

WAVERLEY BOROUGH COUNCIL

HOUSING OVERVIEW AND SCRUTINY COMMITTEE

9 MARCH 2021

Title:

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

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

Head of Service: Hugh Wagstaff, Head of Housing Operations

Key decision: No

Access: Public

1. Purpose and summary

To provide the Committee with an update report for their scrutiny on the Housing Team's Recovery, Change and Transformation Project. Following the easing of the Covid-19 lockdown in May 2020 the team have reinstated the majority of services and are working within new guidelines. A project close report will be presented to the RCT Programme Board on 1 March, a verbal update will be provided to committee members at the meeting.

2. Recommendation

It is recommended that the Committee

- i. review this report and agree any observations or comments it wishes to pass to the Executive, and
- ii. agree to monitor performance of the five key service areas through the corporate quarterly performance reports during 2021/22.

3. Reason for the recommendation

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

4. Background

4.1 Introduction

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

4.2 Project Objectives

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

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

4.3 Project Actions

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

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

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

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

4.4 Project Objectives Progress

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

4.4.2 As at end January there was an increase in arrears (as expected over the Christmas break). The current tenants rent arrears % of total estimated gross debit was 0.94%. 16% of tenants had an arrear, the total arrear value was £282k, and of those in arrears 80% owe less than £500.

4.4.3 Given the current circumstances the team are performing well, maintaining arrears at <1% compared to the national average of 3.68%

4.4.4 Following the Christmas break two notice seeking possession were served as the tenants owed over six months rent and had not engaged with the team. A notice demonstrates the seriousness of the position and encourages contact and payment. No further legal action, if required, can be taken during the national lockdown. The team work to help people stay in their homes and prevent homelessness.

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

4.4.6 The team are exploring ways to reduce the face to face contact during the letting process. In January a pilot for virtual viewings started by sharing videos of homes to applicants. Four homes were accepted following a virtual video through viewing, and five were refused which saved officer time and reduced social contact. Work has also started on the creation of tenancy agreement documents that can be signed with electronic signatures. The team acknowledged that virtual lettings will not be appropriate for every applicant, physical viewings will still be available, but there are advantages to virtual viewing in reducing void times and social contact.

4.4.7 Letting homes was stopped over the Christmas period, as usual. The team relet 27 homes in December and a further 29 in January. 196 homes have been relet in the period April to end January, compared to 172 homes relet in the equivalent period in 2019/20.

4.4.8 As at the end of January there were c35 empty homes in the normal void process, 50% had been vacated in January, demonstrating the reduction in the backlog of voids from c80 when the service was reintroduced and progress being made to achieve business as usual of c20 empty homes. The total void rent loss, as at week 44 was £565k, the loss is within the new budget allowances (as amended due to covid-19).

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

reviewed with Ian Williams and an action plan developed.

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

4.4.11 During Oct/November there were c170 repair request per week, the number of repair requests reduced in December due to the Christmas break and increased in Jan to c200 requests per week, as expected, reflecting the seasonal peak. The team have made progress with the backlog of works post initial lockdown with c2000 repairs completed in Q3, taking an average of 11 calendar days to be completed.

4.4.12 The **gas** safety check performance had greatly improved, with only two homes at the end of October without a gas safety certificate, however Lockdown 2.0 on 5 November 2020 and the national lockdown from 5 January 2021 can be attributed to the fall in performance as tenants were more reluctant to have operatives attend inside their home due to a resurgence of fears surrounding the coronavirus. As at 31 January 2021, 21 homes were without a valid gas safety certificate. We continue to contact tenants and make dynamic assessments of the need to undertake the services, whilst considering prior compliance record and against the risk posed by potential spread of the virus. As the vaccination programme is rolled out and national restrictions and gradually lifted, people should begin to feel safer, therefore we expect to see an increase in performance during February and March.

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

4.4.14 The team returned to business as usual with new adapted working practices and an updated reduced work programme. The programme includes some external capital works programmes (structural works, remodelling, roofing and external decorations) and a small bathroom replacement programme. 50% of the annual budget has been invoiced/or committed. The full capital programme budget will not be spent this year as the team were excluded from working in homes for three months plus, tenant reluctance to have improvement works completed and contractor capacity. This was reflected in the forecast budget report and the underspend will be added to the HRA reserves for future capital programme works. Thus, the capital works objective was closed in January 2021.

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

4.5 Conclusion

4.5.1 The team have progressed work identified in the key service areas and recovered services. New ways of working have been implemented and are being piloted to ensure the health, safety and wellbeing of residents, officers and contractors. The team are keeping abreast of the changes in guidance, as the national and local lockdown situation changes.

4.5.2 These priority areas continue to be closely monitored by the Head of Service through key performance indicators, managers' reports and budget reports. The proposal to close the project is being considered by the RCT Programme Board on 1 March 2021. Initially the project was set up with the belief that society would be back to '2019 normal' by autumn 2020, as we have continued with restrictions the service has evolved and new "business as usual" has been implemented. The Housing Revenue Account budget has been amended to reflect the lost income from rent arrears and void loss, and underspend from reduced repair and capital programmes and staff savings. These financial changes are within the tolerances of the HRA business plan.

5. Relationship to the Corporate Strategy and Service Plan

The five key services areas of the project reflect the HRA Business Plan and Housing Operations Service Plan and the Council commitment to promote "*Good quality housing for all income levels and age groups*"

6. Implications of decision

6.1 Resource (Finance, procurement, staffing, IT)

Project acknowledges impact from 12 week lockdown increase in void rent loss and underspend of capital works and responsive repairs. Due to the suspension of works during the lockdown and slow recovery there is a potential underspend on responsive repairs and staffing of £1.4m. Virtual lettings IT solutions will be resources within current budgets and equipment.

6.2 Risk management

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

6.3 Legal

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

6.4 Equality, diversity and inclusion

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

risk assess before any visit.

6.5 Climate emergency declaration

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

7. Consultation and engagement

Ongoing liaison with Tenants Panel, portfolio holder for housing, housing team and progress reports to Housing Overview and Scrutiny Committee. All tenants information letters sent in March, May and June and tenants' newsletter published January 2021.

8. Other options considered

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

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

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

9. Governance journey

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

Background Papers

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

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