the primary risk being the ability to match cost base inflation with rent increases. This assumption enabled the provision of significant funding to support an ambitious new build and stock maintenance programme whilst mitigating the risk of any financial impact resulting from moderate shocks such as an emerging stock condition/maintenance/contractor issue if one was to arise.

- 4.5 Since the strategy in the Business Plan was set in 2012 the government has changed its rent policy initially by reducing rents by a real 1% each year for four years from 2016 and then allowing an average weekly rent increase but capped at previous September CPI plus 1% for five years from April 2020. Projecting forward, the rent reduction had a significant negative impact on the funding assumed in the original Business Plan, specifically the long-term new build programme. Recognising this impact, the government has lifted the borrowing cap (limited to the buy-out debt value £193 million) on the HRA to encourage and accelerate a new home building programme.
- 4.6 The Business Plan has also seen disruption due to the Covid 19 pandemic, contractor issues and global supply chain shortages driving up inflation. The effect of these can be seen in the expenditure section of the Business Plan, and specifically the significant increase in the responsive maintenance and the core capital programme in 2022/23 onwards and increased tender costs in the new build programme schemes.
- 4.7 The net effect of these changes has resulted in a drawdown of the working balance from 2022/23 onwards to support the housing operation. Beyond 2025/26 this draw down is clearly not sustainable and will require a strategic review of the Business Plan during 2022/23 to rebalance priorities and strategies to address stock maintenance, climate emergency and new build requirements and aspirations. The Council adopted new Design Standards in July 2021 to develop new council homes that are low carbon in operation and the Council is developing an Asset Management Strategy to help ensure homes are kept to a good standard and to improve the energy efficiency of current homes thus cutting carbon emissions.
- 4.8 Within the current Business Plan, in the longer term beyond 2035, the mortgage will be fully repaid freeing up significant funding. This funding is required now to meet current demands and corporate priorities and the challenge for the strategic review of the current Business Plan is to identify where it is appropriate to support spending/investment plans with borrowing to free up revenue and avoid creating a long-term debt trap legacy.
- 4.9 The revised Business Plan will need to be informed by a full stock condition survey; the Business Plan includes £300,000 within the Core Capital programme (Annexe 3) to expedite the survey. In line with the revised Capital and Asset Investment Strategies, the scope of the stock condition survey will include a strategic review of stock to assist with identifying stock appropriate for regeneration under the new build programme rather than major component replacement and retrofitting of carbon neutral systems. This will enable the climate change carbon neutral considerations to be incorporated with an appropriate mix of regeneration, new build on council owned land and retrofit. Once further information on requirements and energy efficiency works delivery plans are in place, budgets will be reintroduced in future years.

4.10 A long-term new build programme that relies entirely upon reserve funding is challenging within the current business plan. To alleviate the reserve pressures, a financial viability review of the current schemes in progress (Annexe 4) will be appropriate to identify where borrowing can be utilised to free up the committed New Homes reserves (currently £31.9 million). In addition to stock regeneration, a longer-term programme will require a strategy including land banking funded from reserves and grants and rely upon borrowing to fund the build out. This recognises that a significant proportion of the cost of new build is the land. Affordable rents present financial viability challenges to cover the cost of borrowing, management, and maintenance when the cost of land as well as the build costs are debt funded net of available capital receipts and grants. The new build strategy will also need to consider development of mixed-use affordable rent schemes to cross subsidise, to ensure new homes are genuinely affordable to those in housing need. Careful consideration and attention will have to be given to the Affordable Homes Delivery Strategy cap on Affordable rent impact on financial viability where borrowing is being considered, particularly when the cost of borrowing is expected to increase in the medium to long term.

4.11 The working balance draw down in the Business Plan has been mitigated by the removal of the New Build (affordable housing) contributions. The current programme is adequately funded from the current New Build reserve balance and the Capital Receipts reserve (Annexe 4). The 5-year rent cap increase will also help to minimise the impact of the draw down of the working balance over the next four years, although the Business Plan includes a total 3% per year increase assumption from 2023/24. Mitigation of inflationary pressures is key to ensuring the resources remain adequate.

Revenue Budget

4.12 The Net Dwelling Rent income in Annexe 1 has been marginally impacted by the Covid-19 pandemic with rent arrears increasing in total value by c.£50k since the beginning of the pandemic and remains below the 1% (of £30 million) assumed level of arrears factored into the Business Plan. The 2021/22 net dwelling rent forecast in Annexe 1 includes a budget correction (for void and Right to Buy assumptions) which masks the true performance. Detailed monitoring of the rent collection statistics reported in the quarterly Corporate Performance Report shows that the number of tenants with arrears has not significantly increased and not in proportion to the increase in number of tenants seeking rent support through Universal Credit and Housing Benefit.

4.13 The table below shows the rent collection position as of December 2021 compared to December 2020, the number of tenants in arrears has increased by 39 with a total value of £32k.

Data as at:	December 2021		December 2020		Change	
	#	£ value	#	£ value	#	£ value
Occupied Properties	4,752	29,156,900	4,744	28,565,701	8	591,199

Paying in advance	3,804	884,894	3,835	827,322	(31)	57,572
In arrears	948	288,378	909	256,354	39	32,024

4.14 The majority of the 948 cases in arrears are in effect tenants who pay weekly/monthly in arrears, as can be seen in the table below shaded yellow and the average arrears equate to a week's rent. The fact that these arrears are in a steady state indicates that they are predominantly reflecting tenants monthly cash flow cycle and not indicative of financial hardship.

Arrears as of Sunday 5 December 2021				
Bandings (£)	No. of cases in arrears	Value of debt (£)	% of arrears cases	Average arrears £
0.01 – 100.00	507	17,573	53.48	35
101.00 – 250.00	147	24,686	15.51	168
251.00 – 500.00	145	50,952	15.3	351
500.00 – 1,000.00	98	69,533	10.33	710
1,000.00 – 2,000.00	37	54,721	3.9	1,479
2,000.00 – 3,000.00	4	9,865	0.42	2,466
3,000.00 +	10	61,047	1.05	6,105
Totals	948	288,378		

4.15 The number of tenants claiming Universal Credit(UC) has increased since March 2020 from 454 to 1,077 in December 2021, an increase of 623. Of the total UC claimants 736 are paying rent in advance of due date (£220,563) and 341 are in arrears (part of the 948 in the table above) as can be seen in the table below. Rent received from tenants claiming UC tends to be timed to coincide with their receipt of UC payment and not aligned to the rent due dates, as indicated by the significant number of rent receipts in advance of due date, therefore payment timings will contribute to the arrears picture.

Universal Credit arrears as of Sunday 5 December 2021				
Bandings	No. of arrears cases	Value of debt (£)	% of UC arrears cases	Average arrears £
£0.01 – £100	95	4,437	27.86	47
£100.01 - £250	72	11,886	21.11	165
250.01 - £500	85	30,342	24.93	357
£500.01 - £1000	54	39,749	15.84	736
£1000.01 - £2000	26	38,980	7.62	1,499
£2000.01 - £3000	3	7,356	0.88	2,452
£3000.1 and over	6	27,716	1.76	4,619
Total	341	160,465		

- 4.16 The financial performance of the rent income collection reflects the success of the Rents Team working with tenants to prepare for changes in income as the safety net of furlough came to an end and universal credit (UC) uplifts were removed in September. There is capacity and skill within the team to monitor all channels of hardship information within the tenant base, including access to food banks and support agencies. The team have been reaching out proactively to tenants to encourage and assist them to access and seek all appropriate assistance at an early stage, including council tax support.
- 4.17 In addition to the impact of Covid 19 on tenants' income the increase in inflation, cost of living, cost of energy and fuel has become an added pressure. The business plan now includes a hardship fund for 2022/23 to assist with mitigating the impact of the necessary rent increase. One use of the hardship fund will be to bridge the gap in rent arrears during the UC waiting period where there is financial hardship and tenant engagement and assist where tenants are out of reach of rent assistance. It is difficult to predict the demand on the Hardship Fund and therefore it will be monitored closely during the year to enable an adjustment as soon as necessary.
- 4.18 Expenditure budgets over the last two years have been significantly impacted by the pandemic and contractor issues. There has been lower spend on the core programme and stock maintenance due to tenants isolating and work from home restrictions. Lockdown measures also initially resulted in a slower turnaround of void properties and maintenance budgets were diverted to expedite planned works in void properties. The void situation has now improved back towards the budgeted level of 1% and the Business Plan assumes this will continue.

Rents

- 4.19 The government has allowed an average weekly rent increase capped at previous September CPI plus 1% for 5 years from April 2020. Financial year 2022/23 will be the third of five years when the additional 1% is available as an option. Being mindful of the additional cost burden a rent increase has on tenants, the Council also has a responsibility to ensure the landlord account is financial sustainable and that an appropriate level of capital investment is made in existing and new stock, therefore, it is proposed that from April 2022/23 average weekly rents will be increased by 4.1% (CPI as of September 2021 was 3.1%).
- 4.20 The Business Plan assumes that CPI will settle down and rents will increase by 3% in 2024/25 onward. It is important to note that 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 rent strategy will be reviewed in detail next year as part of the strategic review.

4.21 The table below shows the impact of uplifting rents by 1%, 3% and the proposed 4.10%. The proposed rent increase at 4.10% equates on average to £1.61 per week.

Rent Increase:	1%	3%	4.10%
2021-22 Forecast outturn	29,156,900	29,156,900	29,156,900
Less: Shared ownership	202,376	202,376	202,376
2021-22 Rent Roll (excluding Shared ownership)	28,954,524	28,954,524	28,954,524
Less: RTBs /Demolitions: net loss of 35 units	213,844	213,844	213,844
Rent Roll adjusted for RTBs /Demolitions	28,740,680	28,740,680	28,740,680
Rent Increase 1%, 3%, 4.1%	287,407	862,220	1,178,368
Rent Roll including rent increase	29,028,086	29,602,900	29,919,048
Add: Reverting to 1% voids from 1.33%	95,793	97,690	98,733
Add: Shared ownership	202,376	202,376	202,376
2022-23 Dwelling income budget	29,326,255	29,902,966	30,220,156
2021-22 Dwelling income forecast	29,156,900	29,156,900	29,156,900
Increase from 2021-22 budget	169,355	746,066	1,063,256

4.22 The table below indicates the current average social housing weekly rent and impact of an increase by each of the scenarios i.e. 1%, 3%, 4.10%, by number of bedrooms.

Bedrooms	Average 2021 Weekly Rent	Average 2021 Weekly Rent plus 1%	Average 2021 Weekly Rent plus 3%	Average 2021 Weekly Rent plus 4.1%
		1%	3%	4.10%
1	101.6	102.62	104.65	105.77
2	121.33	122.54	124.97	126.30
3	137.18	138.55	141.30	142.80
4	150.48	151.98	154.99	156.65
5	163.46	165.09	168.36	170.16
6	174.31	176.05	179.54	181.46

4.23 It is proposed that the weekly garage rents increase by 50 pence per week. Increased average standard rents will be £15.68 (£18.82 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 £20.10 in 2022/23. 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 during 2022/23.

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, Other Income line, representing less than 0.25% of total income to the HRA p.a. The main source of the fees derives from repairs to leasehold buildings.

Draft 2022/23 Capital Programme

4.26 The draft Capital Programmes at Annexe 3 shows the proposals estimated to be spent in 2022/23 and the following years on both of the two elements to the capital programme. Last year it was identified that there is a need to improve the data used to set priorities and programmes of work through a renewed stock condition survey. The proposed capital programme schedule will be realigned to emerging priorities identified from the revised stock condition survey and strategic review of the Business Plan.

4.27 The effect of the pandemic and subsequent lockdown measures has been mentioned already in this report and there is uncertainty about how this will affect programme delivery in 2022/23. In addition to this, contract management has proved to be somewhat challenging throughout this year.

4.28 There is a continued drive towards increasing energy efficiency through several different measures including programmes targeting further solar PV installations, loft insulation and heating upgrades.

4.29 In terms of ensuring compliance, there will be a focus on addressing the priorities identified from the current Fire Risk Assessment surveys and moving from a 10 year to a 5-year electrical testing regime.

4.30 The Business Plan includes a programme to develop and also acquire new affordable homes under Section 106 (s106) agreements. A full list of approved schemes currently underway and the total funding commitment is included on Annexe 4-New Build Programme. There is currently £31.9 million of committed schemes in progress and several schemes being worked up within the Pre-development Expenditure budget that will be brought forward at the appropriate time in line with the governance requirements of the revised Capital and Asset Investment Strategies. The current inflationary environment is impacting upon the new build programme's committed schemes where works tender returns are indicating significant cost pressures. Cost pressures outside of existing contingencies will trigger project viability reappraisal and identify appropriate mitigations and authority before proceeding, in line with the Capital Strategy governance requirements.

- 4.31 Annexe 4 also includes within the Stock Remodelling section a proposed retrofit pilot of 7 existing homes. The intention of the pilot is to learn how to retrofit properties to achieve an EPC A or near A-rating, This will involve a range of measures which include removal of fossil fuelled gas boilers, the use of renewable energy sources (air source heat pumps and PV's) and reduction of the overall heat demand through the provision of external insulation, internal floor and roof insulation and modern A+ rated double glazed windows. The retrofit will also include some internal reconfiguration, provision of a new kitchen and bathroom and electric vehicle charging point where properties have off-street parking.
- 4.32 Annexe 3 - HRA Core Programme includes a budget of £1m for Wyatts Close, which consists of 32 one bed bungalows where Waverley is the leaseholder of the land. These leases are close to expiring and to secure the long-term future for the current tenants, a legal process to enfranchise and acquire the freehold titles for these properties is in progress. The budget is estimated based upon the cost of acquiring the freehold based on a current estimated valuation and the related specialist legal advice/costs.
- 4.33 Right to Buy receipts can currently fund no more than 40% of the cost of a replacement home (whether through acquisition or new build) within 3 years of receipt and the council must find additional funding for the remaining 60%. The time limited restricted receipts forecast over the next four years are shown on annexe 4: Restricted 1-4-1 RTB – 3-year limit. To avoid clawback the 2025/26 balance equates to £8m gross expenditure. The strategic review will include a 'RTB clawback avoidance plan' –projecting 5 years ahead showing how much spend is required to avoid clawback and how this compares to the capital programme, with sensitivity analysis showing how slippage and or higher numbers of RTBs could put this at risk.

Local Government Act 2003 – Financial Administration

- 4.34 The Local Government Act 2003 formally introduced several specific sections covering:
- Budget calculations, report on robustness of estimates,
 - Adequacy of reserves and
 - Budget monitoring
- 4.35 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.
- 4.36 The Council's HRA Business 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.

4.37 In view of the level of awareness amongst Members and the action taken to produce the Council's budget in 2022/23, the S.151 Officer is satisfied with the robustness of the estimates presented.

4.38 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. Annex 5 shows the schedule of HRA balances and reserves. A full strategic review of the business Plan will be undertaken during 2022/23 in line with information within this report.

4.39 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 2021/22 shows that the HRA is staying within budget on capital and revenue overall.

Conclusion

4.40 The team has completed a comprehensive annual 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)

All decisions made with regard to the budget will impact on Waverley's resources.

6.2 Risk management

Risks inherent with the delivery of a sustainable Business Plan have been identified along with appropriate solutions within the report.

6.3 Legal

Section 24 of the Housing Act 1985 provides that a local authority may make such reasonable charges as they determine for the tenancy or occupation of their houses. The Council must review rents from time to time and make such charges as circumstances require.

Under Section 74 of the Local Government and Housing Act 1989, the Council is obliged to maintain a separate Housing Revenue Account and by Section 76 must prevent a debit balance on that account. Rents must therefore be set to avoid such a debit and the Council must set a balanced HRA budget.

6.5 Climate emergency declaration

6.5.1 The New Build contribution to the Council's environmental and sustainability objectives includes working with consultants to develop climate positive design and developing carbon off-set opportunities in materials used in construction

6.5.2 The 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.

6.5.3 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.

6.5.4 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.

6.5.5 Contractors are required to demonstrate areas of innovation that they have developed, or suggest products and advise how they might be used in projects delivered 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

6.5.6 The Waverley Borough Council Housing Design Standards were reviewed by the Housing Overview and Scrutiny Working Group and the resulting recommendations were formally adopted by the Executive in September 2021. The focus of the review was on opportunities and methods of delivery of carbon neutral / Passivhaus homes and value for money.

6.5.7 The development team work 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.

6.5.8 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 Landlord Services Advisory Board have been consulted on this paper prior to Policy Overview and Scrutiny committee. The Policy Overview and Scrutiny Committee will scrutinise the draft HRA Business Plan and budget at their meeting on 24 January.

8. Other options considered

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

9. Governance journey

Landlord Services Advisory Board on 10 January and Policy Overview and Scrutiny 25 January 2022, Executive and Council 22 February 2022.

Annexes:

Annexe 1 – HRA Business Plan 2022/23 to 2025/26

Annexe 2 – Housing Services Schedule of fees and charges 2022/23

Annexe 3 – HRA Core Programme 2022/23 to 2025/26

Annexe 4 – HRA Housing Development Capital Programme 2022/23 to 2025/26

Annexe 5 – HRA Reserves 2022/23 to 2025/26

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: 13 January 2022
Strategic Director: 14 January 2022

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Annexe 1	Outturn	Opening Budget	Forecast Outturn	Budgets			
	2020/21	2021/22	2021/22	2022/23	2023/24	2024/25	2025/26
HRA Business Plan 2022/23 to 2025/26							
INCOME							
Net Dwelling Rent	-28,565,701	-28,784,000	-29,156,900	-30,220,200	-31,126,806	-32,060,610	-33,022,428
Net Garage Rent	-321,873	-352,700	-316,300	-332,115	-342,078	-352,341	-362,911
Service Charges	-292,596	-357,000	-327,800	-374,850	-386,096	-397,678	-409,609
Cost Recovered	-303,127	-325,950	-307,815	-342,247	-352,514	-363,090	-373,983
Other Income	-258,242	-271,526	-304,417	-270,086	-278,189	-286,534	-295,130
Interest Receipts	-281,943	-202,160	-170,987	-145,467	-149,831	-154,326	-158,956
Total Income	-30,023,483	-30,293,336	-30,584,219	-31,684,965	-32,635,514	-33,614,579	-34,623,017
EXPENDITURE							
Cost of Operation	1,240,543	1,580,597	1,552,494	1,385,509	1,622,100	1,662,700	1,704,200
Operational Staffing	3,514,770	3,772,454	3,889,924	3,849,238	3,964,715	4,083,656	4,206,166
Support Service Charges	580,823	493,660	532,843	599,300	617,279	635,797	654,871
Back Funding Pension Cost	586,020	650,355	658,283	658,285	658,285	658,285	658,285
Responsive Maintenance	4,814,552	5,319,067	6,202,719	6,104,312	6,287,441	6,476,065	6,670,347
Corporate and Democratic Costs	599,980	614,930	614,930	614,950	633,399	652,400	671,972
Mortgage Interest	5,585,751	5,484,494	5,484,494	5,327,754	5,116,002	4,872,531	4,601,295
Mortgage Principal Repayment	4,303,000	4,984,000	4,984,000	7,998,000	8,561,000	9,485,000	9,780,000
Hardship Fund				30,000	30,000	30,000	30,000
Total Expenditure	21,225,439	22,899,557	23,919,687	26,567,347	27,490,221	28,556,435	28,977,136
Net INCOME -/ Net EXPENDITURE +	-8,798,043	-7,393,779	-6,664,532	-5,117,618	-5,145,293	-5,058,145	-5,645,880
Contribution to/from (-ve) Reserves							
New Build (Affordable Housing)	3,000,000	3,000,000	3,000,000	0	0	0	0
Core Capital programme Contribution via Major Repairs Reserve	5,515,375	5,824,990	5,105,421	7,683,100	7,919,050	7,342,750	7,060,250
Major Repair Reserves: Principle Repayment 2020/21	-4,303,000						
Release Contingency Reserve	-200,000			-2,024,000			
Working Balance	4,973,701	-1,431,204	-1,440,889	-541,482	-2,773,757	-2,284,605	-1,414,370
Revenue Grants/Provisions	-188,032						
Total to Reserves	8,798,044	7,393,786	6,664,532	5,117,618	5,145,293	5,058,145	5,645,880
HRA Working Balance (min £2m)							
Opening Balance	6,942,857		11,916,558	10,475,669	9,934,186	7,160,429	4,875,824
Movement in year added/ (-ve) reduced	4,973,701		-1,440,889	-541,482	-2,773,757	-2,284,605	-1,414,370
Closing Balance	11,916,558		10,475,669	9,934,186	7,160,429	4,875,824	3,461,455

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Annexe 2

**Housing Revenue Account
Schedule of Fees and Charges for 2022/2023**

	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	18.30	5.0%
Guest Rooms - E P Units - Double	Per Night	OS	23.12	23.60	5.0%
Community Rooms - Residents	Session	OE	21.11	21.60	5.0%
Community Rooms - Non Resident	Session	OE	36.80	37.60	5.0%
Leaseholder Charges					
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	28.74	29.40	5.0%
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	25.63	26.20	5.0%
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	28.74	29.40	5.0%
Service charge invoicing and supporting documentation non-shared ownership.	Quarterly	OO	3.92	4.00	5.0%
Service charge invoicing and supporting documentation non-shared ownership.	Annual	OO	12.86	13.20	5.0%
Service charge invoicing and supporting documentation shared ownership.		OO	28.74	29.40	5.0%
Consent to alter		OS	59.50	60.70	5.0%
Retrospective/ Complex consent to alter		OS	82.01	83.70	5.0%
Consent to underlet		OS	33.87	34.60	5.0%
Consent to keep pets		OS	33.87	34.60	5.0%

Annexe 2**Housing Revenue Account
Schedule of Fees and Charges for 2022/2023**

	Unit of Charge	VAT Indicator	Existing Charge	Proposed Charge	% Increase
			£	£	
Letter to lenders and other third parties		OS	28.74	29.40	5.0%
Reminder in relation to arrears with full printout of account		OE	28.74	29.40	5.0%
Section 20 management		OE	38.99	39.80	5.0%
Obtaining Land Registry document as requested by leaseholder		OS	12.56	12.90	5.0% Plus L Regist
Provision of duplicate invoices		OS	3.42	3.50	5.0%
Contacting or responding to you in relation to a problem with your flat. Non-complex replies by email will be free		OS	6.73	6.90	5.0%
Written contact and liaison with you in relation to statutory requirements, such as fire and asbestos risk assessments		OE	3.42	3.50	5.0%
Leasehold enquiry responses		OS	251.15	256.20	5.0%
Leasehold (with sinking fund) enquiry responses		OS	261.40	266.70	5.0%
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	

ANNEXE 3	Forecast					
	Outturn	outturn	Budget	Budget	Budget	Budget
HRA Core Programme	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Programmed works:						
Asbestos Removal	110,295	150,000	250,000	250,000	250,000	250,000
Bathrooms	308,367	190,000	250,000	1,000,000	1,000,000	1,000,000
CCTV		0	15,000	0	0	0
Door Entry Systems		0	30,000	10,000	10,000	10,000
Heating Upgrades	531,715	525,000	400,000	400,000	400,000	400,000
Kitchens	54,246	100,000	350,000	1,400,000	1,400,000	1,400,000
Lift Maintenance	11,203	0	35,000	0	35,000	35,000
internal remodelling	18,838	110,000	120,000	140,000	140,000	140,000
Structural & Damp works	90,552	200,000	200,000	200,000	200,000	200,000
Grounds Maintenance	33,430	15,000	35,000	35,000	35,000	35,000
Programmed External Works:						
Energy Efficiency	7,315	125,000	200,000	300,000	0	0
Roofline and Fascias	119,160	150,000	50,000	50,000	50,000	50,000
Re-Roofing	303,655	274,200	400,000	500,000	690,000	890,000
Glazing		0	450,000	450,000	450,000	450,000
Decent Homes works:						
Commercial Heating	14,618	0	200,000	50,000	50,000	50,000
Re-wiring	285,664	400,000	500,000	500,000	500,000	500,000
Bathroom work Voids	101,512	148,900	157,500	160,000	80,000	80,000
Kitchen work Voids	223,026	393,000	472,500	470,000	235,000	235,000
Disabled adaptations	147,059	400,000	350,000	250,000	250,000	250,000
Health and Safety:						
Fire Safety	1,729	160,000	750,000	750,000	750,000	300,000
Water Mains	223,362	108,000				
Riverside Court		520,000				
Communal and estates works:						
Flooring		30,000	20,000	20,000	20,000	20,000
Lighting		10,000	10,000	10,000	10,000	10,000
Parking, Paths & Curtilage	102,705	120,000	100,000	200,000	100,000	100,000
Scooter Store (Sheltered Schemes)		20,000	20,000	20,000	0	0
Garages	1,234	15,000	20,000	20,000	20,000	20,000
Additional Specific Capital Works:						
Stock Condition Survey			300,000			
Wyatts Close (Enfranchisement/Freehold Purchase)			1,000,000			
Vernon Ct/Mead Lane Wall rebuild			75,000			
Block metering survey			30,000			
Porch replacement			25,000			
Cesspit Replacement			30,000			
Senior Living wifi			25,000			
Property Fees		80,000	50,000	50,000	50,000	50,000
Staffing 13% of programme value	527,806	749,990	763,100	934,050	867,750	835,250
Total Core Programme	3,217,491	4,994,090	7,683,100	7,919,050	7,342,750	7,060,250

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Housing Revenue Account Business Plan - Housing Development Capital Programme							ANNEX 4
Project Name	Total spend up to and including 2020/21	2021/22 Forecast outturn	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	Total Scheme Cost
New Build Programme:							
Predevelopment and Staff costs							
HRA Feasibility - Development Staff Costs		442,830	590,000	590,000	590,000	590,000	2,802,830
Pre-development Expenditure		73,200	825,000	200,000	200,000	200,000	1,498,200
Latent defects contingency		11,300	83,000	20,000	20,000	20,000	154,300
Sub Total: Predevelopment and Staff costs		527,330	1,498,000	810,000	810,000	810,000	4,455,330
Land and Asset purchases							
Purchasing affordable housing units (based on opportunities offered to date), land acquisition and property purchase		494,750	2,500,000	2,200,000	2,000,000	0	7,194,750
Sub Total: Land and Asset Purchase		494,750	2,500,000	2,200,000	2,000,000	0	7,194,750
Schemes in progress:							
Aarons Hill, Godalming	146,621	155,000	665,800				967,421
Hartsgrove	16,178	55,000	88,000	981,000	313,000		1,453,178
Turner's Mead	0	55,000	54,600	471,400	143,000		724,000
Ockford Ridge	3,314,482	0	200,000	100,000	100,000		3,714,482
Ockford Ridge - Site C	517,116	505,000	3,742,536	3,684,305			8,448,957
Pathfield	8,842	75,000	181,000	1,958,000	805,100		3,027,942
Queensmead	10,802	55,000	1,248,000	613,100			1,926,902
Sub Total: Schemes in Progress	4,014,041	900,000	6,179,936	7,807,805	1,361,100	0	20,262,882
Total New Build Programme:	4,014,041	1,922,080	10,177,936	10,817,805	4,171,100	810,000	31,912,962
Funding: New Build Programme							
Capital Receipts	2,571,602	735,032	3,707,974	4,239,122	1,580,440	236,000	10,498,568
Met from new affordable reserve:	1,442,439	1,187,048	6,469,962	6,578,683	2,590,660	574,000	21,414,394
Total New Build Programme funding:	4,014,041	1,922,080	10,177,936	10,817,805	4,171,100	810,000	31,912,962
Stock Remodelling:							
Borough wide refurbishment		226,000	216,000	0	0	0	
Ockford Ridge Refurbishment		256,450	0	0	0	0	
Zero carbon retrofit pilot 7 existing units.			981,000	0	0	0	
Total: Stock Remodelling		482,450	1,197,000	0	0	0	
Funding: Stock remodelling:							
Stock Remodelling Reserve		482,450	1,197,000	0	0	0	
Reserves Statement							
New Affordable Homes Reserve:							
Opening balance:		16,294,475	18,107,427	11,637,465	5,058,782	2,468,122	
From HRA Business Plan		3,000,000	0	0	0	0	
Used to fund new build programme		1,187,048	6,469,962	6,578,683	2,590,660	574,000	
Closing Balance:		18,107,427	11,637,465	5,058,782	2,468,122	1,894,122	
Capital Receipts Unapplied Reserve:							
Opening balance:		17,413,901	22,364,669	22,656,694	21,417,572	22,837,132	
From Right To Buy sales		5,685,800	4,000,000	3,000,000	3,000,000	3,000,000	
Used to fund new build programme max 40%		735,032	3,707,974	4,239,122	1,580,440	236,000	
Closing Balance:		22,364,669	22,656,694	21,417,572	22,837,132	25,601,132	
Capital Receipts Balance Consists of:							
Unrestricted		7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	
Restricted 1-4-1 RTB - 3 year limit		6,770,522	4,927,317	2,086,771	1,904,908	3,067,484	
Pooled receipts not available for capital funding		8,594,146	10,729,378	12,330,801	13,932,225	15,533,648	
Total:		22,364,669	22,656,694	21,417,572	22,837,132	25,601,132	
Stock Remodelling Reserve:							
Opening balance:		5,018,336	4,535,886	3,338,886	3,338,886	3,338,886	
From HRA BP		0	0	0	0	0	
Used to fund stock remodelling		482,450	1,197,000	0	0	0	
Closing Balance:		4,535,886	3,338,886	3,338,886	3,338,886	3,338,886	
External Funding		0	0	0	0	0	
External Borrowing		0	0	0	0	0	

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Housing Revenue Account Reserves	ANNEXE 5					
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Opening Reserves						
Working Balance	6,942,857	11,916,558	10,475,669	9,934,186	7,160,429	4,875,824
Contingency	2,224,000	2,024,000	2,024,000	0	0	0
New Affordable Homes	14,736,914	16,294,475	18,107,427	11,637,465	5,058,782	2,468,122
Stock Re-modelling	5,130,973	5,018,336	4,535,886	3,338,886	3,338,886	3,338,886
Major Repairs Reserve	2,100,000	94,884	206,215	206,215	206,215	206,215
Capital Grants Unapplied - Ockford Ridge Bond	54,023	54,023	54,023	0	0	0
Revenue Grants	179,057	0	0	0	0	0
Earmarked Reserve - Water Charge Refunds	7,591	7,172	6,672	-0	-0	-0
Capital Receipts Unapplied	17,571,899	17,413,901	22,364,669	22,656,694	21,417,572	22,837,132
Total Reserves	48,947,314	52,823,348	57,774,560	47,773,446	37,181,884	33,726,179
Add from In Year Business Plan and cash for capital receipts						
Working Balance	4,973,701	0	0	0	0	0
Contingency	0	0	0	0	0	0
New Affordable Homes	3,000,000	3,000,000	0	0	0	0
Stock Re-modelling	0	0	0	0	0	0
Major Repairs Reserve	5,515,375	5,105,421	7,683,100	7,919,050	7,342,750	7,060,250
Capital Grants Unapplied - Ockford Ridge Bond	0	0	0	0	0	0
Revenue Grants	0	0	0	0	0	0
Earmarked Reserve - Water Charge Refunds	0	0	0	0	0	0
Capital Receipts Unapplied	2,899,484	5,685,800	4,000,000	3,000,000	3,000,000	3,000,000
Total Reserves	16,388,559	13,791,221	11,683,100	10,919,050	10,342,750	10,060,250
Less use of Reserves						
Working Balance	0	1,440,889	541,482	2,773,757	2,284,605	1,414,370
Contingency	200,000	0	2,024,000	0	0	0
New Affordable Homes	1,442,439	1,187,048	6,469,962	6,578,683	2,590,660	574,000
Stock Re-modelling	112,637	482,450	1,197,000	0	0	0
Major Repairs Reserve	7,520,491	4,994,090	7,683,100	7,919,050	7,342,750	7,060,250
Capital Grants Unapplied - Ockford Ridge Bond	0	0	54,023	0	0	0
Revenue Grants	179,057	0	0	0	0	0
Earmarked Reserve - Water Charge Refunds	419	500	6,672	0	0	0
Capital Receipts Unapplied	3,057,482	735,032	3,707,974	4,239,122	1,580,440	236,000
Total Reserves	12,512,525	8,840,009	21,684,213	21,510,612	13,798,455	9,284,620
Closing reserves						
Working Balance	11,916,558	10,475,669	9,934,186	7,160,429	4,875,824	3,461,455
Contingency	2,024,000	2,024,000	0	0	0	0
New Affordable Homes	16,294,475	18,107,427	11,637,465	5,058,782	2,468,122	1,894,122
Stock Re-modelling	5,018,336	4,535,886	3,338,886	3,338,886	3,338,886	3,338,886
Major Repairs Reserve	94,884	206,215	206,215	206,215	206,215	206,215
Capital Grants Unapplied - Ockford Ridge Bond	54,023	54,023	0	0	0	0
Revenue Grants	0	0	0	0	0	0
Earmarked Reserve - Water Charge Refunds	7,172	6,672	-0	-0	-0	0
Capital Receipts Unapplied	17,413,901	22,364,669	22,656,694	21,417,572	22,837,132	25,601,132
Total Reserves	52,823,348	57,774,560	47,773,446	37,181,884	33,726,179	34,501,810

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LSAB Work Programme

Work programme to be developed inc budget planning and monitoring, H&S compliance, contractor overview, service plan, reshape services to reflect recent and future challenges and more in depth performance reporting in line with regulations.

Month	Report	Reason	LSAB action	Decision by	Decision date
November	<p>Board induction pack:</p> <p>Board Guidelines</p> <ul style="list-style-type: none"> • Board terms of reference • Code of Conduct Councillors • Code of Conduct Tenant Panel <p>Service and Financial Plans</p> <ul style="list-style-type: none"> • Housing Operations Service Plan • Housing Delivery and Communities Service Plan (Ref 7.5-7.9) • Housing Revenue Account Budget 2021/22 Committee Report and budget annexes <p>Internal and External Publications</p> <ul style="list-style-type: none"> • Tenants Newsletter - Summer 2021 and Winter 2020 • Housing Glossary • The charter for social housing residents: social housing white paper • Attitudes to Council Housing pride or Prejudice 	Board members review information to raise awareness and identify areas for further mentoring, resources and/or training.	Board decision on additional requirements. Feedback to Service Improvement Manager	Board	Ongoing

Meeting date	Report	Reason	LSAB action	Decision by	Decision date
2 December	Introduction to the Housing Revenue Account	To gain familiarity with HRA and discuss challenges	Feedback comments to Head of Housing Operations and Head of Finance	Board	At meeting
	HRA Budget Progress and Forecast Report (April to October 2021)	To gain awareness with budget, income, expenditure and discuss priority spending	Feedback comments to Head of Housing Operations and Head of Finance	Board	At meeting
	Q2 Performance report (extract from Corporate Report)	Board members to gain understanding and awareness of current reporting system	Identify any areas wish to comment on, explore or examine further. Feedback comments to Head of Housing Operations	Board	Ongoing
	Draft LSAB work plan	Board members to consider work plan	Suggest amendments or additions to programme	Board	Ongoing

Meeting date	Report	Reason	LSAB action	Decision by	Decision date
10 January	Affordable Homes Delivery Strategy	Consultation exercise	Agree Board response to consultation	Council	April 2022
	Outcome – Cllr Keen and Terry Daubney to meet with Alice Lean and Esther Lyons, Housing Strategy and Enabling Managers, to review consultation documentation and feedback on behalf of the Board. Consultation on Strategy 27 January to 24 February 2022 all to promote.				
	Project closure report Responsive Repairs and Voids procurement exercise	Review and comment on project and mobilisation	Identify any areas wish to comment on, explore or examine further. Feedback comments to Operations Manager	Board	At meeting
	Outcome – Board to review contract KPIs and receive presentations from Ian Williams and The Leadership Foundation at future meetings.				
	Regulator of Social Housing consultation – Tenant Satisfaction Measures	Consultation exercise	Agree Board response to consultation	Board	28 February 2022
	Outcome – Board members to share any other comments on consultation with Annalisa Howson. Housing Service Improvement Manager, by 14 February 2022.				

Meeting date	Report	Reason	LSAB action	Decision by	Decision date
28 January	Housing Operations Service Plan 2022/23 and Housing Development objectives from Housing Delivery and Communities Service Plan	Review and comment on draft Service Plan	Feedback comments to Portfolio Holder for Housing	Council	Feb 2022
	HRA Budget 2022/23	Review draft budget and agree financial plans	Feedback comments to Portfolio Holder for Housing	Council	Feb 2022
	Verbal Progress update on Asset Management Strategy included in Budget and Service Plan reports.	Review and comment on draft strategy	Feedback comments to Asset Manager	Board	At meeting

Meeting date	Report TBC	Reason	LSAB action	Decision by	Decision date
24 February					
	Intro to Senior Living and consultation results LSAB req additional info re: impact of COVID-19 and lockdown Intro to Senior Living	To gain awareness of Senior living provision. Review findings and proposed actions from Senior Living consultation	To comment on findings and action plan to Senior Living Manager	Board	At meeting
	Q3 HRA Budget Monitoring Report	To gain awareness of budget, income, expenditure and challenges.	Feedback comments to Head of Housing Operations and Head of Finance	Board	At meeting
	Use of Flexible Tenancies Review	Analyse findings from review and proposed changes to tenancy terms	To comment on findings. Feedback comments to Service Improvement Manager	Executive	April
(Q3 papers due to publish 11/03 EB 22/02) March or April	Q3 Performance report (extract from Corporate Report) LSAB req add info: Complaints about the Housing Service –more granular detail requested •Energy efficiency improvements –within the Asset Management Strategy •Kitchen and Bathrooms programme update	Review and consider current performance	Identify any areas wish to comment on, explore or examine further. Feedback comments to Head of Housing Operations	Board	Ongoing

Meeting date	Report	Reason	LSAB action	Decision by	Decision date
31 March					
	Introduction to TLF (The Leadership Foundation) responsive repairs feedback contractor	Meet contract and raise awareness of survey methodology and performance reports	Identify any areas wish to comment on, explore or examine further and agree reporting cycle. Feedback comments to Operations Manager	Board	At meeting
	Asset Management Strategy	To review draft strategy themes	Feedback comments to Portfolio Holder for Housing	Council	April
(Q3 papers due to publish 11/03 EB 22/02) March or April	Q3 Performance report (extract from Corporate Report) LSAB req add info: Complaints about the Housing Service –more granular detail requested •Energy efficiency improvements –within the Asset Management Strategy •Kitchen and Bathrooms programme update	Review and consider current performance	Identify any areas wish to comment on, explore or examine further. Feedback comments to Head of Housing Operations	Board	Ongoing

Note The following agenda items to be reviewed and meeting dates agreed with project managers. Those in **bold** agreed. To hold monthly meetings with three agenda items only.

Meeting date	Report TBC	Reason	LSAB action	Decision by	Decision date
28 April					
	Introduction to Responsive Repairs and Voids contractor	Meet contractor, review service promises, and contract management	Identify any areas wish to comment on, explore or examine further and agree reporting cycle. Feedback comments to Operations Manager	Board	At meeting
	LSAB req report Garages – long-term strategy discussion	To raise awareness of the number of garage sites, and income/ expenditure commitments and to consider mitigation and development opportunities to inform garage management strategy	Feedback comments to Asset Manager	Board	At meeting
	Tenancy Conditions review	Analyse findings from review and proposed changes to tenancy conditions	To comment on findings and advice on tenant consultation. Feedback comments to Service Improvement Manager	Portfolio Holder for Housing	
	Intro to Rent Accounts Team	Meet the team, awareness of actions, policy, challenges and successes of team to meet and exceed rent collection target	Identify any areas wish to comment on, explore or examine further and agree reporting cycle. Feedback comments to Rent Accounts Manager	Board	At meeting

Meeting date	Report TBC	Reason	LSAB action	Decision by	Decision date
26 May					
	Q4 HRA Budget Monitoring Report	To gain awareness of budget, income, expenditure and challenges.	Feedback comments to Head of Housing Operations and Head of Finance	Board	At meeting
	Tenancy Policy and Tenancy Strategy	Review and comment on draft documents	Feedback comments to Service Improvement Manager	Portfolio Holder for Housing	June
	Tenancy Agreement update – Tenancy Consumer standard	To review findings from tenancy agreement consultation	Feedback comments to Service Improvement Manager	Portfolio Holder for Housing	June
	Property Services Procurement Strategy and action plan	Agile framework			

Meeting date	Report TBC	Reason	LSAB action	Decision by	Decision date
30 June					
	Tenant Involvement Progress Report	Review and consider current performance and proposed actions in line with regulatory Tenant Involvement and Empowerment Consumer Standard	To comment on report and recommend methodology for future recruitment and selection of resident board members. Feedback comments to Service Improvement Manager	Portfolio Holder for Housing	June
	Q4 Performance report inc 2021/22 Service Plan achievements	Review and consider current performance	Identify any areas wish to comment on, explore or examine further. Feedback comments to Head of Housing Operations	Board	Ongoing
	Health and Safety performance report – intro to Compliance Team	Review and consider current performance and proposed actions in line with regulatory Home Consumer Standard	Identify any areas wish to comment on, explore or examine further and agree reporting cycle. Feedback comments to Compliance Manager	Board	At meeting

Meeting date	Report TBC	Reason	LSAB action	Decision by	Decision date
28 July					
	Housing Management Progress Report	Review and consider current performance and proposed actions in line with regulatory Tenancy and Neighbourhood and Community Consumer Standards	Identify any areas wish to comment on, explore or examine further and agree reporting cycle. Feedback comments to Housing Manager	Board	At meeting
	IT review of databases and digital services	Review and consider current performance and proposed actions	Feedback comments to Service Improvement Manager	Portfolio Holder for Housing	September
	Q1 Performance report	Review and consider current performance	Identify any areas wish to comment on, explore or examine further. Feedback comments to Head of Housing Operations	Board	Ongoing
	Q1 HRA Budget Monitoring Report				

Meeting date	Report TBC	Reason	LSAB action	Decision by	Decision date
25 August					

Meeting date	Report TBC	Reason	LSAB action	Decision by	Decision date
29 September					
	Rent Accounts Progress Report	Review and consider current performance and proposed actions in line with regulatory Rent Standard	Identify any areas wish to comment on, explore or examine further and agree reporting cycle. Feedback comments to Rent Accounts Manager	Board	At meeting
	Reshaping of staffing resources	Review proposal to add capacity and resilience, to ensure professional service delivery, succession planning and health and wellbeing of team	Feedback comments to Service Improvement Manager	Portfolio Holder for Housing	October

Meeting date	Report TBC	Reason	LSAB action	Decision by	Decision date
27 October	Development of 2023/24 Service Plan	Review and comment on draft Service Plan	Feedback comments to Portfolio Holder for Housing	Council	Feb 2023
	Q2 HRA Budget Monitoring Report				

Meeting date	Report	Reason	LSAB action	Decision by	Decision date
24 November					
	Q2 Performance report and midyear performance review	Review and consider current performance and need of Board to govern effectively.	Identify and agree areas for Board monitoring. Feedback comments to Head of Housing Operations	Board	At meeting
	2023/24 HRA Budget	Review draft budget and agree financial plans	Feedback comments to Portfolio Holder for Housing	Council	Feb 2023

Internal notes

Potential briefings:

- Intro to Asset Management - to inc AMS report
- Intro to Housing Development - to inc in Q performance reports
- Intro to Housing Management – to inc July report
- Intro to Property Services – to inc March and April report
- Intro to Compliance – to inc May report
- Intro to Rent Accounts Team - to inc March report
- Intro to Senior Living - to inc Feb report
- Intro to Tenant Involvement - to inc June report
- Intro to Housing Regulator Standards – to inc reference in applicable reports and follow up with Regulator briefings

Proposed Cycle of reports

Budget reports - each meeting

Complaints report – every quarter include or expand upon in Quarterly performance reports

KPIs inc customer satisfaction - every quarter include or expand upon in Quarterly performance reports

Service Plan progress -- every quarter include or expand upon in Quarterly performance reports

Housing Delivery Board Update – share notes of HDB with LSAB after each meeting

H&S – every six months with quarterly tenants' satisfaction reports added to Quarterly performance reports

Procurement project – as scheduled

To routinely cross check work programme with:

Service Plan actions, team performance reporting, HDB programme

Regulatory standards – economic (governance), (VfM), Rent and consumer Home, Tenancy, Neighbourhood and Community, Tenant Involvement and Empowerment

White paper chapters – safety, performance, complaints, respect (consumer reg), voice heard, quality home and neighbourhood, support Home Ownership

To consider speed networking event for Board members to meet managers/team leaders and gain understanding in each service area – rather than agenda items where no decision

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