

LANDLORD SERVICES ADVISORY BOARD (EXECUTIVE WORKING GROUP)

25 January 2024

NOTES

Present:

Cllr Paul Follows

Terry Daubney, Waverley Tenants' Panel
(Vice Chair)

Cllr Alan Morrison

Robert Stratford, Waverley Tenants Panel

Apologies:

Councillor Paul Rivers, Councillor Jacquie Keen, Councillor Janet Crowe, Councillor John Robini, Chris Austin and Sally Purcell

55 Apologies for absence

Apologies were received from Councillor Paul Rivers (The Leader will Chair the meeting in Cllr Rivers' absence), Councillor Jacquie Keen, Councillor Janet Crowe, Councillor John Robini, Chris Austin and Sally Purcell

56 Notes of the previous meeting

The notes of the meeting were approved.

57 Declarations of interest

There were none received.

58 Questions from Members of Public

There were none received.

59 Questions from Members

There were none received.

60 HRA Budget 2024/25

Housing Revenue Account Budget 2024/25

The Senior Accountant addressed the Board and delivered a presentation of the proposed HRA Budget 2024/25 and highlighted some key points, including:

- The impact of changes in demand, legislation, and regulation, particularly the Social Housing Regulation Act (2023) and from April 2024 the RSH will be regulating all Social Landlords to ensure adherence to Consumer Standards

- CPI inflation at 4%, forecasting 4.5% for 2024/25 to cover inflation uncertainties, therefore calculating an estimated inflation impact on budgets of £1million for 2024/25.
- Major repairs budget was at £9.6million for year 2024/25 with focus on heating upgrades and critical fire safety works.
- Proposed rent increase of 7.7% for 2024/25, based on the official CPI figure in September + 1%, generating an additional income of £2.1million
- The impact of a 53-week rent year in 2024/25 on tenants in receipt of Universal Credit. The HRA Budget 2024/25 proposes to increase the Hardship Fund to £200,000 to support tenants
- Analysis of various rent increase scenarios (6%, 7%, and proposed 7.7%) and their impact on additional income and borrowing needs. There would be a borrowing Requirement of £23 million with a 7.7% rent increase while a 6% increase would see an additional borrowing requirement of £28million, and the substantial inflation implications on higher borrowing were noted. The 7.7% rent increase equate to an average increase of £11.40 per week.
- Following a service charge review as agreed in the 2023/4 budget process, an under-recovery of £388,000 was identified in service and utility charges for senior living facilities. A stepped 5-year approach towards full cost recovery was proposed, with annual reviews. Utility charges are to increase by 20%, raising the weekly cost from £26 to £31.20. Service charges to rise by 15%, from £20.90 to £24.40 per week. The service charge increase will relate to the year charged, no backdated payments are planned.
- The minimum working balance requirement for the HRA is £2 million for emergency situations and the projected balances for 2024/25 are close to this minimum, for the first time since self-financing in 2012 which highlights limited funds and reserves.

The Tenants Panel Response

The Leader of the Tenants Panel, Terry Daubney, expressed his perspective as a tenant and on behalf of the Tenants Panel. He acknowledged the reasons for the proposed changes and the factors beyond Housing Services' control. He highlighted various reasons for the 7.7% rent increase related to government restrictions, failure to pay off loans, catch-up efforts, and the impact of new legislation addressing urgent needs such as the under-performance in compliance, failure of planned maintenance, stock management, dysfunctional IT systems and damp & mould issues; all of which are not the fault of the tenant.

He mentioned that new legislation was the result of social landlords who were not performing adequately or achieving the Decent Homes Standard. Again, these cannot be attributed to the tenant and the Tenant's Panel take the view that tenants are having to subsidise shortfalls in the system and inadequate performance of the Landlord.

Additionally, tenant satisfaction trends were referred to, indicating a decline in overall satisfaction from 83% in 2017 to 68% in 2023 (STAR survey 2017, TSM

2023). Recent data has shown a decline in tenants' perception of the service in areas such as anti-social behaviour, the Council's contribution to tenant neighbourhoods and communication with the Council. He further noted that 55% of tenants reported that they were generally concerned with the cost of living (TSM 2023).

It was noted that the Tenant's Panel regularly receive complaints from tenants on delays addressing repairs, missed appointments, lack of communication and completion of works. Terry indicated that the housing service is currently experiencing a low level of tenant satisfaction and the increases in rent and other charges would not be welcomed by tenants without proof that services will improve. He expressed the Tenants Panel's difficulty with supporting the proposed budget, considering the financial strain on tenants.

Terry additionally raised questions about the support available for residents facing financial hardship due to the proposed increases, especially Senior Living tenants and young families in 2-3 bed properties with limited incomes above benefit thresholds.

Questions and comments from the Board

Danielle Sleightholme, Tenants Panel Co-Optee, inquired about the possibility of offering standard financial assistance to cover the extra week's rent for people on Universal Credit due to the 53-week year.

The Service Improvements Manager responded, explaining that while a rent-free week is unfeasible, the HRA Hardship fund uplift would support tenants impacted by the 53-week rent year. She emphasised that Universal Credit is complex, and income fluctuations make it challenging to provide a blanket solution. Instead, officers intend to work with tenants on a case-by-case basis to ensure targeted support. There would also be implications for proactively handing out standard payments which tenants may have to declare and this would affect their Credits

The Senior Accountant further advised that the substantial uplift to the HRA Hardship Fund from £30,000 to £200,000 for 2024/25 was in response to the 53-week rent year and increased uptake. It was also mentioned that the Rents Team work proactively with tenants to provide individualised support and the DWP, Household Support Fund had previously been deployed to support tenants with gas caps, damp & mould cases, heating costs & inefficiency, re-carpeting, etc. The Household Support Fund is not expected to be renewed for 2024/25, hence the uplift to the HRA Hardship Fund to keep up with demand. She also noted that discretionary housing payment schemes were available for tenants.

The Leader emphasised that tenants are not always aware of the support available and are often apprehensive to ask for help. He urged that increased publicising and Comms would need to be implemented.

Officers confirmed that information regarding support available for tenants would be made available in the rent increase letter and the next Tenant's Newsletter publication as well as relying on word of mouth and tenant awareness to spread the

message effectively. The message has been communicated to all staff so that they are aware of the support funds for signposting purposes.

The Leader emphasised the need to publicise the HRA Hardship Fund more widely across Waverley. It was suggested that the Communications Team collaborate with the Services Improvement Team to produce additional Comms to publicise the support funds available i.e. via the new website platform called 'Commonplace'. He proposed a Comms Strategy for proactive outreach and signposting and suggested that other Community Support services such as Food Banks, CASWS and Warm Hubs should have the literature available to signpost effectively.

The Senior Accountant advised that if there was a significantly increased demand for the Hardship Fund during the next year, there is a possibility to reallocate the budget to increase the Fund. This will need to be monitored closely in year 2024/25. Officers committed to monitoring the fund closely and adjusting budgets as necessary. However, the necessity of the rent increase was emphasised to avoid additional debt accumulation and unnecessary servicing of debt due to additional borrowing, which will have no direct benefit to tenants.

The Service Improvement Manager added that the 7.7% rent increase would concurrently increase the standards of homes and services, focusing on proactive maintenance to reduce the need for responsive repairs, an ongoing issue seen in the Key Performance Indicators.

The increased revenue would service improvements shown in the Breakdown of capital works detailed in Annex 5, including boiler replacements, roofing works, fire safety works, kitchen replacements, windows & doors, etc to ensure the Council's homes are adhering to regulatory standards. The growth would also increase resources within the Housing Service as detailed in Annex 1 to meet the requirements set by the Regulator. The additional resources will address critical shortfalls in service delivery as evidenced in the Stock Condition Surveys, TSMs and KPIs.

It was clarified that a higher spend in compliance is intended to secure continued compliance with the standards of the Regulator for Social Housing and damp and mould legislation and that an increased number of pipeline housing delivery schemes will need to be resourced.

The Service Improvement Manager spoke about the plan to spend a larger proportion of the money on programmed maintenance and reduce the responsive repair service that is currently underperforming against [KPIs](#) and being outsourced to the contractor.

The Board raised concerns about the 20% uplift in utilities charges as well as the 15% increased Service Charge for Senior Living tenants and suggested that a breakdown of fees and charges should be provided for transparency. Members suggested a breakdown akin to the Council Tax pie chart, with an itemised description to demonstrate what tenants are gaining from the Service Charges.

Cllr Morrison expressed concern about Senior Living residents who may cut down on essentials such as heating and food rather than asking for extra help. He suggested that the Comms plan should increase awareness of the help available to Senior Living residents, including Government support schemes.

The Service Improvement Officer advised that Senior Living facilities which undergo regular staff visits will be made aware of the Hardship Fund. However, there are a number of Senior residents who do not live in those facilities and this is a gap that would need to be bridged as part of the Comms plan i.e. in collaboration with social support services. The Leader advised that the team develop targeted support plans for specific tenant demographics to reduce stigma around hardship support.

The Board stressed the importance of demonstrating tangible benefits from the rent increase to tenants and offering granular information about how the rent increase will address specific issues.

The Leader recommended that a full granular breakdown of the improvements to the service which will be facilitated as a result of the 7.7% rent increase should be presented to tenants as part of the Comms plan. Communications would need to be clear about what tenants will gain from the increased rent and will need to stress the increase in responsive repairs data and how the 7.7% rent rise will address this. Further, responsive repairs and complaints data/KPIs should be provided to tenants to justify the Council's focus on proactive maintenance and compliance.

There was a concern raised about the increase in service charges for leaseholders. In response, the Senior Account advised that these charges were in place to ensure that tenants are not subsidising the cost of officers' time spent on leaseholder correspondence. She agreed to commit to a full review of leaseholder charges for the next budget setting process and ensure that they are costed out per staff time, admin fees, etc to ensure that the basis and evidence of those costs are available.

Actions points identified from the discussion:

- The Service Improvement Team and the Communications Team are to work on developing an improved Comms Strategy to publicise the HRA Hardship Fund to tenants through online avenues as well community support services such as food banks and Citizens Advice South West Surrey.
- Officers are to produce literature to demonstrate a breakdown of the improvements that the proposed rent increase will pay for in granular form and a breakdown of fees and charges akin to the Council Tax pie chart for tenants' information. To be sent alongside the rent increase letter.
- The Finance Team are to closely monitor the movement of the HRA Hardship Fund and to update the Board where necessary.
- The Finance Team are to consider a review of the leaseholder charges for the next budget setting process 2025/26.
- The Democratic Services Officer is to compile a list of comments made by this Committee to be submitted to Full Council in February 2024.

Conclusion from the Tenants Panel

Terry Daubney, Leader of the Tenants Panel, concluded that, whilst sympathetic to the aims and challenges of the Council, the Tenant's Panel would not accept the 7.7% rent increase. Further, the Tenant's Panel would be willing to consider a lower rate increase of 6% and would urge officers and Councillors to consider the financial modelling to accommodate this proposal.

Response from the Leader

- The Leader agreed to commit to the Council providing a summary of the comments made at this meeting to Full Council, alongside the agenda pack.
- The Leader would also commit to the HRA Hardship Fund communications and granularity of the improvements forecasted from the 7.7% increase in rent.
- A written response will be submitted to the Tenants Panel regarding the 6% rent increase proposal, which will include details of what that rise would mean financially and in terms of services.

Resolution

The Board therefore agreed that instead of expressing support or opposition to the 7.7% rent increase, the comments made during the meeting would be compiled into a statement. This statement would be reviewed by the Tenant's Panel and then sent to Terry Daubney for further review and agreement. The statement would become part of the pack presented to Full Council for their consideration.

[There was a unanimous vote in favour]

61 Procurement update

Insurance Contract for Leaseholders

The Service Improvement Manager addressed the Board and noted that the Council would be entering into a new insurance contract for leaseholders, with a provider found to insure Council properties. The cost is just over £100,000, and this decision will be presented to the Executive in February 2024.

Social Housing Decarbonisation Fund Wave 2.2

The Service Improvement Manager advised that a bid has been submitted for the Social Housing Decarbonisation Fund, seeking funding for fabric-first improvements in council homes. The bid is for nearly £250,000. The Council expects to receive news about its success or failure by the end of March. If successful, they will enter into a contract with Eon to commence the works.

62 Executive Head of Housing Update

It was noted that Andrew Smith, the Executive Head of Housing, had left the Council at the end of December. Interim arrangements are being considered for

covering his role across the two Authorities. An advert for the full-time post will be released on 25 January 2024.

63 Work programme

The Board noted the work programme.

64 Date of next meeting

The Board agreed that the date of the next meeting would be Thursday 29 February 2024.

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