

# LANDLORD SERVICES ADVISORY BOARD

Thursday, 26 January 2023 - 10.00 - 11.30 am

Council Chamber, Council Offices, The Burys, Godalming

## A G E N D A

### **Circulation:**

Members:

Cllr Paul Rivers (Chair)  
Terry Daubney, Waverley Tenants' Panel  
(Vice Chair)  
Cllr Jacquie Keen  
Cllr Stephen Mulliner  
Cllr John Robini  
Cllr Michaela Wicks  
Austin, Lucas Field Residents Group  
Stratford, Waverley Tenants Panel  
Danielle Sleightholme, Waverley Tenants  
Panel (Co-Optee)

Officers:

### **1 Apologies for absence**

To receive apologies for absence.

### **2 Declarations of interest**

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

### **3 Notes of the previous meeting (Pages 3 - 6)**

To agree the notes of the meeting held on 24<sup>th</sup> of November 2022.

### **4 Review updated Terms of Reference (Pages 7 - 8)**

Following the Executive Meeting on 17<sup>th</sup> January 2023, the revised Terms of Reference have been agreed and are for the Board to note.

### **5 Introduction to Smith and Byford Ltd**

Presentation from Smith and Byford, the new gas servicing contractor, to introduce company and services to Waverley tenants.

### **6 Senior Living Welfare Check in procedure (Pages 9 - 16)**

To share the process to standardise welfare contact with tenants at Senior Living Schemes. Action from Senior Living Improvement Plan.

7 **2023/24 HRA Draft Budget** (Pages 17 - 44)

Review draft budget and consider financial plans including proposed rent increase.

8 **Heating Position paper for warmth, safety and efficiency** (Pages 45 - 58)

To review proposed programme. Action from Housing Asset Management Action Plan.

9 **Asbestos Survey and Works Contracts** (Pages 59 - 138)

To share the proposal to enter into contracts for Asbestos Removal and Asbestos Surveying Services.

10 **Work programme** (Pages 139 - 150)

11 **Date of next meeting**

**LANDLORD SERVICES ADVISORY BOARD****24 November 2022****NOTES**

Present:

Cllr Paul Rivers (Chair)

Terry Daubney, Waverley Tenants' Panel  
(Vice Chair)

Cllr Jacquie Keen

Cllr Stephen Mulliner

Cllr John Robini

Stratford, Waverley Tenants Panel

Danielle Sleightholme, Waverley Tenants  
Panel (Co-Optee)

Annie Righton

Andrew Smith

Annalisa Howson

Jeanette Englefield

**1 Apologies for absence**

Councillor Michaela Wicks, Chris Austin, Abi Lewis, Marieke van der Reijden, Rosie Plaistowe-Melham and Peter Vickers

**2 Declarations of interest**

Councillors John Robini and Jackie Keen declared that they both rented garages from the council.

**3 Notes of the previous meeting**

The minutes of the previous meeting held on 27<sup>th</sup> October were agreed. It was noted that Danielle Sleightholme gave her apologies for the meeting held on 27<sup>th</sup> October.

The Chair addressed the Board and highlighted the unfortunate death of a young boy as a result of mould. He felt that the council should prioritise mould and where it existed in Waverley homes, it should be tackled and dealt with. The Group discussed the issues, including communicating mould prevention messages to residents and private tenants. The Board also agreed that it would benefit from a clearer picture of mould in Waverley. The Group recommended providing information in People and Holmes magazine, the councils website and social media.

**4 Q2 Performance Report**

Annalisa Howson addressed the Board, she advised that the Q2 Performance report covered July – September. She informed the Board that the works at Vernon Court had nearly been completed. Annalisa Howson shared a photograph of the works with the Board. She noted that the New Strategic Asset Manager, Hugh Wagstaff would be starting in January. She advised that they had continued to work on the Housing Stock Condition survey tender and will be out next month.

Annalisa Howson noted the work completed with the Tenants at Lucas Fields, she advised that it had been a very positive piece of work involving Tenants and

Councillors. She confirmed that there had been some improvements to the lighting and pathways that had made a real difference. She informed the Board that this was something she really wanted to continue and intends to roll it out to other residents.

Annalisa Howson, confirmed that she spoke with Chris Shipway from Ian Williams regarding their performance as they were not yet meeting targets. She noted the areas of improvement and that the contractors performance was heading in the right direction. She also noted that the team was now fully staffed and had recruited a Resident Liaison Officer. Annalisa Howson advised the Board that as winter approached the council would see a significant increase in the number of responsive repair jobs.

Councillor John Robini queried the red KPI's, he noted that the performance was improving, but hoped that at the next meeting some of those indicators would be amber and green. Annalisa confirmed that the red KPI's were related to the voids and repairs contract and she expected to see improvements as a result of the staff recruitment as mentions earlier. Councillor Keen queried the current response turnaround time. Annalisa Howson confirmed that this was now 26 days, compared to a target of 20 days. She explained that the target had not been meet for some two years as a result of Covid-19 and the proceeding lockdowns. There was further discussion by the group with regards to the multiskilled workers and those specialist trades like roofs and flooring.

Danielle Sleightholme queried the notice of seeking passion and understanding the process this follows, she felt that a flowchart of the steps would be helpful to understanding where help and support could be provided to residents. Annalisa Howson confirmed that there had only been one eviction in 2022 and the team were focused on helping tenants stay in their homes. She advised that the rent team could attend the Tenants Panel and provide an update. Danielle also queried the target for the level 2 complaints and whether it was attainable. Annalisa felt that it was a challenging target that was attainable and she would like to keep working towards meeting the target. She reminded the Board about the changes to the designated Persons Complaint panel and the new Customer Experience Group.

The Group discussed void properties, including the state properties are returned to the council and plan to improve the void turn around performance.

## **5 Head of Service Matters arising - Verbal update**

Andrew Smith addressed the Board, he advised that he was going to discuss the mould issue, but the Board had already had a detailed discussion. Andrew Smith noted that the draft budget would be brought to the Board for discussion and comments in January.

## **6 2023/24 HRA Draft budget**

Candice Keet addressed the Board, she explained that the HRA and General Fund were not separate legal entities, the HRA is a ring fenced account within the General Fund restricting the use of income and management costs of the housing functions in compliance with the Housing Acts. She also informed the Board that the HRA is primarily a landlord account containing the income and expenditure arising from a housing authority's landlord functions. She noted that the council

were currently in the early stages of setting the budget for 2023/24. The numbers contained within this presentation are estimates and will change as the budget setting process progresses.

Candice Keet discussed inflation at 11% and the Capital and Core Capital (Major repairs) budget. She informed the Board about the rent budget, the rent cap and the possible rent increases of 4-7%. Candice Keet took the Board through illustrations of the rent impact summary and rent impact borrowing. Finally, she discussed the rent collection performance and informed the Board that full details including variances, growth proposals and rent setting will be brought forward in the new year.

Councillor Stephen Mulliner queried the likelihood of imposing CPI plus 1% on tenants. Candice Keet advised that it was an illustration to show comparison against the norm and where the council's current position. The Chair thanked Candice and reminded the Board that the council's rents go towards repairs which had become more expensive as material and labour costs soar.

Councillor John Robini wanted to congratulate the council on the White Hill housing project, he expressed how impressed he was. He noted the relationship between, social housing, rent charges and the private sector rent charges. He queried if the figure of 85% of market rent was achievable. Candice Keet explained that there was a rent formula for social housing. Andrew Smith confirmed that in the new Affordable Housing Delivery Strategy put forward in April 2022 this was now lower than 80% of market value including service charges. 65% for 3&4 bed homes and 70% for 1&2 bed homes. The Board discussed how important it was to ensure service charges were included in the rent costs.

Councillor Stephen Mulliner queried the extent of the council's borrowing, Candice Keet noted that throughout the strategic review it became clear that the council would need to borrow as a result of the way in which the Council's debt repayments are scheduled, she advised that it was a balance act with the HRA and the council's priorities. Annalisa Howson advised the Board that Candice was invited to brief the Board and to give members an opportunity to think about the council's position and the increases ahead of the budget which will be coming to the Board in January.

## **7 Housing Asset Management Strategy Implementation Update**

Heather Rigg addressed the Board, she advised that the Strategy was published in April 2022 and was brought to the LSA Board, it was agreed that an update would be brought back in 6 months. She advised that the strategy was a framework and an action plan for the Property Services and Housing Operations teams to deliver the investment of the HRA business plan and the council's strategic priorities. She took the Board through the four core themes of the strategy 1) Understanding our services, homes, tenants and Stakeholder requirements, 2) providing modern homes across the borough, 3) Proactively decarbonising homes and 4) Ensuring homes are safe and secure for tenants and leaseholders.

Heather Rigg explained that the team had learnt lessons regarding communications, data planning and accountability. She also noted that there were a number of influencing factors such as the residents voice, the council's corporate priorities, the national picture, housing revenue business plan review and the

decarbonisation of our homes. Heather Rigg informed the Board that the commitments covered four main themes 1) Assets planning and service delivery, 2) Modern Homes, 3) Energy efficiency and decarbonisation and 4) Compliance and Building Safety. She advised the board that the Housing Asset Management Strategy is a live document that is well understood by the Property Service Team. She noted that it was under constant review to ensure actions are appropriate and relevant and after a challenging start it was gratifying that actions were progressing.

## **8 Work Programme**

Annalisa Howson noted the copy of the completed work programme for 2022 and the upcoming meeting on 15 December where the Board would plan the meetings for 2023 and review the Boards achievement over the 2022. She noted that the meeting would also focus on how the Board communicated outcomes to Waverley's wider tenants and members. She noted that the Board would review the gas contract, an update from the senior living team and the budget in 2023.

## **9 Date of next meeting**

It was confirmed that the date of the next meeting would be Thursday 26 January 2023.

January 2023

## **Landlord Services Advisory Board Terms of Reference**

The Council established a Landlord Services Advisory Board in October 2021, under the Executive Working Group protocol, to promote tenant and leaseholder engagement in decisions relating to the Council's housing stock and to provide assurance of the Council's commitment to the Charter for Social Housing Residents.

The Board will consist of:

- The Executive Co-Portfolio Holder with responsibility for Housing (Operations) (Chair)
- Four Waverley tenant members (one may be a leaseholder) including the Tenants Panel Chair (Vice-Chair)
- Four non-Executive members

Tenant members of the Board will be selected from existing engaged tenants and leaseholders (via an application and interview process on an annual basis or as vacancies arise). If there are more volunteers than positions the Chair and Vice-Chair of the Board will select members.

Non-Executive members of the Board will be appointed by Co-Portfolio Holder for Housing and/or Leader of the Council.

Substitutes are permitted for Tenant and non-Executive Board members

The Board will normally meet once a month, except the months of August and December, and will be held in Surrey school term time. The Chairman may reschedule or call ad hoc meetings as required.

Meetings of the Board will normally meet in public and attendance by tenants, leaseholders and members is encouraged.

### **Specific terms of reference**

The Landlord Services Advisory Board will receive reports on matters relating to the Council's landlord functions. These will include:

- The HRA Business Plan and budget, the Housing Delivery Programme, and the Housing Service Plan
- Other matters relating to the delivery of the housing landlord function, with an emphasis on meeting the requirements of the Charter for Social Housing Residents
- Reviews of existing policies or the introduction of new policies relating to or affecting Council's tenancies
- Matters relating to tenant scrutiny and challenge as part of delivering co-regulation of the housing landlord service
- Performance of the housing landlord function

The scheme of delegation identifies the decision-making remit and responsibilities of the Co-Portfolio Holder for Housing and the Board.

Where those reports relate to items which will be submitted to the Council's Executive or to the Co-Portfolio Holders for Housing exercising their delegated authority, the comments and recommendations of the Landlord Services Advisory

Board will be submitted to the Executive or Co-Portfolio Holders for Housing with the officer report.

Revision	Date	Originator	Comments	Approved
1	September 2021	Fiona Cameron	First draft	Council 19 Oct 2021
2	July 2022	Louise Fleming	Updated to reflect changes to membership and frequency	CLlr Rivers 28 July 2022
3	December 2022	Annalisa Howson	Updated to reflect the confirmation of Vice Chairman, appointment of non-Executive members, timing of meetings and proposed amendments to decision making.	Executive, 17 January 2023.



## WAVERLEY BOROUGH COUNCIL

### LANDLORD SERVICES ADVISORY BOARD

26 JANUARY 2023

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**Title:**

#### SENIOR LIVING CHECK IN CALLS

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**Portfolio Holder:** Cllr Paul Rivers, Co-Portfolio Holder for Housing

**Head of Service:** Andrew Smith, Executive Head of Housing

**Key decision:** No

**Access:** Public

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#### 1. Purpose and summary

To share the draft version of the Senior Living Check In Calls procedure with the Board and receive their feedback and support.

#### 2. Recommendation

It is recommended that the Board review the proposed Check In Calls procedure and make any comments.

#### 3. Reason for the recommendation

To update the Board on the actions being taken based on the Senior Living Action Plan and to provide the Board with the opportunity to review the procedure.

#### 4. Background

4.1 The Senior Living Service has eight schemes across the borough and are home to 245 people aged over 60 (or over 50 with a recognised disability). Each scheme has about 30 independent purpose-built apartments with a telecare alarm and access to the communal lounges, laundry, and gardens.

4.2 The service aims to empower tenants to live independently. There are five Senior Living Officers currently in post who work across the eight schemes to manage the building safety and maintenance, manage the tenancies of residents, and promote independence by encouraging residents to organise social activities and signposting them to relevant support services.

4.3 In response to the lockdown measures during the Covid-19 pandemic an informal system was implemented in which the Senior Living Officers rang tenants on a regular basis to check in on their health and wellbeing. The practice was introduced rapidly to ensure the safety of tenants during the pandemic and was never formalised. However, the practice has continued since then, as it has been valued by tenants and officers and therefore, now needs to be formalised to confirm and clarify the roles and responsibilities of those involved.

4.4 In formalising this procedure, we have sought to establish it as a tool that empowers tenants to manage their own independence. To this end, each tenant can choose whether to opt in or out and can adapt the frequency and method by which they are contacted so that it best fits their needs.

4.5 Formalising this procedure will provide greater transparency and clarity about the roles and responsibilities of those involved. The process will be more resilient and able to cope with unexpected changes. It will also mean that the operational procedure can be standardised across the different schemes allowing for a smooth continuity of service when officers cover other schemes.

4.6 The procedure states that Officers will endeavour to carry out a visual check on every tenant each week, even if they have opted out.

4.7 Over the Christmas period, due to the Council office being closed, the Officers were unable to carry out the Check In Calls procedure for a period of ten days. To prevent this from impacting tenants, the procedure states that prior to the Christmas break the Officers will compile a list of those tenants who require a check in over the Christmas period. Careline, the 24/7 monitoring centre, will carry out welfare calls to these identified tenants during this ten day period.

4.8 This process successfully took place over the 2022 Christmas break.

## **5. Relationship to the Corporate Strategy and Service Plan**

The report supports the Council's Corporate commitment to promote "*Good quality housing for all income levels and age groups*" and aim to "*be the best council landlord in the South East and to be acknowledged so by our tenants.*"

The Check In Calls procedure supports the aim of the Senior Living service to empower tenants to live independently.

## **6. Consultation and engagement**

The introduction of this procedure will have little impact on the day-to-day experience of tenants as it is just formalising a process that was already taking place. Therefore, only an informal consultation was held through conversations with tenants and observing the way in which the system functions. This process highlighted the importance of flexibility about the frequency and method as tenants valued being able to tailor the system to their needs.

## **7. Other options considered**

The other option is to do nothing and continue with the informal system that was created in response to the pandemic. In terms of the everyday experience of tenants, this would have little impact. However, by formalising the procedure the service will be more resilient, and tenants will get the opportunity to tailor their use of the system to suit their needs.

## **8. Governance journey**

LSAB review only. Procedure agreed by Co-Portfolio Holder of Housing Operations and Head of Housing Operations.

### **Annexes:**

Annexe 1 – Senior Living Check In Calls Procedure

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### **Background Papers**

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

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### **CONTACT OFFICER:**

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## Senior Living Schemes

### Check in Calls Procedure



#### Introduction

The Senior Living service provided by Waverley Borough Council aims to promote independence and one of the ways in which it does this is through the Check In Calls Procedure. A check in call is defined as any form of contact between a Senior Living Officer (SLO) and a resident in which the Officer is able to confirm with the resident that they are okay (no health or wellbeing issues) and not in need of immediate assistance. This can be a visual check if the Officer sees them in a communal area of the scheme while on site. Alternatively, it could be a quick conversation via the flat intercom or their phone. This provides a regular point of contact between each tenant and their Senior Living Officer (SLO) so that those in need of urgent help can be identified without intruding on their privacy. It also provides an opportunity for tenants to raise any issues, receive advice from the officer, and be signposted to the appropriate service.

The check in call is not intended to be the only means of communication between tenants and their SLO. Tenants can continue to contact the SLO via email or telephone to discuss their concerns at any time during the SLO's working hours. This is in addition to the 24 hour [Careline](#) (PPP taking care) service, which is provided in all senior living flats. The check in calls service is not part of the tenancy agreement and is provided by the council as a service which tenants can use to manage their own independence. It does not mean that the council takes responsibility for the 'care and support' of the tenants.

#### Opting in and out

As part of the sign-up process, the check in system will be explained to tenants and they will be able to choose whether to opt in or not. If the tenant chooses to opt in, then their preferred frequency and method of contact will be recorded.

If a tenant chooses to opt out this does not mean that the Officer will never contact the tenant to check that they are okay. The Officer will continue to endeavour to carry out a weekly visual check for these residents and will continue to contact tenants whenever they have reason to be concerned about their wellbeing.

Tenants will be able to review their decision annually and they can also make changes at any time by requesting it with their SLO.

#### Communication Options

The method and frequency of contact is flexible and adaptable to the needs of each individual tenant, and this will be discussed with the SLO when a tenant has chosen to opt in.

Tenants can have visual checks, intercom contact, mobile phone call, text message etc. A visual check means that the SLO will note down when they see the tenant informally around the scheme. Intercom contact means that the SLO will call the customer via their Tunstall alarm and have a quick conversation to check that they are ok.

When opting in tenants will record their preferred method of contact. The SLO will then endeavour to carry out the check in call via this means, subject to available resources. In some cases, due to time constraints, the SLO may have to replace a verbal call with a visual check.

Tenants should only have the frequency of calls that are necessary for their individual needs, subject to available resources. If the tenant or the SLO thinks that the frequency is inappropriate, they will arrange to discuss it with one another and make the necessary changes.

Tenants will notify their SLO about any changes to their contact details or the contact details of their next of kin as soon as possible. The SLO will then update their records to match this. It is essential that the records are kept up to date so that another SLO can carry out the calls when the usual SLO is on annual or sick leave.

Changes can be made temporarily to the frequency or method of calls e.g. while a tenant is on holiday or in response to fluctuations in health. The tenant must notify the SLO in advance with the details of the change that they would like to make e.g. the duration of their absence.

Second hand information e.g. from the cleaner or other tenants will be used to help the SLO locate tenants when they have a concern but will not be relied upon and the wellbeing of the tenant will always be confirmed by contacting the tenant themselves.

### Christmas Contact

The policy states that Officers will endeavour to carry out a visual check on every tenant each week, even if they have opted out. Over the Christmas period, due to the Council office being closed, the Officers will not be able to carry out the Check In Calls Procedure (including these visual checks) for approximately ten days. During this period Careline (PPP taking care), the 24/7 monitoring centre, will carry out a call to every tenant that has requested one. Prior to this period, officers will contact every tenant to confirm their Christmas contact wishes.

### No response escalation procedure

This is the escalation procedure that will be followed if there is no response from a tenant within the expected time period. For example, if a tenant had agreed to a weekly phone call, then the SLO will begin the escalation procedure when it has been a week since their last contact with the tenant. However, if the SLO, using their knowledge of the expected daily routine of each tenant, has cause for concern about a tenant's wellbeing then they can begin the escalation procedure at any point that

they deem it necessary. Also, as the SLO will endeavour to carry out a weekly visual check for those tenants who have opted out, this escalation procedure will be triggered if any tenant has not been seen by the SLO for a week (unless the tenant is known to be away from the scheme, eg. in hospital or on holiday).

1. Call the tenant via the intercom and, if applicable, their mobile number.
2. Visit the tenants flat.
3. Contact their next of kin and, if applicable, their care provider.
4. Enter the tenants flat accompanied by a colleague where possible. A flat visit form will be left for the tenant to explain why they entered the flat. If the tenant is at home but chose not to respond, then the SLO will discuss this with the tenant and agree an appropriate frequency and method of contact for future check in calls. In the unfortunate event that the tenant is found unconscious or otherwise unable to respond then the SLO will immediately call 999 and request the appropriate service.
5. If the whereabouts of the tenant remain unknown after entering the flat, then the next of kin will be notified of this. The SLO will also notify the Senior Living and Careline Services Manager of this. Relevant local services such as day centres or hospitals will be contacted and then 24 hours after the first failed contact attempt the police will be notified.

Over the Christmas period the escalation procedure will be different as the calls will be carried out by Careline (PPP taking care).

1. Call the tenant via the intercom and, if applicable, their mobile number.
2. Contact their next of kin and, if applicable, their care provider.
3. Relevant local services such as day centres or hospitals will be contacted and then 24 hours after the first failed contact attempt the police will be notified. For the three Waverley Days (for 2022 this is the 28th, 29th, and 30th of December) one SLO will be on call and may be able to attend on site if necessary. However, in line with the Senior Living On Call Procedure, they will not be obliged to do so.

## Recording Contact

The SLO will record the Check In Calls that they carry out on the Check In Calls Record document. This will ensure continuity if another officer needs to cover the scheme.

All escalations will be recorded on the Check In Calls Escalation document with the name of the tenant, the reason for the escalation, and the outcome.

In line with GDPR regulations, only information that is necessary for carrying out the check in calls will be stored and it will only be stored while the person remains a tenant of Waverley Senior Living. It will be stored in the Senior Living SharePoint restricted folder where it will be secure and only accessible by the relevant people working within Senior Living.

A review of the IT/recording options will be completed annually to ensure prompt, accurate, secure reporting and consider alternatives.

Created by:	Amy Walton
Created Date:	September 2022
Approved by:	David Brown
Approval date:	September 2022
Date for review:	September 2023



**WAVERLEY BOROUGH COUNCIL**

**RESOURCES OVERVIEW & SCRUTINY COMMITTEE**

**23 JANUARY 2023**

**EXECUTIVE**

**7 FEBRUARY 2023**

**COUNCIL**

**21 FEBRUARY 2023**

**Title:**

**Housing Revenue Account Business Plan –  
Revenue Budget and Capital Programme 2023/24**

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**Portfolio Holder(s):** Cllr Nick Palmer, Co-Portfolio Holder for Housing (Delivery)  
Cllr Paul Rivers, Co-Portfolio Holder for Housing (Operations)  
Cllr Mark Merryweather, Portfolio Holder for Finance, Assets  
and Commercial Services

**Head of Service:** Peter Vickers, Executive Head of Finance  
Andrew Smith, Executive Head of Housing

**Key decision:** Yes

**Access:** Public

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**1. Purpose and summary**

This report sets out the proposed Housing Revenue Account (HRA) Business Plan, Revenue Budget and Capital Programme for 2023/24.

This report contains the following Annexes:

- Annexe 1 – HRA 30 Year Business Plan 2023/24 to 52/53
- Annexe 2 – HRA Business Plan Movements 2023/24
- Annexe 3 – HRA Key Budget Variances 2023/24
- Annexe 4 – HRA Fees & Charges
- Annexe 5 – HRA Capital Programme
- Annexe 6 – Housing Delivery Programme
- Annexe 7 – HRA Reserves Statement
- Annexe 8 – HRA Contracts over £100k

**2. Recommendation**

It is recommended that the Board consider the proposed recommendations to the Council and advise the Co-Portfolio Holder of Housing and Executive of their comments and any suggestions.

It is recommended that the Executive, after considering the comments from the Landlord Service Advisory Board and Resources Overview and Scrutiny Committee, make the following recommendations to Council, that:

1. the rent level for Council dwellings be increased by up to 4% from the 2022/23 level with effect from 1 April 2023 within the permitted guidelines contained within the Government's rent setting policy;
2. the service charges in senior living accommodation be increased by 4% per week from 1 April 2023 to £20.90;
3. the recharge for energy costs in HRA properties be increased by 4% per week from 1 April 2023;
4. the revised HRA Business Plan for 2023/24 to 2053/54 as set out in Annexe 1 be approved;
5. the approval change for the fees and charges as set out in Annexe 4 is noted
6. the Housing Revenue Account Capital Programmes as shown in Annexe 5 and Annexe 6 be approved; and,
7. the financing of the capital programmes be approved in line with the resources shown in Annexe 7.
8. to deliver the works identified in the maintenance budgets it is recommended that authority is delegated to the Executive Head of Housing, in consultation with the s151 Officer, to procure and enter contracts valued over £100,000 shown in Annexe 8

### **3. Reason for the recommendation**

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

### **4. Background**

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

4.2 The Business Plan underpins the Corporate Plan objectives and provides the resources to fund the 30-year maintenance forecast and deliver proposals for building new affordable homes and stock remodelling.

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

council tax payers and that there should be a fair and transparent apportionment of costs between the HRA and General Fund”.

4.4 Officers undertook a Strategic Review of the HRA Business Plan during the 2022/23 financial year which was approved by Full Council in December 2022. The approach set out in the Strategic Review underpins the budget presented in this report.

## **5. Business Plan**

5.1 The latest projection for the Business Plan for the thirty years commencing 2023/24, is attached at Annexe 1. There has been rigorous scrutiny of HRA budgets and the business plan assumptions during 2022/23 by officers and the Housing and Finance portfolio holders.

5.2 The Business Plan has been affected by the Covid-19 pandemic over the last three years. During the height of the pandemic, there was lower spend on the capital programme and stock maintenance due to tenants isolating and lockdown measures. Dwellings rental income was affected by slower turnarounds of void properties. Void rent loss in 20/21 was £678k, in 21/22 this dropped down to £412k and we expect this to drop further to £384k for 22/23. The void level has now improved back towards the budgeted level of 1% and the Business Plan assumes this rate will continue.

5.3 The Government implemented major changes to HRA finances in 2016 with statutory annual rent reductions of 1% for four years. In 2019 the Government announced that providers of social housing would be permitted to increase average weekly rents by the previous September CPI (Consumer Price Index) plus additional 1% for five years from April 2020.

5.4 The rent cap for 2023/24 was therefore due to be 11.1% (September CPI 10.1% +1%), in light of the economic conditions and unusually high inflation, the government has issued a rent cap for social housing of 7% for this financial year. However, it is proposed to limit the additional percentage to 4% in recognition of the current economic situation to help protect tenants.

5.5 The assumption for rent for 2024/25 is kept and 4% and then returning to September CPI plus the additional 1% from 2025/26 onwards. However, this remains subject to government policy and the current rent standard is a 5-year settlement for which the final year is 2024/25. The Rent Standard is a standard that the Regulator of Social Housing expects registered providers to comply with. It sets the requirements around how registered providers set and increase rents for all their social housing stock. The standard currently allows for rent increases of CPI+1% each year. This could change when the rent standard is reviewed for 2025/26 and any reduction in the allowable rent increase would majorly impact the HRA Business Plan.

5.6 The 2% CPI assumption has changed in the new HRA Business Plan for the years 23/24 (now 9%) and 24/25 (now 4%) in line with the General Fund revised assumptions. The 2023/24 assumption uses the OBR-central economic scenario

published by HM Treasury in November 2022. The 2024/25 then begins to gradually return to a lower rate and from 25/26 CPI is assumed to be 2% which is the governments target rate for inflation. The interest rate assumptions used will continue to be monitored and reviewed during 2023/24.

5.7 In terms of the staff pay award for 2023/24, which is also applied to Councillors' allowances, the Joint Negotiating Committee (JNC) has not yet agreed the pay claim submitted by the Union in December. An indicative amount for pay inflation, as well as other inflation commitments, are incorporated within the draft balanced budget. If the matter is resolved before the Executive meeting in February, the budget will be revised and, in recommending the draft Budget to Council, the Executive would be approving the pay award (Constitution Part 3: 3(o)).

## 6. Rents

6.1 It is proposed that from April 2023/24 rents will be increased by 4%.

6.2 The table below indicates the current average housing weekly rent and impact of an increase by 1%, 4% and 7%.

Bedroom	Total number 22/23	Average weekly rent 22/23	Average Weekly rent + 1%	Average Weekly rent + 4%	Average Weekly rent + 7%
1	1847	104.44	105.48	108.62	111.75
2	1405	124.87	126.12	129.86	133.61
3	1513	140.76	142.17	146.39	150.61
4	35	154.24	155.78	160.41	165.04
5	1	168.09	169.77	174.81	179.86
6	1	179.43	181.22	186.61	191.99

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

6.4 A hardship fund of £30k was introduced in the 2022/23 budget to assist with mitigating the impact of the necessary rent increase. There have been low numbers of applications to the fund during the year and the £30k provided remains sufficient. It is proposed that this fund continues in 2023/24.

6.5 It is proposed that service charges in the eight senior living schemes are increased by 4% per week bringing the new charge to £20.90 in 2023/24 and heating reimbursement charge for HRA dwellings be increased by 4% per week in line with the proposed rent increase.

6.6 A full service charge review will be undertaken in 2023/24 to ensure recovery of costs is achieved. Delaying this review until the new financial year when there is more clarity regarding energy support will hopefully protect residents from unnecessary uncertainty and adjustments.

6.7 The tables below demonstrate the cumulative effect on rental streams by applying three scenarios. It assumes for simplicity that the stock level remains the same throughout the 30 year HRA business Plan.

- Scenario One: 1% increase in 2023/24
- Scenario Two: 4% increase in 2023/24
- Scenario Three: 7% increase in 2023/24

**Business Plan impact - Rent increases**

<b>% Increase</b>	<b>1%</b>	<b>4%</b>	<b>7%</b>
Additional income 23/24	-169,925	-1,073,859	-1,977,792
Impact across 30 year business plan	-14,386,717	-57,546,868	-100,707,019

The above figures are calculated from the revised dwelling base for 23/24 which takes into account assumptions for right to buy sales, new build and demolitions during the year.

6.8 A 4% increase in 2023/24 results in less income, than would be received if the Council were to apply the maximum permitted by Government (7%), of £0.9m in 23/24 and around £43m over 30 years.

6.9 A 1% increase in 2023/24 results in less income, than would be received if the Council were to apply the maximum permitted by Government (7%), of £1.8m in 23/24 and around £86m over 30 years

6.10 The level of rent increase also has an impact on the level of additional borrowing required. If an increase of 1% was applied, then the additional borrowing requirement would be around £40m over the next 13 years compared to £26m over the next 12 years when 4% is applied.

6.11 The proposed rent increase of 4% equates on average to £4.89 per week.

**7. Fees and Charges**

A proposed schedule of charges for various services to leaseholders and shared owners is given in Annexe 4. The income from fees and charges are already included in the Business Plan, representing less than 0.05% of total income to the HRA p.a.

## **8. Draft 2023/24 Capital Programme**

8.1 The draft Capital Programmes at Annexes 5 and 6 show the proposals estimated to be spent in 2023/24 and the following years on each of the elements to the capital programme.

8.2 Programme delivery for the capital programme was slightly delayed in 2022/23 due to the need to procure and appoint new contractors but now all the main projects now have contractors in place for the current and the new financial year. The focus of the programme continues to be making our homes safe and warm.

8.3 There is continued drive towards increasing the energy efficiency of the Waverley stock, by raising all properties to an EPC rating of C or above. This will be achieved through a number of different measures including programmes targeting further PV installations, loft insulation and heating upgrades.

8.4 The heating upgrades budget within capital programme budgets increases up to circa £1m per year for six years. These are programmed upgrades where a high number of boilers are due renewal.

8.5 In terms of ensuring compliance, there will be a focus on addressing the priorities identified from the current Fire Risk Assessment survey and from the 5 year electrical testing regime.

8.6 A stock condition survey is currently going through the procurement process which will be undertaken as a rolling programme over the next two year. This will drive the future capital programme, therefore budgets for 2024/25 and future years is currently indicative until detailed information is known. The budget for carrying out these stock surveys is included in the 2023/24 capital programme.

8.7 The 30- Year Business Plan also includes a programme to develop new affordable homes and a programme to remodel some of the existing stock. Council gave approved in December 2022 for a number of schemes, including Ockford Ridge Site C, due to deliver a total of 74 new homes, with a net gain of 45, for which their budgets are profiled across a number of years as show in *Annexe 6*.

8.8 Other sites are coming forward and budget to undertake survey and feasibility work has been identified in the pre-development budget. New governance arrangements are now in place, in line with the capital strategy, for the use of this budget, where Housing Delivery Board will be briefed on the projects coming forward and will agree appropriate sites and priorities for the use of this budget.

8.9 Budgets for development sites include an allowance for enhanced energy efficiency measures to support delivery of the Councils aim to become carbon neutral by 2030.

8.10 Included in Annexe 8 are a list of contracts due to be procured in 2023/24. The totals included represent the contract total across years and are not limited to 2023/24 values. The budgets for these contracts are contained within both the Capital Programme budget and within the Revenue budget. To support the procurement, award and undertaking of works it recommended that delegation is given to the Executive Head of Housing, in consultation with the s151 Officer, to procure and enter into these contracts valued over £100,000. There are some larger scale procurements due during 2023 such as the Heating Upgrade and Maintenance contract at £14m and Fire Safety Works contract at £4m. Due to their large value these contracts have not been included in Annexe 8 and will come separately to committee for approval during the year.

## **9. Financing**

9.1 The Business Plan has been modelled to use reserves and surpluses arising from the annual Business Plan, subject to maintaining a minimum £2 million Working Balance.

9.2 The financial model in Waverley's HRA Business Plan incorporates the transfer to the HRA major repairs reserve to support capital expenditure. Annexe 5 shows the Capital Programme proposals against the resources available in the next 10 years.

9.3 In 2012 Waverley was required to take out £189m of borrowing to transfer the HRA to the new 'self-financing' basis. The HRA began making repayments of external debt principal in 2017/18. This is now scheduled to continue each year throughout the life of the Business Plan until repaid. In October 2018 the Government removed the borrowing cap for the HRA which had limited the borrowing at £192m.

9.4 The original business plan was set to repay the borrowing over the next 18 years, due to complete in 2040/41. Due to subsequent changes in government rent policy and recent economic shocks, the plan to be debt free is no longer achievable in this timeframe, without the need for additional borrowing, as annual rent income is not sufficient to cover the debt repayment and maintenance of council dwellings. The council changed its strategy regarding debt in the HRA strategic review as agreed by full Council in December 2022 to free up rent income to fund housing maintenance and the energy efficiency programme.

9.5 It is currently forecast additional borrowing of circa £4.5m will be required in 2025/26 to finance the HRA business plan and proposed capital programmes with additional borrowing required going forward to achieve the HRA business plan objectives. This position will be kept under review during 2023/24 and only undertaken if required. Over the life of the business plan, additional borrowing of up to £26m will be needed to support the programme for maintenance and

existing debt repayment. The additional borrowing is required over the next 12 years, after which balances are forecast to become sufficient to cover the existing debt repayments. Where borrowing is undertaken, the financial impact on future years will be considered alongside the rest of the HRA business plan to ensure affordable.

## **10. Local Government Act 2003 – Financial Administration**

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

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

10.2 **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.

10.3 The Council's Medium Term Financial Plan, together with information presented in the Budget reports and subsequent reports demonstrate the financial challenges to Waverley Borough Council and Landlord Service in the future.

10.4 In view of the level of awareness amongst Members and the action taken to produce the Council's budget in 2023/24, the S.151 Officer is satisfied with the robustness of the estimates presented.

10.5 **Adequate reserves** - are necessary to meet significant cost that could not reasonably have been foreseen in the preparation of the budget. The levels of the HRA working and repairs fund balances have been reviewed and the working balance is at least £2m. Annexe 7 shows the schedule of HRA balances and reserves.

10.6 **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 2022/23 shows that the HRA is not staying within budget on capital and revenue overall due to inflationary increases. However, action has been taken to manage the budget where possible and working balances will be utilised to fund these increases to ensure a balanced position can be achieved by year end.

## **11. Conclusion**

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

## **12. 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.

### **13. Implications of decision**

#### **13.1 Resource (Finance, procurement, staffing, IT)**

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

#### **13.2 Risk management**

Risks inherent with the delivery of a sustainable Business Plan have been identified and will be closely monitored by officers throughout the year.

#### **13.3 Legal**

13.3.1 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.

13.3.2 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.

### **14. Climate emergency declaration**

14.1 The New Build Programme contributes to the Council's environmental and sustainability objectives through working with consultants to develop climate positive design and developing carbon off-set opportunities in materials used in construction.

14.2 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.

- 14.3 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.
- 14.4 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.
- 14.5 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
- 14.6 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.
- 14.7 The development teamwork 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.
- 14.8 Sustainability and reducing carbon are central to the review of the Asset Management Strategy, Responsive Repairs contract and capital works programmes.
- 14.9 Meeting the climate change emergency in respect of the council's housing stock is both financially and resource intensive. Detailed work will be done alongside the stock condition survey to understand the works required and how best to deliver them within the HRA Business Plan.

## **15.Consultation and engagement**

The Portfolio Holders and the Tenants Panel will be consulted on this paper. The Resources O&S Committee will scrutinise the draft HRA Business Plan and budget at their meeting on 23 January 2023.

## **16.Other options considered**

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

## **17.Governance journey**

### **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:

Strategic Director:

Portfolio Holder:

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## HRA Business Plan 2023/24 to 2052/53

	YR1 2023/24	YR2 2024/25	YR3 2025/26	YR4 2026/27	YR5 2027/28	YR12 <sup>3</sup> 2034/35	YR18 <sup>2</sup> 2040/41	YR20 2042/43	YR25 2047/48	YR30 2052/53
<b>HRA WORKING BALANCE</b>										
<b>INCOME</b>										
Net Dwelling Rent	-31,294,059	-32,545,821	-33,522,196	-34,527,862	-35,563,698	-43,738,863	-52,226,489	-55,407,083	-64,231,994	-74,462,486
Service Charges	-396,448	-412,306	-424,675	-437,415	-450,538	-554,105	-661,630	-701,923	-813,721	-943,326
Cost Recovered	-353,115	-367,240	-378,257	-389,605	-401,293	-493,540	-589,312	-625,201	-724,780	-840,219
Other Income	-294,097	-305,861	-315,037	-324,488	-334,222	-411,051	-490,817	-520,708	-603,643	-699,788
Interest Receipts <sup>1</sup>	-538,180	-373,790	-202,160	-202,160	-202,160	-202,160	-202,160	-202,160	-202,160	-202,160
<b>Total Income</b>	<b>-32,875,899</b>	<b>-34,005,018</b>	<b>-34,842,325</b>	<b>-35,881,530</b>	<b>-36,951,911</b>	<b>-45,399,719</b>	<b>-54,170,409</b>	<b>-57,457,075</b>	<b>-66,576,298</b>	<b>-77,147,978</b>
<b>EXPENDITURE</b>										
Cost of Operation	2,192,487	2,239,286	2,263,621	2,288,443	2,313,762	2,505,750	2,692,878	2,760,360	2,941,235	3,140,936
Operational Staffing	3,766,496	3,766,496	3,766,496	3,766,496	3,841,826	4,413,050	4,969,811	5,170,592	5,708,751	6,302,923
Support Service Charges	790,570	822,193	838,637	855,409	872,518	1,002,248	1,128,695	1,174,294	1,296,515	1,431,458
Back Funding Pension Cost	638,035	619,285	600,285	600,285	600,285	600,285	600,285	600,285	600,285	600,285
Responsive Maintenance	6,853,347	7,127,481	7,270,030	7,415,431	7,563,739	8,688,359	9,784,503	10,179,797	11,239,319	12,409,116
Corporate and Democratic Costs	834,691	868,079	885,440	903,149	921,212	1,058,183	1,191,686	1,239,830	1,368,873	1,511,346
Mortgage Interest <sup>2</sup>	5,116,002	4,872,531	4,691,895	4,482,707	4,227,321	1,268,798	86,777	0	0	0
Revenue contribution to Mortgage Principal Repayment <sup>2</sup>	8,561,000	9,485,000	5,250,000	6,120,000	7,700,000	16,680,000	3,237,952	0	0	0
Hardship Fund	30,000	30,000	30,000							
<b>Total Expenditure</b>	<b>28,782,628</b>	<b>29,830,350</b>	<b>25,596,404</b>	<b>26,431,920</b>	<b>28,040,662</b>	<b>36,216,674</b>	<b>23,692,587</b>	<b>21,125,158</b>	<b>23,154,978</b>	<b>25,396,063</b>
<b>Net INCOME -/ Net EXPENDITURE +</b>	<b>-4,093,271</b>	<b>-4,174,668</b>	<b>-9,245,921</b>	<b>-9,449,610</b>	<b>-8,911,249</b>	<b>-9,183,045</b>	<b>-30,477,822</b>	<b>-36,331,917</b>	<b>-43,421,320</b>	<b>-51,751,915</b>
<b>CONTRIBUTIONS TO (+)/FROM (-) RESERVES</b>										
Capital Programme Contribution	9,018,224	9,079,501	9,264,427	9,449,715	8,909,127	9,188,644	10,347,906	10,765,961	11,886,491	13,123,647
<b>MOVEMENT IN YEAR ADDED (-)/REDUCED (+)</b>	<b>4,924,953</b>	<b>4,904,833</b>	<b>18,506</b>	<b>105</b>	<b>-2,122</b>	<b>5,600</b>	<b>-20,129,916</b>	<b>-25,565,956</b>	<b>-31,534,829</b>	<b>-38,628,268</b>
Opening Balance	-11,848,674	-6,923,721	-2,018,888	-2,000,383	-2,000,277	-2,006,405	-68,845,573	-113,467,322	-252,820,694	-424,231,395
<b>CLOSING BALANCE (MIN £2m)</b>	<b>-6,923,721</b>	<b>-2,018,888</b>	<b>-2,000,383</b>	<b>-2,000,277</b>	<b>-2,002,399</b>	<b>-2,000,805</b>	<b>-88,975,489</b>	<b>-139,033,278</b>	<b>-284,355,524</b>	<b>-462,859,663</b>
<b>MAJOR REPAIRS RESERVE</b>										
Opening Balance	0	0	0	0	0	0	0	0	0	0
CAPITAL PROGRAMME CONTRIBUTION ADDED (-)	-9,018,224	-9,079,501	-9,264,427	-9,449,715	-8,909,127	-9,188,644	-10,347,906	-10,765,961	-11,886,491	-13,123,647
Capital programme	9,018,224	9,079,501	9,264,427	9,449,715	8,909,127	9,188,644	10,347,906	10,765,961	11,886,491	13,123,647
<b>CLOSING BALANCE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Principal Repayment Financing</b>										
Mortgage Principal Repayment due	8,561,000	9,485,000	9,780,000	10,399,000	11,166,000	17,307,000	3,237,952	0	0	0
Revenue Contribution	8,561,000	9,485,000	5,250,000	6,120,000	7,700,000	16,680,000	3,237,952	0	0	0
Internal/external refinancing <sup>3</sup>	0	0	4,530,000	4,279,000	3,466,000	627,000	0	0	0	0

<sup>1</sup> Interest receipts drop down to £202k over two years based on forecast interest rates settle down to target by 25/26

<sup>2</sup> Loan repayments complete year 18 (2040/41)

<sup>3</sup> Additional borrowing required up to year 12 (2034/35) after which working balances become sufficient to cover the existing debt repayments

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## HRA BUDGET SETTING 2023/24

	2022/23			A	B	C	D	E	F	G	H
	Opening Budget	2023/24 Draft Budget	Variance	Business As Usual (BAU)	BT	Savings	Inflation impact from 22/23	Inflation 23/24	Collaboration	Growth	Unavoidable growth
<b>INCOME</b>											
Net Dwelling Rent <sup>1</sup>	-30,220,200	-31,294,059	-1,073,859					-1,073,859			
Net Garage Rent	-332,115	0	332,115								332,115
Service Charges	-374,850	-396,448	-21,598	-6,269				-15,329			
Cost Recovered	-342,247	-353,115	-10,868					-10,868			
Other Income	-270,086	-294,097	-24,011					-24,011			
Interest Receipts	-145,467	-538,180	-392,713					-392,713			
<b>Total Income</b>	<b>-31,684,965</b>	<b>-32,875,899</b>	<b>-1,190,934</b>	<b>-6,269</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-1,516,780</b>	<b>0</b>	<b>0</b>	<b>332,115</b>
<b>EXPENDITURE</b>											
Cost of Operation	1,429,529	2,192,488	762,959	27,187			491,150	96,803		99,713	48,106
Operational Staffing	3,851,559	3,766,496	-85,063	-91,849	-3,977	-791	-48,095	238,008	-217,628	39,269	
Support Service Charges	599,300	790,570	191,270	91,791		-72,162			167,628	4,013	
Back Funding Pension Cost	658,285	638,035	-20,250			-20,250					
Responsive Maintenance	6,107,971	6,853,347	745,376	-20,860			66,155	565,873		130,225	3,983
Corporate and Democratic Costs	614,950	834,691	219,741								219,741
Mortgage Interest	5,327,754	5,116,002	-211,752	-211,752							
Revenue contribution to Mortgage Principal Repayment	7,998,000	8,561,000	563,000	211,752							351,248
Hardship Fund	30,000	30,000	0								
<b>Total Expenditure</b>	<b>26,617,348</b>	<b>28,782,629</b>	<b>2,165,281</b>	<b>6,269</b>	<b>-3,977</b>	<b>-93,203</b>	<b>509,210</b>	<b>900,684</b>	<b>-50,000</b>	<b>273,220</b>	<b>623,078</b>
<b>CONTRIBUTIONS TO (+)/FROM (-) RESERVES</b>											
Capital programme Contribution <sup>1</sup>	7,683,100	9,018,224	1,335,124					744,624		842,780	-252,280
Release Contingency Reserve	-2,024,000	0	2,024,000								2,024,000
Total Contributions to/from reserves	5,659,100	9,018,224	3,359,124	0		0	0	744,624		842,780	1,771,720
<b>TOTAL</b>	<b>591,483</b>	<b>4,924,954</b>	<b>4,333,471</b>	<b>0</b>	<b>-3,977</b>	<b>-93,203</b>	<b>509,210</b>	<b>128,528</b>	<b>-50,000</b>	<b>1,116,000</b>	<b>2,726,913</b>

<sup>1</sup> Garages moved to General Fund for 2023/24. The loss of this income is partially offset by a reduction in the Capital programme Contribution of £252k

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## HRA BUDGET VARIANCES 2023/24

## B - BUSINESS TRANSFORMATION 2023/24

Budget Area	Description	Amount	Comment
Operational Staffing	Travel savings from Business Transformation project	-3,977	HRA savings as a result of the Business Transformation travel project

## C - SAVINGS 2023/24

Budget Area	Description	Amount	Comment
Back Funding Pension Cost	Reduction in Back Funding Pension cost for 23/24	-20,250	Based on latest triennial review
Cost of Operation	Saving on Senior Living Contract	-791	Saving from Annual Monitoring Service (Careline)
Support Service Charges	Reduction in 23/24 recharges	-72,162	Recharges reduced from prior year
<b>TOTAL</b>		<b>-93,203</b>	

## D - INFLATION IMPACTS RELATING TO 22/23

Budget Area	Description	Amount	Comment
Cost of Operation	Utility inflation 22/23	491,150	This is approximately an increase of 160% compared to the opening budget for 22/23
Grounds Maintenance	Grounds Maintenance inflation 22/23	9,319	Inflation increase in 22/23 of 6.2%
Responsive Repairs	Ian Williams contract inflation 22/23	55,500	Inflation increase in 22/23 of 1.5%
Responsive Repairs	Tunstall contract inflation 22/23	1,336	Inflation increase in 22/23 of 6.6% compared to budget
Staffing	Underspend of staffing inflation 22/23	-48,095	Pay award of 3% in 22/23, amount provided for in provision higher than actual requirement.
<b>TOTAL</b>		<b>509,210</b>	

## E - INFLATION 2023/24

Budget Area	Description	Amount	Comment
Cost of Operation	Utility inflation 23/24	84,876	Inflation allowed at 9% for 22/23.
Cost of Operation	IT and other contract inflation 23/24	11,927	Inflation allowed at 9% for 22/23
Responsive Repairs	Grounds Maintenance inflation 23/24	20,315	Inflation allowed at 9% for 22/23
Responsive Repairs	Inflation across range of responsive repair contracts 23/24	545,558	Inflation allowed at 9% for 22/23
Core Capital Contribution	Inflation across core capital programme	744,624	Inflation allowed at 9% for 22/23
Staff costs	Staff inflation	238,008	Allowance made for 23/24 pay award, currently still under negotiation. Will be reviewed once final decision has been made
Net Dwelling Rent	Increase in 2023/24 rent	-1,073,859	Proposed at 4% - After adjustments for any disposals, new builds or demolitions taken into account.
Service Charges and other income	Increase in service charges and other rent	-50,208	Proposed at 4%
Interest receipts	Increase in interest receipts for 2023/24	-392,713	Increase in investment income for 23/24 due to increased interest rates
<b>TOTAL</b>		<b>128,528</b>	

## F - COLLABORATION 2023/24

Budget Area	Description	Amount	Comment
Operational Staffing	Savings from Collaboration - Joint Management Team	-50,000	HRA savings as a result of the Joint Management Team

## G - GROWTH - 2023/24

Budget Area	Description	Variance	Comment
Cost of Operation	Easymove budget growth	30,300	Growth to the Easymove budget in 23/24 from £39,700 to £70,000 which will allow an increase in the number of downsizing payments which incentives Council tenants to downsize and free up much needed family sized accommodation.
Responsive Repairs	Cyclical budget growth	111,618	Increase in Boiler Maintenance budget requested for 23/24, related to increased costs of new contract. Also reintroduction of Stairlift maintenance budget previously incorrectly removed. The total cyclical maintenance budget for 22/23 was £2.1m.

Grounds Maintenance	Increase frequency of grass cutting	18,607	During 22/23 an increase in grass cutting was requested which gives an additional cost of £18.6k (related to no mow may). The grounds maintenance budget for 22/23 was £194k.
IT Recharge	Increase in recharge from IT	4,013	Due to IT contract inflation.
Cost of Operation	Increase in cleaning costs	37,500	Increase cleaning budget relating to communal areas, this is an increase on top of the 22/23 budget of £18k.
Cost of Operation	Increase in annual maintenance cost for asset system	31,913	A replacement/upgrade for the Keystone asset management system in 23/24 will result in additional annual costs. Increasing from £23k to £55k. This is an indicative cost and may change once tenders have been received
Operational Staffing	Market Supplements for Compliance Team	26,200	Increase in costs due to Market Supplements for difficult to recruit posts.
Operational Staffing	New Trainee Stock Surveyor Post	13,069	New post part funded from reduction in hours on Quality Assurance post
Contribution to Capital Programme	Increase in capital for 23/24	842,780	Increased Capital Programme for 23/24.
<b>TOTAL</b>		<b>1,116,000</b>	

**H - UNAVOIDABLE GROWTH - 2023/24**

Budget Area	Description	Amount	Comment
Garage rent	Garages moving over to GF - loss of income	79,835	The net impact of garages moving across to GF from HRA is a loss of £79.8k
Cost of Operation	Increase in insurance cost for 23/24	5,926	Insurance costs for HRA increased in 23/24, the budget for 22/23 was £274k.
Cost of Operation	Void utility budgets	27,180	Budget introduced to cover cost of void utilities, previously not budgeted for but spend incurred
Grounds Maintenance	Growth in budget due to increased contract costs	3,983	As a result of contract changes (loss of Surrey Verges) the unit rate in the contract has increased resulting in growth to the HRA budget
Mortgage Principal Repayment	Increase cost of debt repayment for 23/24	351,248	Increase cost of debt repayment for 23/24 - partially offset against a reduction in debt interest costs (£212k)
Movement in reserve	Reversal of previous year budget for release of contingency reserve	2,024,000	Contingency fund that was carried forward for several years was released in 2022/23. No further funds left to release.
Corporate and Democratic Costs	Increase in recharges from GF for 23/24	219,741	Increase in the corporate and democratic recharge from GF in 23/24 due inflation
Cost of Operation	Tenants Participation budget	15,000	To procure a market research company to collect tenant views to meet the Social Housing Regulator requirements for Tenant Satisfaction Measures
<b>TOTAL</b>		<b>2,726,913</b>	

<b>TOTAL HRA VARIANCES</b>	<b>4,333,471</b>
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**Housing Services**  
**Schedule of Fees and Charges for 2023/2024**

**Housing Revenue Account****Supervision and Management Special**

Guest Rooms - E P Units - Single	Per Night	OS	18.30	<b>19.95</b>	9.0%
Guest Rooms - E P Units - Double	Per Night	OS	23.60	<b>25.70</b>	8.9%
Community Rooms - Residents	Session	OE	21.60	<b>23.50</b>	8.8%
Community Rooms - Non Resident	Session	OE	37.60	<b>41.00</b>	9.0%

**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	29.40	<b>32.05</b>	9.0%
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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	26.10	<b>28.45</b>	9.0%
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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	29.20	<b>31.85</b>	9.1%
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Service charge invoicing and supporting documentation non-shared ownership.

Quarterly	OO	4.00	<b>4.35</b>	8.7%
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Service charge invoicing and supporting documentation non-shared ownership.

Annual	OO	13.20	<b>14.40</b>	9.1%
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Service charge invoicing and supporting documentation shared ownership.

OO	29.40	<b>32.05</b>	9.0%
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Consent to alter

OS	60.70	<b>66.15</b>	9.0%
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Retrospective/ Complex consent to alter

OS	83.70	<b>91.20</b>	9.0%
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Consent to underlet

OS	34.60	<b>37.70</b>	9.0%
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Consent to keep pets

OS	34.60	<b>37.70</b>	9.0%
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<b>Housing Services</b> <b>Schedule of Fees and Charges for 2023/2024</b>				
Letter to lenders and other third parties	OS	29.40	<b>32.05</b>	9.0%
Reminder in relation to arrears with full printout of account	OE	29.40	<b>32.05</b>	9.0%
Section 20 management	OE	39.80	<b>43.40</b>	9.0%
Obtaining Land Registry document as requested by leaseholder	OS	12.90	<b>14.05</b>	8.9%
Provision of duplicate invoices	OS	3.50	<b>3.80</b>	8.6%
Contacting or responding to you in relation to a problem with your flat. Non-complex replies by email will be free	OS	6.90	<b>7.50</b>	8.7%
Written contact and liaison with you in relation to statutory requirements, such as fire and asbestos risk assessments	OE	3.50	<b>3.80</b>	8.6%
Leasehold enquiry responses	OS	256.20	<b>279.25</b>	9.0%
Leasehold (with sinking fund) enquiry responses	OS	266.70	<b>290.70</b>	9.0%
Preliminary telephone advice for non-complex issues relating to your leasehold property			<b>FREE FREE</b>	
Changing leaseholder records, leaseholder responsible for advising changes in writing			<b>FREE FREE</b>	

HRA Capital Budget 23/24 - 2033/34										
	2023/24 Proposed budget	Indicative budgets - subject to outcome of Stock Surveys								
		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2031/32	2032/33	2033/34
	£	£	£	£	£	£	£	£	£	£
<b>Communal &amp; Estate works</b>										
Flooring	20,000	21,800	22,672	23,125	23,588	24,060	24,541	25,032	25,532	26,043
Lighting	20,000	21,800	22,672	23,125	23,588	24,060	24,541	25,032	25,532	26,043
Parking, Paths & Curtilage	75,000	81,750	85,020	86,720	88,455	90,224	92,028	93,869	95,746	97,661
Sewerage Works	75,000	0	0	0	0	0	0	0	0	0
<b>Communal &amp; Estate Works Total</b>	<b>190,000</b>	<b>125,350</b>	<b>130,364</b>	<b>132,971</b>	<b>135,631</b>	<b>138,343</b>	<b>141,110</b>	<b>143,932</b>	<b>146,811</b>	<b>149,747</b>
<b>Health &amp; Safety Works</b>										
Fire safety	850,000	926,500	963,560	982,831	0	0	0	0	0	0
Fire Doors	100,000	109,000	113,360	115,627	117,940	120,299	122,705	125,159	127,662	130,215
<b>Health &amp; Safety Works Total</b>	<b>950,000</b>	<b>1,035,500</b>	<b>1,076,920</b>	<b>1,098,458</b>	<b>117,940</b>	<b>120,299</b>	<b>122,705</b>	<b>125,159</b>	<b>127,662</b>	<b>130,215</b>
<b>Decent Homes Occupied Properties</b>										
Rewiring	700,000	763,000	793,520	809,390	825,578	842,090	858,932	876,110	893,632	911,505
Commercial Heating	200,000	218,000	226,720	231,254	235,879	240,597	245,409	250,317	255,324	260,430
<b>Decent Homes Occupied Properties Total</b>	<b>900,000</b>	<b>981,000</b>	<b>1,020,240</b>	<b>1,040,645</b>	<b>1,061,458</b>	<b>1,082,687</b>	<b>1,104,341</b>	<b>1,126,427</b>	<b>1,148,956</b>	<b>1,171,935</b>
<b>Decent Homes Void Properties</b>										
Bathroom Work	157,500	171,675	178,542	182,113	185,755	189,470	193,260	197,125	201,067	205,089
Kitchen Work	472,500	515,025	535,626	546,339	557,265	568,411	579,779	591,374	603,202	615,266
<b>Decent Homes Void Properties Total</b>	<b>630,000</b>	<b>686,700</b>	<b>714,168</b>	<b>728,451</b>	<b>743,020</b>	<b>757,881</b>	<b>773,038</b>	<b>788,499</b>	<b>804,269</b>	<b>820,355</b>
<b>Disabled Adaptations Occupied Properties</b>										
Disabled adaptations	300,000	327,000	343,350	350,217	357,221	364,366	371,653	379,086	386,668	394,401
<b>Disabled Adaptations Occupied Properties Total</b>	<b>300,000</b>	<b>327,000</b>	<b>343,350</b>	<b>350,217</b>	<b>357,221</b>	<b>364,366</b>	<b>371,653</b>	<b>379,086</b>	<b>386,668</b>	<b>394,401</b>
<b>Programmed work</b>										
Asbestos Removals	250,000	272,500	283,400	289,068	294,849	300,746	306,761	312,896	319,154	325,538
Bathroom Work	550,000	599,500	623,480	635,950	648,669	661,642	674,875	688,372	702,140	716,183
Carbon Monoxide alarm installs	90,000	0	0	0	0	0	0	0	0	0
<u>Heating Upgrade</u> <sup>1</sup>	400,000	1,042,411	1,084,107	1,105,789	1,127,905	1,150,463	1,173,472	250,317	255,324	260,430
Kitchen Work	550,000	599,500	623,480	635,950	648,669	661,642	674,875	688,372	702,140	716,183
Lift Maintenance	35,000	38,150	39,676	40,470	41,279	42,104	42,947	43,806	44,682	45,575
<u>Stock Surveys</u> <sup>2</sup>	175,000	0	0	0	0	0	0	0	0	0
Housing Property Fees	50,000	54,500	56,680	57,814	58,970	60,149	61,352	62,579	63,831	65,108
Grounds Maintenance HRA Land & Properties	35,000	38,150	39,676	40,470	41,279	42,104	42,947	43,806	44,682	45,575
Staff Recharges	763,100	831,779	865,050	882,351	899,998	917,998	936,358	955,085	974,187	993,671
<u>Social Housing Decarbonisation Funding submission</u> <sup>3</sup>	280,000	0	0	0	0	0	0	0	0	0
<u>St James Court</u> <sup>4</sup>	140,500									
Asset Management System replacement/upgrade	60,000									
<b>Programmed work Total</b>	<b>3,378,600</b>	<b>3,476,490</b>	<b>3,615,549</b>	<b>3,687,860</b>	<b>3,761,617</b>	<b>3,836,850</b>	<b>3,913,587</b>	<b>3,045,234</b>	<b>3,106,139</b>	<b>3,168,261</b>
<b>Roofing &amp; Associated works</b>										
Energy efficiency	350,000	381,500	396,760	404,695	412,789	421,045	429,466	438,055	446,816	455,753
Roofline & Fascias	350,000	381,500	396,760	404,695	412,789	421,045	429,466	438,055	446,816	455,753
Re-roofing	530,000	577,700	600,808	612,824	625,081	637,582	650,334	663,341	676,607	690,140
<b>Roofing &amp; Associated works Total</b>	<b>1,230,000</b>	<b>1,340,700</b>	<b>1,394,328</b>	<b>1,422,215</b>	<b>1,437,870</b>	<b>1,472,627</b>	<b>1,808,080</b>	<b>1,844,241</b>	<b>1,881,126</b>	<b>1,918,749</b>
<b>Structural &amp; Damp works</b>										
Flat Internal Remodelling	125,000	136,250	141,700	144,534	147,425	150,373	153,381	156,448	159,577	162,769
Structural Works	100,000	109,000	113,360	115,627	117,940	120,299	122,705	125,159	127,662	130,215
<b>Structural &amp; Damp works Total</b>	<b>225,000</b>	<b>245,250</b>	<b>255,060</b>	<b>260,161</b>	<b>265,364</b>	<b>270,672</b>	<b>276,085</b>	<b>281,607</b>	<b>287,239</b>	<b>292,984</b>
<b>Windows &amp; Doors</b>										
Glazing	450,000	490,500	510,120	520,322	530,729	541,343	552,170	563,214	574,478	585,968
<b>Windows &amp; Doors Total</b>	<b>450,000</b>	<b>490,500</b>	<b>510,120</b>	<b>520,322</b>	<b>530,729</b>	<b>541,343</b>	<b>552,170</b>	<b>563,214</b>	<b>574,478</b>	<b>585,968</b>
<b>Latent defects</b>	<b>20,000</b>	<b>21,800</b>	<b>22,672</b>	<b>23,125</b>	<b>23,588</b>	<b>24,060</b>	<b>24,541</b>	<b>25,032</b>	<b>25,532</b>	<b>26,043</b>
Inflation Provision	744,624	349,212	181,655	185,289	174,689	178,183	181,746	185,381	170,156	173,181
<b>Grand Total</b>	<b>9,018,224</b>	<b>9,079,501</b>	<b>9,264,427</b>	<b>9,449,715</b>	<b>8,909,127</b>	<b>9,087,310</b>	<b>9,269,056</b>	<b>8,507,812</b>	<b>8,659,036</b>	<b>8,831,838</b>

**Note:**

The core capital programme will be funded via the Major Repairs Reserve

<sup>1</sup> The Heating Upgrade budget increases from £400k up to £1m due to the six year programme of replacements for approx. 3730 gas boilers starting in 2024/25

<sup>2</sup> The total cost of the stock surveys is £300k, £125k of this is budgeted in 22/23 and will be either spent in 22/23 or carried forward to 23/24

<sup>3</sup> Waverley has submitted a bid of £516k to the Social Housing Decarbonisation Fund of which Waverley will need to fund £280k. The £516k will be used for works to insulate our homes.

<sup>4</sup> The budget requested for St James Court is to develop a long term option for the disposal of St James Court (Grade II Listed, Church Building), this will include extensive preliminary works to investigate the most appropriate route to market given that the building is an HRA asset, a listed building and has restrictive covenants within the freehold

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## Housing Delivery Budget 2023/24-2024/25

Schemes approved at Dec 23 Council

Scheme	Spend up to end 21/22	22/23 estimate	23/24 Budget	24/25 Budget	Total Approved Scheme Costs
Aarons Hill	157,621	407,904	462,514	26,920	1,054,959
Hartsgrove	60,351	88,000	1,508,170	155,047	1,811,568
Turners Mead	24,110	61,690	666,467	322,529	1,074,796
Pathfield	69,801	100,093	3,133,427	326,108	3,629,429
Queensmead	70,863	200,000	1,705,822	410,235	2,386,920
Ockford Ridge - Site C	553,698	3,149,061	4,413,131	0	8,115,890
Riverside Court	2,500	320,646	10,000	0	333,146
Catteshall Lane	0	900,000	1,945,500	0	2,845,500
<b>TOTAL</b>	<b>938,944</b>	<b>5,227,394</b>	<b>13,845,032</b>	<b>1,240,839</b>	<b>21,252,208</b>

**To be funded by:**

Capital receipts unapplied reserve (1-4-1 receipts)	-938,944	-1,111,440	-3,141,696	-65,839	-5,257,918
Capital receipts unapplied reserve (Shared Ownership Sales)	0	0	0	-1,175,000	-1,175,000
Borrowing	0	-4,115,954	-10,703,336		-14,819,290

Bids 2023/24

Bid Title	Budget required	
	23/24 bid	24/25 estimate
Pre Development	200,000	200,000
Ockford Ridge Utility	200,000	200,000
Staff Recharges	248,387	438,833
<b>TOTAL</b>	<b>0</b>	<b>838,833</b>

**To be funded by:**

New Development impact reserve			-648,387	-838,833	
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Reserve	Estimated Opening Balance 23/24	Use 23/24	Forecast Closing Balance 23/24	Restrictions/Purpose
Major Repairs Reserve (MRR)	0	0	0	The regulations require the MRR to be credited with an amount equivalent to the total depreciation charges for all HRA assets. This is then used to fund capital spend. It can also be used to fund repayments of principal of any amounts borrowed. The HRA will be contributing to this reserve in 23/24 but this will all be used to fund the capital programme.
Uninsured Losses Reserve	-100,000	10,000	-90,000	To cover excess on insurance claims
Capital Grants Unapplied Account	-42,554	0	-42,554	Thames Water bond for Ockford Ridge.
New Development impact Reserve	-20,096,405	1,132,189	-18,964,216	Reserve to be used to cover the revenue impact on business plan for New Development Schemes
Revenue Account Balances	-11,848,674	4,924,953	-6,923,721	Working balances - Min balance - £2m
Restricted 1-4-1 receipts (5 Year limit)	-4,000,000	1,641,696	-2,358,304	The use of these receipts is restricted to the building and acquisition of new properties. The percentage cost of a new home that Waverley can fund using Right to Buy receipts increases is 40%. 1-4-1 receipts must be spent within 5 years or returned to central government.
	<b>-36,087,634</b>	<b>7,708,838</b>	<b>-28,378,796</b>	

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**Housing Operations Property Services Procurement Programme 2023/24**

<b>Contract name</b>	<b>Estimated total Value</b>
Stock Condition Survey	£300k
Block communal cleaning	£300k
Lift servicing and maintenance	£300k
Energy Performance Certificates	£200k
Retrofit of two homes	£200k
Commercial heating plant appraisal	Est > £100k
Stair lift servicing and maintenance	£100k
St James Court Asset Review	£100k
Damp and Mould Specialist Consultants	Est > £100k
Damp and Mould Specialist works	Est > £100k
Energy efficiency works (including cavity wall insulation)	Est > £100k

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## WAVERLEY BOROUGH COUNCIL

### LANDLORD SERVICES ADVISORY BOARD

26 JANUARY 2023

### CO-PORTFOLIO HOLDER FOR HOUSING DECISIONS MEETING

26 JANUARY 2023

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**Title:**

**HEATING POSITION PAPER FOR WARMTH, SAFETY AND EFFICIENCY**  
**(Part One – Domestic Gas Boiler Programme)**

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**Portfolio Holder:** Cllr Paul Rivers, Co-Portfolio Holder for Housing (Operations)

**Head of Service:** Andrew Smith, Executive Head of Housing

**Key decision:** Yes

**Access:** Public

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**1. Purpose and summary**

- 1.1 To consult with the Board on the proposed Heating Position Paper as at Annexe One. The Heating Position Paper for warmth, safety and efficiency (Part One – Domestic Gas Boiler Programme) sets out the Council's plans to maintain and improve the appliances for heating in the housing services properties.

**2. Recommendation**

It is recommended that the Board advise and make comments to the Co-Portfolio Holder for Housing on the proposals to:

- endorse the boiler replacement programme 2023/24 to 2029/30 as outlined in annexe 1 – the Domestic Gas Boiler Programme, and
- award a six year boiler (domestic and commercial) replacement and servicing contract to the total value of £14m.

**3. Reason for the recommendation**

To provide the Board with the opportunity to consider the proposals aimed to:

- ensure the Council meets its legal and regulatory requirements to provide safe and warm homes
- mitigate, with a replacement programme, the risk of boiler failure and inefficiency, due to current boilers' age, and
- consider future energy initiatives in advance of 2030

To ensure the housing service can enter promptly and effectively into contract arrangements to secure the warmth and safety of tenants' homes.

#### **4. Background**

- 4.1 The [Housing Asset Management Strategy](#) recognises that there are considerations and impacts to changing Waverley's approach to the installation of gas boilers and the need to develop a specific gas boiler replacement strategy to guide the approach in keeping with Waverly's net zero ambition.
- 4.2 This report presents how Waverley's journey towards carbon neutrality is in tandem with the national government objectives and how Waverley's adoption of a fabric first approach will have the greatest impact in carbon reduction. The report presents the current market position in terms of the adoption and delivery of renewable technologies at scale with the opportunities Waverley has to research further technologies adopted and in use within other local authorities and organisations.
- 4.3 The report outlines the current condition of existing gas fired appliances used for heating and hot water within the Waverley housing stock and the volume of appliances that will require replacement in the form of a planned installation programme.

#### **5. Relationship to the Corporate Strategy and Service Plan**

This report supports the Council's Corporate commitment to promote "Good quality housing for all income levels and age groups" and aim to "be the best council landlord in the South East and to be acknowledged so by our tenants."

#### **6. Implications of decision**

##### **6.1 Resource (Finance, procurement, staffing, IT)**

**Drafted by:** Candice Keet, Senior Accountant

The budget to fund these contracts is contained with the Capital Programme and HRA Business Plan budget papers which will be going for approval at February 2023 Council. Both are funded via the Housing Revenue Account. An allowance has been made in the inflation provision proposed in the HRA Business Plan for 2023/24 to cover any inflationary increases over the contract life.

##### **6.2 Risk management**

Four key risks of procuring the new contract have been identified

- Not understanding what is required from the procurement
  - Mitigation – the programme has been developed through an analysis of data and consultation will be undertaken on the proposed programme.
- Unrealistic timescales and schedules
  - Mitigation - The procurement will be managed in line with the Council's project management processes and 18 months has been allowed to let the contract (July 2024).
- Inadequate Budget

- The long-term funding for the programme for the contract period is being sought through this report. Inflation for the contract period is forecasted to be 9% in 23/24, 4% in 24/25 and down to 2% for 25/26 onwards.
- Poorly designed requirements
  - The Programme Report fully assesses the current market / technology and concludes that gas boilers are currently the only viable way for heating homes. The proposed programme allows to plan for when new technology will be viable for Waverley homes.

### **6.3 Legal**

**Drafted by:** Ian Hunt, Interim Deputy Borough Solicitor

The Council as a Landlord is required to ensure that its housing stock is of a fit and suitable standard, this includes ensuring that there is adequate heating and insulation to properties. The Landlord and Tenant Act 1985 and the Homes (Fitness for Human Habitation) Act 2018 together require that the Council maintains and ensures that the systems and facilities are appropriate maintained and inspected.

The Council is under no specific obligation to adopt any specific heating system or ensure carbon neutrality over and above the national frameworks. However, given the Council has adopted carbon management policies, together with the desire to make properties energy efficient this is a reasonable policy approach to take. That said in awarding contracts the Council must have regard to the need to manage its own financial resources with the policy objectives and ensure best value.

### **6.4 Equality, diversity and inclusion**

An Equality Impact Assessment will be completed, and the outcome of the assessment included in the programme to ensure all residents are able to benefit from the replacement programme. Eg clear communications, instructions, access arrangements and translation services.

### **6.5 Climate emergency declaration**

In September 2019 the Council declared a climate emergency with an aim to becoming a carbon-neutral council by 2030, within the financial and other constraints laid upon us. The report at Annexe One discusses the potential alternatives to gas boilers and time constraints. An efficient heating system nested within a thermally efficient environment will lead to a reduction in the carbon output of the property. Additionally, a heating system operating in optimum condition will require only one visit per year to service, reducing the road mileage of the term contractor and subsequent carbon footprint.

## **7. Consultation and engagement**

To note comments from Landlord Services Advisory Board on 26 January 2023.

## **8. Other options considered**

The report in Annexe One fully considers the options.

## **9. Governance journey**

- 9.1 Executive Briefing, O&S if requested, Landlord Services Advisory Board and Co-Portfolio Holder for Housing Decisions.

### **Annexes:**

Annexe 1 – Heating Position Paper for warmth, safety and efficiency. (Part One – Domestic Gas Boiler Programme)

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### **Background Papers**

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

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### **CONTACT OFFICER:**

Name: Hugh Wagstaff  
Position: Strategic Asset Manager  
Telephone: 01483 523363  
Email: hugh.wagstaff@waverley.gov.uk

Agreed and signed off by:

Legal Services: Ian Hunt, Interim Deputy Borough Solicitor, 5 January 2023  
Head of Finance: Candice Keet, Senior Accountant, 5 January 2023  
Strategic Director: CMB, 10 January 2023  
Portfolio Holder: Cllr Paul Rivers, Co Portfolio Holder for Housing (Operations), 4 January 2023



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## WAVERLEY BOROUGH COUNCIL

### LANDLORD SERVICES ADVISORY BOARD

26 JANUARY 2023

### CO-PORTFOLIO HOLDER FOR HOUSING DECISIONS MEETING

26 JANUARY 2023

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**Title:**

**ASBESTOS SURVEYING AND REMOVAL WITHIN COUNCIL HOUSING STOCK**

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**Portfolio Holder:** Cllr Paul Rivers, Co-Portfolio Holder for Housing (Operations)

**Head of Service:** Andrew Smith, Executive Head of Housing

**Key decision:** Yes

**Access:** Public

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**1. Purpose and summary**

- 1.1 To share the proposal to enter into contracts for Asbestos Removal and Asbestos Surveying Services.

**2. Recommendation**

It is recommended that the Board advise and make comments to the Co-Portfolio Holder for Housing on the following proposals:

It is recommended that the Co-Portfolio Holder for Housing:

- endorses the signing of Asbestos removal contract with Envirocall LTD, maximum contract duration 2022 to 2028
- secures £1.2m capital funding in the Housing Revenue Account to finance the six year term.
- endorses the signing of Asbestos Surveying and Analysis contract with Environtec LTD; maximum contract duration 2022 to 2028, and
- secures £1.2m Revenue funding in the Housing Revenue Account to finance the six year term.

Please be advised that these contracts initiated August 2022 are operating under a authorised letter of intent. Contracts have already been signed by contractors and require countersigning by Waverley. Due to the change in procurement

procedure this is being raised now for retrospective approval by the Co-Portfolio Holder for Housing.

### **3. Reason for the recommendation**

Waverley Borough Council has a statutory requirement to identify, manage and remove asbestos containing materials within council owned properties. This is to protect residents and contractors working in these properties from harmful exposure to asbestos, as outlined in the Control of Asbestos Regulations 2012. These contracts are required in order to facilitate the fulfilment of these obligations

### **4. Background**

The previous contracts in place to carry out these services facilitated by Gully Howard Technical and Merryhill Envirotec ended August 2022.

The services provided under these contracts affect multiple stake holders who rely on them to carry out workstreams in a safe and informed manner.

- Responsive Repairs
- Voids
- Planned works
- Environmental Services.

In advance of the procurement, Ridge consultancy was commissioned to create the tender documents and evaluate the tender responses. The tender reports for both contracts are set out in Annexe One and Two.

Tender periods were live between 2 February and 4 March 2022.

Six responses were submitted for the Asbestos removal tender.

Five responses were submitted for the Asbestos Survey and Analysis tender.

Procurement was conducted with the support of the Council's procurement officer and followed section 20 leaseholder engagement requirements.

Contracts are JCT minor works and were compiled by Ridge consultancy. They were issued to each contractor in October 2022 for signing, contracts were returned to Waverley December 2022 for counter signing.

### **5. Relationship to the Corporate Strategy and Service Plan**

The report supports the Council's Corporate commitment to promote "Good quality housing for all income levels and age groups" and aim to "be the best council landlord in the South East and to be acknowledged so by our tenants."

These contracts also support the Housing Asset Management , Strategic Objective to ensure our properties are safe, secure and compliant, meeting all our landlord obligations.

### **6. Implications of decision**

If we are unable to enter contracts formally, we would subsequently be putting at risk our ability to meet our statutory requirements. We would also have a lack of

ability to endorse the terms of the contract should the contractors fail to deliver the respective services as required.

### **6.1 Resource (Finance, procurement, staffing, IT)**

**Drafted by:** Candice Keet, Senior Accountant

Revenue and Capital budgets for 2023/24 will go to Feb 2023 Council for approval. These budgets are funded via the Housing Revenue Account. Contracts are currently being funded under the allocated 2022-2023 budgets.

### **6.2 Risk management**

There are a number of risks that present themselves should we not be able to enter these contracts:

- Responsive repairs, planned and void works would not be able to proceed
- We could not monitor proactively the condition of known asbestos in Council properties around the borough
- No contingency should there be accidental disturbance of asbestos
- Increased risk to residents and contractors coming into contact with asbestos fibers, and subsequently affecting their long term health.
- Should there be a significant incident requiring the notification of the HSE there is significant risk that the Council would be found liable for managing asbestos in an unsuitable manner.

### **6.3 Legal**

**Drafted by:** Ian Hunt, Interim Deputy Borough Solicitor

The Council has a statutory duty to manage the risk of asbestos in its property stock, and to ensure that this is handled in an appropriate way. The Council is empowered to contract with suitable professionals to secure the works are undertaken in an appropriate way following a procurement process.

### **6.4 Equality, diversity and inclusion**

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

### **6.5 Climate emergency declaration**

Questions regarding minimising environmental impact were included within the quality questions for both tenders.

**Removals Contractor** – ISO 14001, and all Vehicles are Euro VI compliant

**Survey Contractor** – ISO 14001, Environtec has set key corporate objectives to reduce impacts on the environment and to create positive social and environmental benefits through the delivery of ethical and socially inclusive business practices.

## **7. Consultation and engagement**

Leaseholder consultation carried out in accordance with Section 20 requirements. No wider consultation carried out.

## **8. Other options considered**

Not applicable

## **9. Governance journey**

- 9.1 Executive Briefing, Landlord Services Advisory Board, and Co-Portfolio Holder for Housing Decisions.

### **Annexes:**

Annexe 1 – Waverley BC Asbestos Removal Tender Report

Annexe 2 – Waverley BC Asbestos Survey Tender Report

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### **Background Papers**

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

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### **CONTACT OFFICER:**

Name: Hugh Wagstaff

Position: Strategic Asset Manager

Telephone: 01483 523363

Email: [hugh.wagstaff@waverley.gov.uk](mailto:hugh.wagstaff@waverley.gov.uk)

Agreed and signed off by:

Legal Services: Ian Hunt, Interim Deputy Borough Solicitor, 5 January 2023

Head of Finance: Candice Keet, Senior Accountant, 5 January 2023

Strategic Director: CMB, 10 January 2023

Portfolio Holder: Councillor Paul Rivers, Co-Portfolio Holder for Housing (Operations), 4 January 2023

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## Draft LSAB Work Programme 2023

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.

**Note** The following agenda items to be reviewed and meeting dates agreed with project managers. The reports in **bold** are agreed. Board to hold monthly meetings with aim of three main agenda items only.

Meeting date	Report	Reason	LSAB action	Decision by	Decision date
<b>26 January 2023</b>					
	<b>2023/24 Housing Revenue Account Draft Budget</b>	Review draft budget and consider financial plans including proposed rent increase	Feedback comments to Portfolio Holder for Housing	Council	21 February 2023
	<b>Heating Position Paper for warmth safety and efficiency (Part One Domestic Gas Boiler Programme</b>	To review proposed programme. Action from Housing Asset Management Action Plan	Feedback comments to Strategic Asset Manager and Co-Portfolio for Housing	Co-Portfolio for Housing at decisions meeting	26 Jan 2023 11:30
	<b>Senior Living Welfare Check in Procedure</b>	To share the process to standardise welfare contact with tenants at Senior Living Schemes. Action from Senior Living Improvement Plan	Feedback comments to Senior Living and Careline Manager	Board comments	At meeting

	<b>Introduction to Smith and Byford new gas servicing contractor</b>	Presentation from Smith and Byford to introduce company and services to Waverley tenants	To identify any areas wish to comment on, explore or examine further and agree reporting cycle. Feedback comments to Compliance Manager	Board comments	At meeting
	Executive Head of Housing Services Update	Andrew Smith inform Board of any matters arising Inc HRA Hardship Fund update	To note issues and identify any areas wish to comment on, explore or examine further.	Board comments	At meeting
	Review LSAB work programme			Board comments	At meeting
	<b>Decision to award Asbestos Survey and Removal Contracts</b>	To review proposals to enter into contracts following procurement process.	Feedback comments to Executive Head of Housing and Co-Portfolio for Housing	Co-Portfolio for Housing at decisions meeting	26 Jan 2023 11:30

Meeting date	Report	Reason	LSAB action	Decision by	Decision date
<b>23 February 2023</b>					
	Housing Operations Service Plan 2022/24	Review and comment on draft Service Plan	Feedback comments to Co-Portfolio Holder for Housing	Council	tbc

	<b>Progress report on approach to Damp and Mould</b>	Receive report to consider how responding to damp and mould issues in line with advice from housing Ombudsman Service, Regulator for Social Housing and tenants requests.	Feedback comments to Property Services Manager	Board comments	At meeting
	<b>Senior Living December 2022 Consultation Findings</b>	Review findings and proposed actions from Senior Living consultation	To comment on findings and action plan to Senior Living and Careline Manager	Board comments	At meeting
	Q3 Performance report	Review and consider current performance and consider 2023/24 KPIs	Identify any areas wish to comment on, explore or examine further. Feedback comments to Executive Head of Housing	Board comments	Ongoing
	Executive Head of Housing Services Update	Inc HRA Hardship Fund update		Board comments	At meeting
	Review LSAB work programme			Board comments	At meeting
	<b>Summary of Regulator of Social Housing Tenant / Member Briefing</b>	Board discussion on briefing and consider priority actions	Identify any areas wish to comment on, explore or examine further. Feedback comments to Service Improvement Manager	Board comments	At meeting

	<b>Decision to award Fire Remediation and Door Replacement Programme contract</b>	To review proposals to enter into contracts following procurement process.	Feedback comments to Executive Head of Housing and Co-Portfolio for Housing	Co-Portfolio for Housing at decisions meeting	23 Feb 2023
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Meeting date	Report	Reason	LSAB action	Decision by	Decision date
<b>30 March 2023</b>					
	Customer Experience Group Report	Group to share findings following tenants complaints review and TLF responsive repairs feedback	To comment on findings and any CEG recommendations.	Board comments	At meeting
	Self-assessment against Regulatory Rent Standard	Review and consider current performance and proposed actions in line with Tenants Involvement and Empowerment Standard	Identify any areas wish to comment on, explore or examine further. Feedback comments to Service Improvement Manager	Board comments	At meeting
	Tenant Satisfaction Measures Project update				
	Presentation from Responsive Repairs and Voids contractor	Six month update. Meet contractor, review performance against service promises.	Identify any areas wish to comment on, explore or examine further and agree reporting cycle. Feedback comments to Operations Manager	Board comments	At meeting


Meeting date	Report	Reason	LSAB action	Decision by	Decision date
<b>27 April 2023</b>					
	<b>Housing Asset Management Strategy Implementation Progress report</b>	Monitor implementation of strategy agreed April 2022 to effectively and efficiently manage and maintain homes	Feedback comments to Strategic Asset Manager	Board comments	At meeting
	Social Housing Regulation Act	To review newly enacted housing legislation and arising action plan	Identify any areas wish to comment on, explore or examine further. Feedback comments to Service Improvement Manager	Board comments	At meeting
	Relet Review progress report	To review and comment on project.	Identify any areas wish to comment on, explore or examine further. Feedback comments to Service Improvement Manager	Board comments	At meeting

	Executive feedback to LSAB	Leader of Council to share outcomes of Board's recommendations	Consider responses	Board review comments	At meeting
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Committees to confirm new series of Board meeting – term time only.

Meeting date	Report	Reason	LSAB action	Decision by	Decision date
25 May 2023					
	Q4 Performance report	Review and consider current and end of year performance	Identify any areas wish to comment on, explore or examine further. Feedback comments to Executive Head of Housing	Board comments	At meeting
	Introduction to Social Services and Housing	Board request to meet with Social Services to understand role and remit	Identify any areas wish to comment on, explore or examine further. Feedback comments to Executive Head of Housing	Board comments	At meeting



	Retrofit Progress report	Review and comment of project progress	Identify any areas wish to comment on, explore or examine further. Feedback comments to Housing Development Manager.	Board comments	At meeting

Meeting date	Report	Reason	LSAB action	Decision by	Decision date
29 June 2023					
	Tenancy Involvement Strategy Progress Report	Review and consider current performance and proposed actions in line with Tenants Involvement and Empowerment Standard	Identify any areas wish to comment on, explore or examine further. Feedback comments to Service Improvement Manager	Board comments	At meeting
IN JUNE	Board trip to properties and estates	To gain familiarisation with range of Waverley homes and meet tenants Open to new Council Members	Identify any areas wish to comment on, explore or examine further. Build rapport with new Council Members	n/a	n/a
	Housing Revenue Account Business Plan	Document to record strategic priorities and background to budget papers	Review business plan content and advise Co-Portfolio Holder on recommendations	?Exec?	July 2023

Meeting date	Report	Reason	LSAB action	Decision by	Decision date
27 July 2023 – NB end term 21 July to b/f					
	Self-assessment against Regulatory Home Standard	Review and consider current health and safety performance and proposed actions in line with Home Standard	Identify any areas wish to comment on, explore or examine further. Feedback comments to Compliance Manager	Board comments	At meeting
	Q1 Performance Report	Review and consider current performance	Identify any areas wish to comment on, explore or examine further.	Board comments	At meeting
	2022/23 Financial Outturn Report	To review previous year's budget	Identify any areas wish to comment on, explore or examine further. Feedback comments to Executive Head of Housing	Board comments	At meeting

NO AUG MEETING

Meeting date	Report	Reason	LSAB action	Decision by	Decision date
28 September 2023					
	Presentation from Responsive Repairs and Voids contractor	Six month update. Meet contractor, review performance against service promises.	Identify any areas wish to comment on, explore or examine further and agree reporting cycle. Feedback comments to Operations Manager	Board comments	At meeting

Meeting date	Report	Reason	LSAB action	Decision by	Decision date
26 October 2023 – NB half term 23 to 27 Oct to b/f					
	Service Plan 2023/24 six month progress report				
	Housing Asset Management Strategy Implementation Progress report	Monitor implementation of strategy agreed April 2022 to effectively and efficiently manage and maintain homes	Feedback comments to Strategic Asset Manager	Board comments	At meeting

Meeting date	Report	Reason	LSAB action	Decision by	Decision date
30 November 2023					
	Q2 Performance report and midyear performance review				
	2024/25 HRA Draft Budget				

Meeting date	Report	Reason	LSAB action	Decision by	Decision date
21 December 2023 – annual review					

Internal notes - Carry forward

	IT review of databases and digital services	Review and consider current performance and proposed actions	Feedback comments to Service Improvement 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	Hof H in consultation with Portfolio Holder for Housing	
	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
	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

**Proposed Cycle of reports**

Budget reports - each quarter include or expand upon in Quarterly performance repo

Complaints report – every quarter include or expand upon in Quarterly performance reports – Customer Experience Group to feedback to Board

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 projects and other projects – as scheduled

Policy reviews to be 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