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HOUSING MANAGEMENT ADVISORY BOARD

Date: Thursday, 21 November 2019

Time: 6.00pm,

Location: Shimkent Room, Daneshill House, Danestrete

Contact: Ian Gourlay

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Members:

Resident Members: Len Saunders (Tenant) (Chair),
Fiona Plumridge (Tenant) and Jon Thurlow (Leaseholder)

Councillors: John Lloyd (Vice-Chair), Liz Harrington,
Lizzy Kelly, Lin Martin-Haugh and Margaret Notley

Staff Members: Jaine Cresser (Assistant Director – Housing
and Investment) and Craig Miller (Assistant Director – Direct
Services)

AGENDA

Item no.	Subject	Lead	Mins allocated	Time
	Refreshments		15 Minutes	5:45pm to 6:00pm
1.	APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST To receive apologies for absence and declarations of interest	Chair	2 Minutes	6.00pm to 6.02pm
2.	MINUTES – 12 SEPTEMBER 2019 To approve as a correct record the minutes of the Housing Management Advisory Board (HMAB) meeting held on 12 September 2019 Pages 3 - 6	Chair	3 Minutes	6.02pm to 6.05pm
3.	HOUSING SERVICE PERFORMANCE Q2 REPORT To consider the Housing Service	Chloe Norton	15 Minutes	6.05pm to 6.20pm

	Performance Report for Quarter 2 Pages 7 – 24			
4.	TPAS BRIEFING To receive a briefing on ways to improve resident engagement in Stevenage	Sam Goodwin (Tpas)	10 Minutes	6.20pm to 6.30pm
5.	HRA BUSINESS PLAN REVIEW To consider an update on proposed revisions to the Housing Revenue Account (HRA) Business Plan	Jaine Cresser/Ash Ahmed/Keith Reynoldson	45 Minutes	6.30pm to 7.15pm
6.	RENT POLICY To update Members on the draft Rent Policy Pages 25 - 40	Elizabeth Ddamulira	25 Minutes	7.15pm to 7.40pm
7.	REPAIRS AND VOIDS UPDATE To receive Repairs and Voids update	Craig Miller	10 Minutes	7.40pm to 7.50pm
8.	UPDATE FROM EXECUTIVE MEETINGS To receive update from Executive meetings	Cllr J Thomas	5 Minutes	7.50pm to 7.55pm
9.	ANY OTHER BUSINESS To consider any business accepted by the Chair as urgent	Chair		
10.	DATE OF NEXT MEETING 6 January 2020 OR 16 January 2020 6.00pm, Shimkent Room (Date to be confirmed)	Chair		

STEVENAGE BOROUGH COUNCIL

HOUSING MANAGEMENT ADVISORY BOARD MINUTES

Date: Thursday, 12 September 2019

Time: 6.00pm

Place: Shimkent Room, Daneshill House, Danestrete

Present: Councillors: John Lloyd (Vice-Chair in the Chair), Lizzy Kelly and Margaret Notley

In Attendance: Di Dharmasuriya (Service Delivery Manager – Property Repairs), Simon Nuttall (Housing Development Delivery Manager), Dennis Panter (M and E Compliance Manager) and Councillor Jeannette Thomas (Portfolio Holder – Housing, Health and Older People)

Start / End Time: Start Time: 6.00pm
End Time: 7.10pm

1 **APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST**

Apologies for absence were received from C Miller (Assistant Director – Stevenage Direct Services), F Plumridge (Tenant), L Saunders (Tenant), C Smith (Tenant), J Thurlow (Leaseholder) and Councillors L Martin-Haugh and L Harrington.

There were no declarations of interest.

The Members present recognised that, given the absence of customers, the numbers in attendance did not constitute a quorum. The issues before the HMAB did not require a decision as such and it was agreed that it would be worthwhile to receive the reports and to comment as appropriate.

2 **MINUTES - 15 AUGUST 2019**

It was **RESOLVED** that the minutes of the Housing Management Advisory Board meeting held on 15 August 2019 be approved as a correct record but would not be signed by the Chair on this occasion given that this was an inquorate meeting.

3 **HOUSING DEVELOPMENT UPDATE**

The Housing Development Delivery Manager gave an update on progress at current and future Housing Development sites in Stevenage. The Manager highlighted developments at Gresley Way, Burwell Court, Ditchmore Lane, North Road, Symonds Green, Shephall Way and Kenilworth Scheme. It was announced that the Shephall Way development would be named Addison House to celebrate the centenary of the Housing Act 1919 ('Addison Act'). The Health Minister at the time, Christopher Addison, paved the way for large-scale council housing. The Housing

Development Delivery Manager informed the Board that pupils from Peartree Spring and Featherstone Wood Primary Schools had submitted drawings and paintings of what they thought houses would look like in the next 100 years. The winning entries would be projected as murals on the external walls of the building.

The Board welcomed the housing developments. Members welcomed the provision of Independent Living properties under the Council's current and future housing development plans.

The Housing Development Delivery Manager informed the Board that:

- The Council would endeavour to deliver more Independent Living properties in Stevenage
- Contrary to some news and social media reports, Asquith Court was empty and all former occupants had found accommodation in Council or private accommodation in Stevenage and other parts of the country
- The new community centre at Kenilworth was part of Phase Two of the project. However, the contract was flexible and there was an option to bring forward start dates for some aspects of the scheme

It was **RESOLVED** that the update be noted.

4 **INDEPENDENT LIVING ALLOCATION REVIEW REPORT**

The Chair and Vice-Chair of the Customer Scrutiny Panel (CSP) presented the report on the Panel's review of the allocation of Independent Living properties. The report covered the background to the review, methodology, recommendations, observations and positive findings. The review team reported that they had observed the independent living properties allocation pilot. The Panel endorsed the pilot and commended the supported housing officers involved in the pilot.

The Assistant Director (Housing & Investment) reported that the pilot had received positive feedback. It was anticipated that a full roll out of the pilot would contribute towards the reduction of long term voids. Plans were in place to provide self-serve options for customers. It was confirmed that the Council assessed requests for re-housing support and decorating grants on a case-by-case basis.

With regard to the observation that the Lettings pack did not have Universal Credit contact details, the HMAB noted that Universal Credit was a digital-only service. Members agreed that more support should be provided for people who were not computer literate or did not have access to the internet.

Members were informed that Les Isaacs – a member of the review team and founding CSP member – had resigned from the CSP after the review. The HMAB thanked the Panel for the review and expressed gratitude for Les Isaacs's contribution to the Customer Scrutiny Panel.

It was **RESOLVED** that the review be noted.

PROCUREMENT OF DOMESTIC GAS CONTRACT

The M and E Compliance Manager presented an update on the procurement of the domestic gas contract. The presentation highlighted the following:

- The Council had adopted the new MOT style service
- The MOT-style service will allow landlords to carry out the annual gas safety check in the two months before the due date and retain the existing expiry date
- SBC worked collaboratively with the current contractor to address the surge in customer complaints following the extreme winter of 2017/18 and shortcomings within the contractor's operations
- During the recovery period, the current contractor and the parent company (ForViva Housing Association) offered to develop a number of enhancements to the existing service using artificial intelligence. The enhancements would enable the Council to perform a full "Home MOT" in a single visit
- The full "Home MOT" would involve gas engineers carrying out gas safety inspections and test smoke & CO alarms, check the presence and condition of fire doors in appropriate properties, complete domestic legionella inspections and risk assessments and offer the tenant an opportunity to report repairs or report them on behalf of the tenant
- Artificial intelligence systems would use the full Home MOT information to generate an asset appraisal leading to an intelligence-led decent homes programme
- As part of the full Home-MOT, the operative would conduct tenancy checks including tenant I.D. and contact details, safeguarding and subletting flags and give the tenant the opportunity to arrange a tenancy officer visit
- A variety of council-owned and operated assets in larger housing blocks are currently maintained as extras to the communal gas contract
- There is a separate Legionella contract for 25 Housing and Investment sites that are owned and operated by the Council. The current Legionella contract expires in August 2020

The M and E Compliance Manager indicated that following an options appraisal, it was proposed that the new contract mobilise in mid-summer (and not October). It was also proposed that robust Service Level Agreements, Key Performance Indicators and performance incentives be included to give SBC control over the contract. It was reported that the new contracts would have the Home MOT as a development option and would have scope for additional assets and additional commercial properties.

In response to questions, the Compliance Manager informed the HMAB that:

- Leaseholders would not automatically be offered the Home MOT service. However, extending the service to leaseholders would ensure uniformity of service
- Leaseholders would not require Home MOT tenancy checks
- SBC was on target for the statutory gas safe compliance requirements
- There was a statutory requirement for the Council to keep records of gas inspections for its housing stock

- Gas certificates were uploaded to the Northgate system overnight and currently the certificates were kept indefinitely
- The Home MOT would enable tenancy officers to focus on customers that required more assistance
- There was no provision for penalty clauses in the gas contract. However, the new gas contract would provide incentives by paying the contractors performance-related incentives for work such as out-of-hours calls
- If a tenant continually denied officers/contractors entry to a property the Council would use its legal right to make forcible entry to carry out gas safety checks and ensure the continued safety of tenants. Forced entry was used 12 times per year on average and most of these properties turned out to be abandoned

The Portfolio Holder welcomed the proposal to include a development option in the new contract. The Assistant Director confirmed that requests for decoration grants were assessed on a case-by-case basis. It was indicated that the Home MOT system would eliminate duplication of tasks and also enable better utilisation of resources. The Assistant Director highlighted efforts to introduce more technology to ways of working and to encourage officers to be more visible.

It was **RESOLVED** that the update is noted.

6 **ANY OTHER BUSINESS**

The HMAB thanked the Portfolio Holder (Housing, Health and Older People) for her recent media engagements that were aimed at highlighting and setting the record straight on housing developments in Stevenage.

7 **DATE OF NEXT MEETING**

Thursday 24 October 2019, 6.00pm

Shimkent Room, Daneshill House, Danestrete

CHAIR

HOUSING MANAGEMENT ADVISORY BOARD PERFORMANCE REPORT, QUARTER 2, 2019/20

Subject: Performance Management

Date: 21 November 2019

For Information

Author: Chloe Norton (Corporate Performance and Improvement Officer)

Contributors: Assistant Director Housing and Investment, Assistant Director Stevenage Direct Services, All Housing & Investment Service and Repairs & Voids Managers

Action Required:

To note performance against the Housing Service Key Performance Indicators at the end of Quarter 2 (2019/20); and to note actions to be taken to improve service outcomes, where performance is below expectations. (NB: Includes on-screen presentation)

SUMMARY:

This report provides a summary of the housing performance information to the end of September 2019.

The HRA Business Plan 2014 included a suite of performance measures and targets, which are reviewed annually by the Housing Management Team and monitored throughout the year.

In advance of HMAB meetings, HMAB Members receive:

- Overview report summarising performance status, with a summary of performance achievements and key area of focus.
- Appendix of full set of measure results with comments.

Additional reporting will be available at the meeting on screen using the Council's corporate business insight system 'InPhase' for measures not achieving target. This allows additional graphical representation that helps to present a picture of performance.

The Assistant Director Housing and Investment determined the measure themes to be reported. Forty Two measures grouped into five themes are reported at quarter 2 (September 2019):

- Compliance – 9 measures
- Customer Service – 8 measures
- Homelessness and Housing Support – 5 measures
- Income/ Spend – 9 measures
- Repairs and Voids – 11 measures

In addition, there are three data measures providing supporting information or where performance trend is being assessed to determine future target setting.

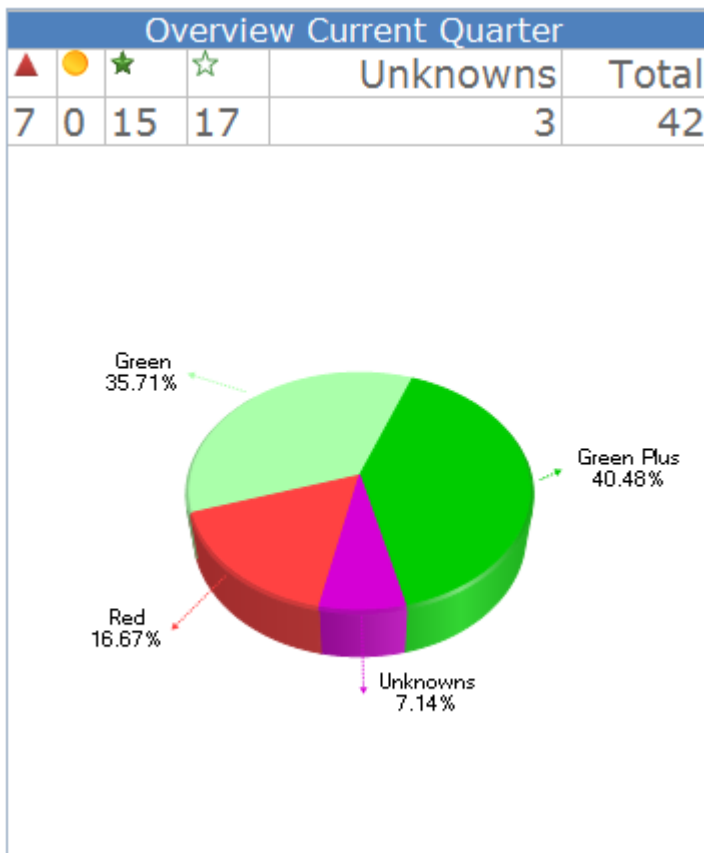
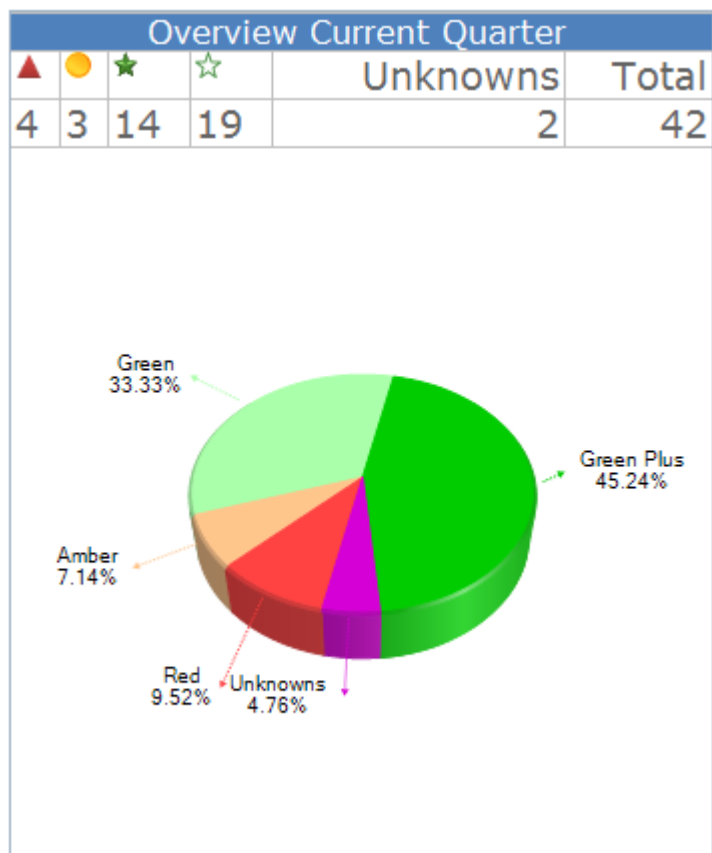
- Compl3: Percentage of stage 1 complaints upheld fully or partially – measure for information.
- Voids Shelt-a: Time taken from tenancy termination to ready to let for standard sheltered voids – supporting information for sheltered voids performance measure.
- Voids RC1: Average repair cost per void property – performance trend being assessed.

(Results are included in the full measure set at Appendix 1)

Appendix 1 identifies the trend of performance over the last five quarters for the complete housing performance measure set reported.

Quarter 1 2019/20 Status

Quarter 2 2019/20 Status



Performance Highlights and areas for improvement

An outline of performance achievements and areas where improvement activity is being implemented follows. Additional performance information can be provided through the on-screen presentation of performance using the corporate business insight system, 'InPhase'.

The two unknowns relate to two Homelessness and Housing Support measures that currently have no targets available.

Compliance Theme

Performance Achievements:

- In quarter two the contractor achieved 100% compliance for the service and inspection of assets that have a statutory requirement.
 - Assets 5a: Percentage of (Council) assets known to be Health and Safety compliant (statutory), September 2019 target 100%, achieved 100%
- All other compliance measures relating to dwellings met their target of 100%.
 - FRA1: Percentage of dwellings with a valid fire risk assessment, September 2019 target 100%, achieved 100%
 - VAS1: Percentage of communal areas with a valid asbestos survey, September 2019 target 100%, achieved 100%
 - VGC1: Percentage of dwellings with a valid gas certificate, September 2019 target 100%, achieved 100%
 - VLC1: Percentage of sites with valid legionella inspections certificate, September 2019 target 100%, achieved 100%
- In quarter two all (60 of 60) mutual exchanges were completed within statutory timescales.
 - MX1: Percentage of mutual exchanges completed within statutory timescale, September 2019 target 96%, achieved 100%

Improvement Focus:

- Assets5b: Percentage of (Council) assets known to be Health and Safety compliant (SBC definition): The contractor has reported and given some assurance that the tasks for this report are all completed, however they can only provide dates and certification for 49% of the tasks.

The compliance team audit could not find evidence to support the higher figure, but believes the majority of tasks have been carried out. It should be noted that the tasks reported in Asset 5b are non-statutory items such as gutter checks and clearance.

A further verbal update on this will be provided at the meeting.

- In quarter 2 thirty six RTB notices were sent out, thirty three were responded to on time, however delays occurred with three cases. The main reason for delays is tenants denying access.
 - RTB1: Percentage of RTB notices responded to within statutory timescales, September 2019 target 95%, achieved 88.06%

Customer Service Theme

Performance Achievements:

- In quarter one and quarter two 379 out of 393 complaints were closed within target (96.44%). This shows a significant improvement from last year (85.03%). In quarter one and quarter two 12 of 60 stage 2 and 3 complaints were upheld. This is a further improvement from last year (38.3%).
 - Compl1: Percentage of complaints from customers closed on target (Housing), September 2019 target 95%, achieved 96.44%
 - Compl4: Percentage of stage 2 & 3 complaints upheld fully or partially (Housing), September 2019 target 40%, achieved 20%

Improvement Focus:

- There were no red or amber measures within the Customer Service theme in quarter two.

Homelessness and Housing Support Theme

Performance Achievements:

- The homelessness preventions measure has exceeded its target for the quarter.
 - BV213: Homelessness Preventions, September 2019 target 180, achieved 272

Improvement Focus:

- Number of households in temporary/emergency accommodation is red in quarter 2. There are an additional 58 households that have not been included in the total figure on this occasion or previously, but are deemed to be in a form of temporary accommodation, these cases have been accepted as owed a homeless duty, but were placed into non secure tenancies which cannot be a final offer of accommodation.

Due to the process in place at the time, discharge of duty was not formally completed and as a result these are still officially designated as temporary accommodation. These cases are being reviewed and a programme is in place to rectify this starting in early 2020.

- NI156: Number of households in temporary accommodation at end qtr, September 2019 target 75, achieved 81
- Two measures relating to preventions, cases completed within relief duty and cases where housing duty is accepted, cannot be reported as there are currently no targets available for these measures.
 - HHA1: Number of homelessness preventions completed within relief duty, September 2019 target not available, achieved 272
 - HHA2: Number of homelessness cases where housing duty is accepted, September 2019 target not available, achieved 37

Income/Spend Theme

Performance Achievements:

- In quarter two both recharges measures have exceeded their targets. The team are working hard to ensure this is maintained throughout the year.
 - Recharges3: Percentage of recharges collected of amount due (2018 to ytd), September 2019 target 4.98%, achieved 9%
 - Recharges 4: Percentage of recharges collected of amount due (old debt to 2017), September 2019 target 7.75%, achieved 12.47%
- In quarter one and two 100% of aids and adapts works were completed on time (105 out of 105). This is a significant improvement from last year.
 - A&Acomp1: Percentage of Aids and Adapts work completed in time, September 2019 target 80%, achieved 100%

Improvement Focus:

- In quarter two the percentage of leasehold service charges collected was below target. The team applied adjustments to service charge accounts in mid August, this is when final costs for the previous year are known. It is expected income collection will improve and outstanding balances will be collected over the next two quarters.
 - LHSC: Percentage of Leasehold service charges collected ytd, September 2019 target 90.75%, achieved 87.38%
- The Leaseholder team was unable to reach their target for collection of major works charges in quarter two. There are currently two accounts with major works balances outstanding; one is historic and is paying through arrangements set by the court, the other is a case where the property is under grant of probate.
 - LHMW1: Leasehold major works charges collected as a percentage of charges due, September 2019 target 95%, achieved 66.67%

Repairs and Voids Theme

Performance Achievements:

- Repairs are being fixed promptly and exceeding target, this has improved by 5 days this year. The team have placed major focus on a case management approach to each case dealt with. This, coupled with efforts to review and improve processes, has improved performance and productivity.
 - RepTime3: Time taken to complete routine repairs, September 2019 target 20 days, achieved 7.16 days.
 - RepTime2: Time taken to complete urgent repairs, September 2019 target 5 days, achieved 2.8 days.
 - RepTime1: Time taken to complete emergency repairs, September 2019 target 1 day, achieved 0.85 days.
- In quarter two out of 1634 repairs completed, only 14 of those were not fixed the first time.
 - ECH-Rep4: Percentage repairs fixed first time, September 2019 target 87.5%, achieved 99.14%

- In quarter two 1628 of 1653 repairs appointments were made and kept.
 - ECH-Rep3: Percentage repairs appointments made and kept, September 2019 target 95%, achieved 98.49%
- The changes within Repairs and Voids continue to have a positive impact on the standard General Needs voids with turnaround times consistently reducing. Great collaborative work is taking place between the Project Officers and the Lettings Team to cohesively reduce unnecessary work.
 - VoidsGN: The time taken to relet standard general needs voids, September 2019 target 32 days, achieved 30.27 days

Improvement Focus:

- In quarter 2 the only Sheltered Major Works void had a catastrophic leak from the property above whilst void, and was required to be shut down for a couple of weeks to dry the property before works could resume; additional work was required to rectify the damage caused by the leak.

Voids sheltered is still 20 days over target, however due to collaborative work with other teams is now 40 days less than the same time last year.

- Voids Sheltered MW: The time taken to relet major works sheltered voids, September 2019 target 70 days, achieved 91 days
- Voids Sheltered: The time taken to relet standard sheltered voids, September 2019 target 70 days, achieved 92.74 days
- Void loss 1: Void loss in year (£), September 2019 target £164,594, achieved £191,858

Key to Performance Status

Symbols

	Red Status - Focus of improvement		New measure - Performance results not required
	Amber Status - Initial improvement activity identified		No data results
	Green Status - Any variance from target manageable		Missing value
	Green Plus Status - Exceeding expectations		

	Service	Focus (Sunburst Category)	Target to 30/09/18	Actual to 30/09/18	Status at 30/09/18	Target to 31/12/18	Actual to 31/12/18	Status at 31/12/18	Target to 31/03/19	Actual to 31/03/19	Status at 31/03/19	Target to 30/06/19	Actual to 30/06/19	Status at 30/06/19	Target to 30/09/19	Actual to 30/09/19	Status at 30/09/19	Comments 30/09/2019	
+	FRA1: Percentage of dwellings with a valid Fire Risk Assessment	Asset Management	Compliance	100.00%	100.00%		100.00%	100.00%		100.00%	100.00%		100.00%	100.00%		100.00%	100.00%		
+	VGC1: Percentage of dwellings with a valid gas certificate	Asset Management	Compliance	100.0%	100.0%		100.0%	100.0%		100.0%	100.0%		100.0%	100.0%		100.0%	100.0%		
	Assets5a: Percentage of assets known to be health and safety compliant (Statutory)	Asset Management	Compliance	100.00%	90.00%		100.00%	98.00%		100.00%	91.00%		100.00%	99.60%		100.00%	100.00%		<ul style="list-style-type: none"> The contractor has concentrated efforts on statutory tasks, outcomes and follow on works for the past quarter and achieved 100% with one task being completed the following morning 1st October. The current reports are based on dates supplied by the contractor quarterly with checks and audits by the compliance team, it is indented to move to monthly reporting with the burden of proof being the responsibility of the contractor to supply certification as well as dates, in line with the mobilisation plan and their IT strategy agreed at tender. It is unlikely that the contractor will be able to comply with this requirement without significant investment in their IT and back office set up, the contract is unlikely to do so in the current circumstance. The compliance team is there fore predicting a drop in reported compliance.
	Assets5b: Percentage of assets known to be health and safety compliant (as per SBC definition)	Asset Management	Compliance	100.00%	91.70%		100.00%	97.00%		100.00%	91.00%		100.00%	91.00%		100.00%	?		<ul style="list-style-type: none"> Data cannot be verified for quarter 2
+	RTB1: Percentage of RTB notices responded to within statutory timescales	Home Ownership Services	Compliance	95.00%	93.06%		95.00%	93.10%		95.00%	94.87%		95.00%	83.87%		95.00%	88.06%		<ul style="list-style-type: none"> All 13 RTB Notices were issued within the time scales. This is a cumulative figure which reflects previous months performance where all incidents of not meeting target have been outside of our control, mostly to do with enhanced checks to prevent fraud.

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	Service	Focus (Sunburst Category)	Target to 30/09/18	Actual to 30/09/18	Status at 30/09/18	Target to 31/12/18	Actual to 31/12/18	Status at 31/12/18	Target to 31/03/19	Actual to 31/03/19	Status at 31/03/19	Target to 30/06/19	Actual to 30/06/19	Status at 30/06/19	Target to 30/09/19	Actual to 30/09/19	Status at 30/09/19	Comments 30/09/2019	
+	ECHFL1: Percentage of Homes maintained as decent	Asset Management	Compliance	79.8%	80.0%	★	82.6%	82.6%	★	75.3%	75.4%	★	76.9%	77.0%	★	79.4%	79.5%	★	
+	VAS1: Percentage of communal areas with a valid Asbestos survey	Asset Management	Compliance	100.00%	100.00%	★	100.00%	100.00%	★	100.00%	100.00%	★	100.00%	100.00%	★	100.00%	100.00%	★	
+	MX1: Percentage of mutual exchanges completed within statutory timescale	Tenancy & Income	Compliance	96.00%	100.00%	☆	96.00%	100.00%	☆	96.00%	98.92%	☆	96.00%	100.00%	☆	96.00%	100.00%	☆	<ul style="list-style-type: none"> Over the past few months, new practices have been put in place to make the Mutual Exchange process leaner. Working across all internal teams to improve communications to ensure that electrical certificates are available within 10 days, instead of the 20 days that had been in place. We have looked at our levels of communications with external landlords to improve the information we ask for about any potential incoming tenants. <p>Additionally, we are updating the information that we have on the internet, in order to make the tenants more pro-active in providing information to us. this information will also be available within the new Customer Service system, when that goes live.</p>
+	VLC1: Percentage of sites with valid legionella inspections certificate	Asset Management	Compliance	100.00%	100.00%	★	100.00%	100.00%	★	100.00%	100.00%	★	100.00%	100.00%	★	100.00%	100.00%	★	
+	ECHFL1EW1: Percentage of tenants satisfied with external works completed (for the current quarter)	Asset Management	Customer Service	90.0%	89.0%	★	80.0%	89.7%	★	80.0%	91.2%	★	80.0%	98.9%	☆	80.0%	100.0%	☆	

	Service	Focus (Sunburst Category)	Target to 30/09/18	Actual to 30/09/18	Status at 30/09/18	Target to 31/12/18	Actual to 31/12/18	Status at 31/12/18	Target to 31/03/19	Actual to 31/03/19	Status at 31/03/19	Target to 30/06/19	Actual to 30/06/19	Status at 30/06/19	Target to 30/09/19	Actual to 30/09/19	Status at 30/09/19	Comments 30/09/2019	
+	ECHFL-IW1: Percentage of tenants satisfied with internal works completed (for the current quarter)	Asset Management	Customer Service	80.0%	94.3%	☆	80.0%	95.7%	☆	80.0%	96.0%	☆	80.0%	100.0%	☆	80.0%	100.0%	☆	
+	Compl2: Percentage of MP & Members enquiries answered within 10 days (Housing)	Customer Service	Customer Service	95.00%	88.51%	▲	95.00%	88.97%	▲	95.00%	88.26%	▲	95.00%	91.73%	●	95.00%	92.42%	☆	<ul style="list-style-type: none"> Q1-Q2 YTD 244 Councillor and MP enquiries were closed within target out of 264 enquiries closed (92.42%). This was an improvement in performance compared to YTD at end of August (92.02%), and also an improvement compared to 2018/19 - 88.26%. <p>In September 51 Member enquiries were closed - 48 in time and 3 out of time, making September S/L 94.12%. This was an improvement on the month of August S/L 92.31%. Of the 3 Member/MP enquiries closed out of time, the following services had 1 case each; Housing Options, Lettings and Tenancy Services.</p> <p>This measure had not been in target YTD for the whole of the last financial year. The only individual months that had been in target were June and September 2018. This is a much improved start to the year.</p>
+	Compl1: Percentage of complaints from customers closed on target (Housing)	Customer Service	Customer Service	95.00%	85.03%	▲	95.00%	88.37%	▲	95.00%	90.03%	●	95.00%	97.77%	☆	95.00%	96.44%	☆	<ul style="list-style-type: none"> Q1-Q2 2019/20 YTD Housing closed 379 complaints within target out of 393 complaints closed (96.44%). This is a slight dip from Q1 which was 97.77%, but is a vast improvement on 2018/19 Q1-Q4 90.03%. Last year's disappointing S/L was due to the poor performance Apr - Aug 2018. April 2018 was 74.36%, so it is pleasing to note the improvement in performance from then. <p>In September 72 customer complaints were closed - 68 in time and 4 out of time making September performance 94.44%, a slight dip compared to August performance 98.55%. The 4 complaints closed out of time in September 1 related to Housing Options, 1 to Tenancy Services and 2 to Repairs.</p> <p>This measure has remained in target this financial year compared to not being in target YTD for the whole of the last financial year, though monthly performance had improved month on month April to September 2018. (The months of September to February 2018/19 were all above target). This is a much improved start to the year.</p>
+	ECHFL5: Percentage of																		

	Service	Focus (Sunburst Category)	Target to 30/09/18	Actual to 30/09/18	Status at 30/09/18	Target to 31/12/18	Actual to 31/12/18	Status at 31/12/18	Target to 31/03/19	Actual to 31/03/19	Status at 31/03/19	Target to 30/06/19	Actual to 30/06/19	Status at 30/06/19	Target to 30/09/19	Actual to 30/09/19	Status at 30/09/19	Comments 30/09/2019
	Repairs	Customer Service	90.00%	93.44%	★	90.00%	96.07%	★	90.00%	96.13%	★	90.00%	93.08%	★	90.00%	93.36%	★	
+	ASB1: ASB Satisfaction with final outcome	Anti Social Behaviour	4.25	4.22	★	4.25	4.36	★	4.25	4.54	★	4.25	4.72	☆	4.25	4.69	☆	

	Service	Focus (Sunburst Category)	Target to 30/09/18	Actual to 30/09/18	Status at 30/09/18	Target to 31/12/18	Actual to 31/12/18	Status at 31/12/18	Target to 31/03/19	Actual to 31/03/19	Status at 31/03/19	Target to 30/06/19	Actual to 30/06/19	Status at 30/06/19	Target to 30/09/19	Actual to 30/09/19	Status at 30/09/19	Comments 30/09/2019	
+	A&Asat1: Satisfaction with Aids & Adaptations service	Asset Management	Customer Service	80.00%	100.00%	★	80.00%	96.00%	★	80.00%	100.00%	★	80.00%	100.00%	★	80.00%	100.00%	★	
+	Compl4: Percentage of stage 2 & 3 complaints upheld fully or partially (Housing)	Customer Service	Customer Service	40.00%	38.30%	★	40.00%	43.08%	●	40.00%	39.51%	★	40.00%	35.00%	★	40.00%	20.00%	★	<ul style="list-style-type: none"> Q1-Q2 YTD 12 Stage 2&3 complaints were upheld out of 60 closed, making performance 20.00%. This is a further improvement in performance from Apr-Aug 22.92% and a disappointing April 44.44%. This also compares favourably to 2018/19 full year performance of 39.51%. In September, 1 Stage 2 & 3 complaints were upheld out of 12 (1 partially), giving a performance of 8.33% (without Repairs housing was 26.67%). The 1 Stage 2 & 3 complaint upheld related to Investment. This is a very promising start to the financial year. If Housing can continue with their improved performance from the end of the last financial year, they can be at target again at the end of this financial year.
	IncMax1: Income maximization for clients	Tenancy Support	Homelessn... and Housing Support	126,000	296,237	★	189,000	380,722	★	252,000	470,075	★	63,000	91,456	★	126,000	126,795	★	
	NI156: Number of households in temporary/emerge accommodation at end qtr	Housing Advice and Homelessne...	Homelessn... and Housing Support	100.00	65.00	★	100.00	61.00	★	100.00	73.00	★	75.00	73.00	★	75.00	81.00	▲	<ul style="list-style-type: none"> There are an additional 58 households that have not been included in the total figure on this occasion or previously but are deemed to be in a form of temporary accommodation. This is because these cases have been accepted as owed a homeless duty but were placed into Non-secure tenancies which cannot be a final offer of accommodation. Due to the process in place at the time, discharge of duty was not formally completed and as a result these are still officially designated as temporary accommodation. These cases will be reviewed and a program is in place to rectify this starting in early 2020.
	HHA1: Number of homelessness preventions completed within relief duty	Housing Advice and Homelessne...	Homelessn... and Housing Support			»			»			»	?	128.00	!	?	272.00	!	

	Service	Focus (Sunburst Category)	Target to 30/09/18	Actual to 30/09/18	Status at 30/09/18	Target to 31/12/18	Actual to 31/12/18	Status at 31/12/18	Target to 31/03/19	Actual to 31/03/19	Status at 31/03/19	Target to 30/06/19	Actual to 30/06/19	Status at 30/06/19	Target to 30/09/19	Actual to 30/09/19	Status at 30/09/19	Comments 30/09/2019
BV213: Homelessness preventions	Housing Advice and Homelessne...	Homelessn... and Housing Support	180.0	182.0	★	270.0	279.0	★	360.0	399.0	☆	90.0	128.0	☆	180.0	272.0	☆	• This has been a very busy period for the team and we are pleased with the level of preventions that the team have achieved through such a busy period.
HHA2: Number of homelessness cases where housing duty accepted	Housing Advice and Homelessne...	Homelessn... and Housing Support			»			»			»	?	18.00	!	?	37.00	!	
Recharges4: Recharges collected as a % of amount due (old debt to 2017)	Tenancy & Income	Income/S...	?	?	!	?	?	!	?	?	!	7.75%	12.47%	☆	7.75%	12.47%	☆	
A&Acomp1: Percentage of Aids & adapts work completed in time (new referrals)	Asset Management	Income/S...	90.00%	55.56%	▲	90.00%	68.09%	▲	90.00%	74.47%	▲	80.00%	100.00%	☆	80.00%	100.00%	☆	
LHMW1: Leasehold major works charges collected as a percentage of charges due	Home Ownership Services	Income/S...	95.00%	100.00%	☆	95.00%	100.00%	☆	95.00%	88.89%	▲	95.00%	66.67%	▲	95.00%	66.67%	▲	

	Service	Focus (Sunburst Category)	Target to 30/09/18	Actual to 30/09/18	Status at 30/09/18	Target to 31/12/18	Actual to 31/12/18	Status at 31/12/18	Target to 31/03/19	Actual to 31/03/19	Status at 31/03/19	Target to 30/06/19	Actual to 30/06/19	Status at 30/06/19	Target to 30/09/19	Actual to 30/09/19	Status at 30/09/19	Comments 30/09/2019	
+	LHSC1: Percentage of Leasehold service charges collected ytd	Home Ownership Services	Income/S...	95.00%	94.35%	★	96.50%	97.45%	★	98.25%	98.52%	★	90.75%	91.77%	☆	95.00%	87.38%	▲	
	FTA2: Former tenants arrears collected (in £)	Tenancy & Income	Income/S...	42,000	46,457	☆	63,000	65,700	★	84,000	89,959	☆	21,000	19,636	●	42,000	41,402	★	
	Evict1: Number evictions carried out for arrears	Tenancy & Income	Income/S...	13	13	★	19	16	★	25	24	★	6	1	☆	13	5	☆	
+	CTA1: Current Tenants Rent Arrears % rent due in year (ytd)	Tenancy & Income	Income/S...	1.50%	1.42%	★	1.50%	1.00%	☆	1.50%	0.68%	☆	1.50%	1.34%	★	1.50%	1.44%	★	<ul style="list-style-type: none"> Performance is standing at 1.44%, a slight reduction of 0.05% in arrears from last month. The level of arrears at the Q2 is £133,119.00 more compared to Q2 2018/19. The number of tenants in receipt of Universal Credit and in arrears is 673 with totalling £303,902.00 (Almost 50% of the overall arrears). This is also an increase compared to Q1. The level of arrears at the Q1 was £86,743 more compared to Q2 2018/19. We are in the process of revising income collection and arrears recovery action plan to ensure that the impact of Universal Credit is mitigated and minimised. The income team will continue to focus on proactive and preventative approaches offering a high level of support both internally and externally.
	BV66a: Rent collection rate	Tenancy & Income	Income/S...	96.3%	96.8%	★	97.8%	98.6%	★	98.7%	99.1%	★	93.6%	93.8%	★	96.3%	96.9%	★	<ul style="list-style-type: none"> The set target for September is 96.30%. Income collection for the end of September is 96.90% standing at 0.60% above target. The team effort is directed towards continuous improvements in collection, recovery and support to tenants, especially those experiencing financial challenges such as transition to Universal credit.

	Service	Focus (Sunburst Category)	Target to 30/09/18	Actual to 30/09/18	Status at 30/09/18	Target to 31/12/18	Actual to 31/12/18	Status at 31/12/18	Target to 31/03/19	Actual to 31/03/19	Status at 31/03/19	Target to 30/06/19	Actual to 30/06/19	Status at 30/06/19	Target to 30/09/19	Actual to 30/09/19	Status at 30/09/19	Comments 30/09/2019
⊕ Recharges3: Percentage of recharges collected of amount due (2018 to YTD)	Tenancy & Income	Income/S...			»			»			»	2.46%	19.08%	☆	4.98%	9.00%	☆	<ul style="list-style-type: none"> The set target for annual Income collection in this area is 11.75% of the total charges due to be collected in 2019/20. This includes the amount brought forward from the previous year. Performance is 9.00% and above the set target for this month of 6.64% , there is £4,322 due to be written off. <p>It is expected that we will achieve a marked improvements in this area when we recruit to the vacant FTA Advisor role</p>
⊕ Rep-Time1: Average end to end repairs time (days) - Emergency Repairs	Repairs	Repairs/Vo...	1.00	0.45	☆	1.00	0.47	☆	1.00	0.52	☆	1.00	0.79	☆	1.00	0.85	☆	
⊕ Rep Cost1: Average responsive repair cost per dwelling	Repairs	Repairs/Vo...	160.50	146.03	☆	240.75	222.17	☆	321.00	316.42	☆	81.77	62.40	☆	163.54	162.78	☆	
⊕ ECH-Rep4: Percentage repairs fixed first time	Repairs	Repairs/Vo...	87.50%	92.13%	☆	87.50%	97.47%	☆	87.50%	97.47%	☆	87.50%	98.96%	☆	87.50%	99.14%	☆	
⊕ ECH-Rep3: Percentage repairs appointment made and kept	Repairs	Repairs/Vo...	95.00%	95.76%	☆	95.00%	99.26%	☆	95.00%	98.68%	☆	95.00%	98.61%	☆	95.00%	98.49%	☆	

	Service	Focus (Sunburst Category)	Target to 30/09/18	Actual to 30/09/18	Status at 30/09/18	Target to 31/12/18	Actual to 31/12/18	Status at 31/12/18	Target to 31/03/19	Actual to 31/03/19	Status at 31/03/19	Target to 30/06/19	Actual to 30/06/19	Status at 30/06/19	Target to 30/09/19	Actual to 30/09/19	Status at 30/09/19	Comments 30/09/2019	
+	VoidsGN: The time taken to relet standard general needs voids	Voids	Repairs/Vo...	32.00	27.49	☆	32.00	27.32	☆	32.00	27.86	☆	32.00	30.31	☆	32.00	30.27	☆	
+	Voids sheltered: The time taken to relet standard sheltered voids	Voids	Repairs/Vo...	70.00	129.05	▲	70.00	117.11	▲	70.00	121.43	▲	70.00	103.94	▲	70.00	92.74	▲	
+	Voids Sheltered MW - The time taken to relet major works sheltered voids	Voids	Repairs/Vo...	70.00	94.00	▲	70.00	100.88	▲	70.00	117.10	▲	70.00	0.00	☆	70.00	91.00	▲	
	Void loss 1: Void loss in year (£)	Voids	Repairs/Vo...	164,594	169,918	●	239,856	253,297	▲	319,245	312,631	☆	82,767	85,775	●	164,594	191,858	▲	
+	Rep-Time2: Average end to end repairs time (days) - Urgent Repairs	Repairs	Repairs/Vo...	5.00	4.50	☆	5.00	3.99	☆	5.00	3.87	☆	5.00	2.83	☆	5.00	2.80	☆	

	Service	Focus (Sunburst Category)	Target to 30/09/18	Actual to 30/09/18	Status at 30/09/18	Target to 31/12/18	Actual to 31/12/18	Status at 31/12/18	Target to 31/03/19	Actual to 31/03/19	Status at 31/03/19	Target to 30/06/19	Actual to 30/06/19	Status at 30/06/19	Target to 30/09/19	Actual to 30/09/19	Status at 30/09/19	Comments 30/09/2019	
+	VoidsGNMW - The time taken to relet major works general needs voids	Voids	Repairs/Vo...	65.00	93.53	▲	65.00	83.24	▲	65.00	80.67	▲	65.00	51.92	☆	65.00	0.00	☆	
+	Rep-Time3: Average end to end repairs time (days) - Routine Repairs	Repairs	Repairs/Vo...	20.00	10.83	☆	20.00	9.81	☆	20.00	9.82	☆	20.00	6.45	☆	20.00	7.16	☆	

Additional Performance Results (Where target not applicable)

	Service	Actual to 30/06/19	Actual to 30/09/19	Comments 30/09/2019
+ Compl3: Percentage of stage 1 complaints upheld fully or partially (Housing)	Customer Service	34.59	33.53	<ul style="list-style-type: none"> 113 Stage 1 complaints were upheld out of 337 YTD (33.53%) – 58 fully and 55 partially. This was an improvement on Apr-Aug (35.02%). This measure is within target, and is an improvement on Q1 performance of 34.59%. This is a vast improvement from 2018/19 performance of 59.02%. In September 16 Stage 1 complaints were upheld out of 60 – 7 fully and 9 partially, giving a performance of 26.67% (within target), compared to the month of August 36.21%. Of the 16 Stage 1 complaints upheld in September, 7 related to Investment, 3 to Gas & Compliance, 2 to Tenancy Services, 2 to Repairs, 1 to Income and 1 to Independent Living. When a complaint is upheld, the service must record on the feedback system what they have learned as a result of handling and responding to the complaint and note the resulting planned or implemented service improvements (i.e. what they intend to do or change). At the end of each quarter the Customer Focus Team follow up on the learning points, asking what has been done and when.
+ Void #1: Average repair cost per void property	Voids	3,991.44	3,456.68	
Voids-Shelt-a: Time taken from tenancy termination to ready to let for standard sheltered voids	Voids	12.72	14.00	

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Meeting: HMAB/PHAG

Agenda Item:

Portfolio Area: HOUSING & INVESTMENT

Date: 21 November 2019

REVISED RENT AND SERVICE CHARGE SETTING POLICY

KEY DECISION

Author – Elizabeth Ddamulira Ext. No. 2002
Lead Officer – Jaine Cresser Ext. 2455
Contributors -
Contact Officer – Elizabeth Ddamulira Ext. No. 2002

1. PURPOSE

1.2 To recommend amendments to the Council's Rent and Service Charge Policy.

1.2 To ensure that the Rent and Service Charge Policy informs the HRA Final Budget Proposals 2020/21 and Rent Setting report and underpins the delivery of the HRA Business Plan's key housing objectives and planned service outcomes.

2. RECOMMENDATIONS

2.1 That HMAB/PHAG be recommended to approve the revised Rent and Service Charge Policy (Appendix A), to be included as part of the HRA final budget and rent setting report to Council in January 2020.

3. BACKGROUND

3.1 The Rent and Service Charge Policy, which was approved by the Executive 22 November 2016, established the principles and approach by which Stevenage Borough Council would set rent levels and service charges for its residential properties. It has been revised to comply with the Government's new Direction on the rent standard 2019

3.2 The Welfare Reform and Work Act 2016 required social landlords to reduce using in England by 1% a year for 4 years from April 2016. The rent baseline was the rent payable on 8th July 2015.

3.3 In October 2017, government announced plans to permit registered providers to increase rents on social rent and affordable rent properties by up to CPI+1% each year from 2020, for a period of at least five years.

- 3.4 This proposal recognised the need for a stable financial environment to support the delivery of new homes by registered providers including local authorities and enable them to plan ahead.
- 3.5 The Direction on the Rent Standard 2019 replaces the 2014 Direction from 1 April 2020 onwards for a period of at least five years. The rent standard applies to local authority registered providers from 2020 onwards because the previous arrangements for limiting the welfare costs associated with local authority rents (the Rent Rebate Subsidy Limitation scheme) will not operate alongside Universal Credit

4. REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

- 4.1 The rent and service charge income funds the HRA Business Plan and therefore, the delivery of the key housing objectives. These key objectives are the delivery of effective services, the investment in existing council properties to ensure homes are of a modern standard and the provision of new social and affordable housing to rent. The policy statement at section 2 of the policy emphasises the link with the HRA Business Plan's service objectives and outcomes.
- 4.2 A revised version of the Rent and Service Charge Policy is attached at Appendix A and is recommended for approval. Revised text is shown underlined and in italics.
- 4.4 A number of changes have been made to ensure the policy The Direction on the Rent Standard 2019, including the Council's position in relation to service charge increases, de-pooling and new service charges. This will enable the Council to proceed with setting the HRA budget and rents for 2020/21 in line with its standard annual timetable. The key changes to the policy are outlined in paragraphs 4.5 to 4.7 below.

4.5 Background (section 4 of the policy)

- 4.5.1 Section 4 of the policy has been updated to reflect recent legislation:
- Paragraph 4.2 sets out the relevant **Legislation, regulation and guidance listed in Appendix A**
 - Paragraph 4.3 to 4.7 sets out the provisions of the Direction on the rent standard 2019 replaces the 2014 Direction from 1 April 2020 onwards for a period of at least five years permitting registered providers to increase rents on social rent and affordable rent properties by up to CPI+1% each year from 2020.
 - Paragraphs 4.8 provides more detailed **Legislative background in Appendix B**

4.6 Annual Rent Changes (section 7 of the policy)

4.6.1 With regard to annual rent changes, paragraphs 7.1 and 7.2 provides a narrative detailing Stevenage Borough Council's approach to rent setting for its different tenure and service types that this policy applies o in **Appendix C**

4.7 Service Charges (section 11 of the policy)

4.7.1 Section 11 of the policy refers to service charges and has been amended slightly to clarify that the Council will ensure that service charges are set based on the actual costs of the services.

- Paragraph 11.3 to 11.6 states that the Council will seek to recover in full, service charge costs. The Policy, allow flexibility in a particular year, if the increase in service charge would cause financial hardship for the Council to place a maximum limit on the service charge increase in a particularly year, based on an assessment of the affordability of the charge
- Paragraph 11.7 highlights other charges not included in previous policies made to payers of service charges Service charge payers may also be liable to the Council:
- Paragraph 11.8 state when we will review service charges, consult and notify residents.

5. IMPLICATIONS

5.1 Financial Implications

5.1.1 The Government's proposed CPI plus 1% rent increase which will have an impact on the Council's rental income. The Business Plan has been extensively reviewed and is the subject of a separate report to this Executive meeting.

5.1.2 We are still in the process of setting the service charges for 2020/21 and these will be agreed through the final HRA budget and rent setting report. Officers are still in the process of calculating the service charges for 2020/21 and Members will be updated as part of the December 2019 Draft and January 2020 final HRA budget report to the Executive. The 2020/21 rent and service charges will be approved at Council in January 2020.

5.2 Legal Implications

5.2.1 Although the document at Appendix A is described as a policy, for the avoidance of any doubt, its purpose is to guide the Council's policy decisions year to year at the rent setting stage and not to provide discretion on a case by case or property by property basis.

5.3 Equalities and Diversity Implications

5.3.1 Currently working on the EqIA. There will be ongoing equalities monitoring of

affordable rent pilot activities.

5.5 Equalities and Diversity Implications

- 5.5.1 In carrying out or changing its functions (including those relating to the provision of services and the employment of staff) the Council must comply with the Equality Act 2010 and in particular section 149 which is the Public Sector Equality Duty. The Act replaced three previous equality legislations – the Race Relations Act (section 71), the Sex Discrimination Act (section 76A) and the Disability Discrimination Act (section 49A). The Council has a statutory obligation to comply with the requirements of the Act, demonstrating that as part of the decision-making process, due regard has been given to the needs described in the legislation. These duties are non-delegable and must be considered by Council when setting the budget in January 2020.
- 5.5.2 To inform the decisions about the Budget 2020/21 officers are in the process of undertaking Equality Impact Assessments (EqIAs) for service-related budget savings proposals. Where there is a potentially negative impact, officers will identify further action needed to inform a final decision and to mitigate the impact where this is possible.

APPENDICES

- Appendix A – Rent and Service Charge Policy Nov 2019

STEVENAGE BOROUGH COUNCIL

RENT and SERVICE CHARGE SETTING POLICY 2020/21 – 2024/25

(RESIDENTIAL PROPERTY)

1. Purpose

1.1 The purpose of this policy is to establish the principles and approach by which Stevenage Borough Council will set rent levels and service charges for its residential properties.

1.2 To ensure compliance with the government's direction on the Rent Standard 2019 for the next five years.

2. Policy Statement

2.1 This policy provides a fair and affordable method of calculating rents and service charges for different tenure types within a viable and sustainable Housing Revenue Account (HRA) that enables the Council to deliver effective services, invest in its properties to ensure homes are of a modern standard and to provide new social housing to rent.

3. Policy Objectives

3.1 The objectives of the Rent and Service Charge Setting Policy are:

- to identify how Stevenage Borough Council will set rents and service charges for residential properties;
- to provide for rents at an affordable level for Stevenage Borough Council tenants whilst;
- ensuring the viability of the Council's 30 year HRA Business Plan and Medium Term Financial Strategy, making funds available to invest in service improvements, maintain and improve our homes, and provide new social housing to rent.
- to detail the process for providing statutory notice to tenants of proposed changes in rent levels;
- to ensure transparency and value for money when setting and reviewing service charges for both tenants and leaseholders.

4. Background

4.1 As of November 2019, the Council owns and manages approximately 8100 rented properties and manages leasehold arrangements for around 1396 properties.

*4.2 Please see **Appendix A- For relevant Legislation, regulation and guidance***

4.3 In October 2017, government announced plans to permit registered providers to increase rents on social rent and affordable rent properties by up to CPI+1% each year from 2020, for a period of at least five years.

4.4 This proposal recognised the need for a stable financial environment to support the delivery of new homes by registered providers including local authorities and enable them to plan ahead.

4.5 The Direction on the rent standard 2019 replaces the 2014 Direction from 1 April 2020 onwards for a period of at least five years. The rent standard applies to local authority registered providers from 2020 onwards because the previous arrangements for limiting the welfare costs associated with local authority rents (the Rent Rebate Subsidy Limitation scheme) will not operate alongside Universal Credit.

4.6 The legislation detailed (section 4.2) above provides direction on various matters relevant to our rent and service charge setting, including but not restricted to:

- *Calculation of Formula Rent*
- *Exemptions from the Rent Standard*
- *Rent caps*
- *Changes to rents (including annual increases and decreases)*
- *Service charges*

4.7 It should be noted that from time to time, temporary regulatory or legislative changes are implemented that override our policy approach to the setting of rent and service charges, e.g. the Welfare Reform Act 2016. In such cases, the regulation will be reflected in reviews of this document subsequent to the regulatory or legislative change.

*4.8 Please see **Appendix B – For more detailed Legislative background***

5.0 Principles of the Policy

5.1 Stevenage Borough Council's Rent and Service Charge Setting Policy focuses on the following statements of principles:

- the method used to set rents for Stevenage Borough Council tenants will remain in force for the duration of this policy.
- rents will be set at a level that ensures that the Council can meet its landlord obligations to tenants by delivering good quality services continue to maintain stock to a high modern standard including investment to reduce fuel poverty, provide new social housing to rent and deliver a financially viable Housing Revenue Account over the longer term.

- any service charges will be set annually and aim to recover the costs incurred in providing the services. The Council will consult with tenants and leaseholders regarding the setting of service charges, including what services are provided and why charges are incurred.
- the Council will provide tenants and leaseholders with clear information which explains how rents and service charges are set and, if applicable, what changes have been included.
- where possible guidance and support will be given to those tenants who have difficulty in managing their finances, ensuring income is maximised and debts are kept to a minimum.

6. Affordability

6.1 When calculating rents and service charges account assessment, consideration will be taken of the need to balance any increase in the combined rent and service charge with the potential financial impact on customers.

6.2 In its annual rent and service charge report to Council, Officers will take account of the need to maintain a viable HRA whilst ensuring rents and service charges for the Council are comparable with those for the social housing sector.

7. Annual Rent Changes

7.1 *Please see **Appendix C** which provides a narrative detailing Stevenage Borough Council's approach to rent setting for its different tenure and service types that this policy applies to.*

7.2 *The formula to be applied for rent increases from April 2025 onwards will be determined in 2024/25, taking into account statutory guidance at that time.*

7.3 Rents for other tenancies not subject to the *Direction on the rent standard 2019* will be set to ensure financial viability, and if applicable will be increased in accordance with any regulatory guidance. Where applicable, this will include Low Start Shared Ownership, Shared Ownership, exemptions introduced by the Secretary of State via statutory instrument and any other properties not provided for elsewhere in this policy. As a default position, rents for these properties will be increased by CPI+1% per annum, unless a different rate of increase is determined via statutory regulation or the Council uses its discretion to apply a different rate of increase for valid business reasons.

7.4 The Council will not use the current discretionary flexibility to charge those tenants with high incomes a higher level of rent to stay in their own homes, as set out in the current *Guidance on Rents for Social Housing 2020*.

7.5 Rent changes will be effective from the first Monday in April each year, for all tenants and shared ownership lessees (this clause does not apply at the point of letting an existing or new home, where that letting occurs part way through the year, the treatment of which is covered in sections 8 and 9 of this policy)

7.6 For leaseholders we will comply with the terms of Section 153 of the Commonhold and Leasehold Reform Act 2002, providing clear and transparent information to leaseholders regarding service charges and management fees.

8 Re-lets

8.1 *Please see Appendix C for Rent Setting Narrative*

9 New Homes

9.1 Rents for new social housing, or where adaptations or extensions have resulted in the property being increased in size (for example an additional bedroom), will be set in accordance with the formula rent guidelines, with the appropriate rent increases applied (i.e. at the 'social rent rate').

9.2 In applying this approach to new and adapted or extended homes, this Council is ensuring the rents charged reflect the immediate benefit of the enhanced facilities provided as opposed to the longer term programme of providing modern facilities through Decent Homes and other property and environment improvement schemes.

9.3 If Stevenage Borough Council chooses at any time during the lifetime of this policy to enter into an agreement to supply new housing to which Affordable Rents were to apply, then the method for setting such rents would be in line with Schedule 2 of the Welfare Reform and Work Act 2016 and guidance published by the DCLG.

10 Notification of a Rent Increase

10.1 The Council will give at least one month's notice of any increase in the rent it charges. Rent increases will be applied in line with the Housing Act 1985, and use the form prescribed for this purpose as it applies at the time of the increase and following any amendments to this.

11. Service Charges

1.11 Service charges are collected in addition to rent to recover the costs incurred in providing services to a property or estate. Service charges are set with the intention of covering costs, not delivering surplus. This is in addition to, the rent which is payable, directly or indirectly, for services, repairs, maintenance, improvements or insurance or the landlord's costs of management.'

11.2 The overall aim of the policy is to ensure that service charges are set based on

the projected costs of the services provided and that the method of calculation is transparent and can be easily understood.

11.3 Historically, the Council has not always fully recovered the costs of all services. As from 2016/17, the Council will aim to continue with the work on de-pooling services charges *which might result in increasing service charges* based on projected costs incurred (plus or minus any prior year adjustments).

11.5 *The Council recognises that increased service charge based on actual costs could cause financial hardship for some tenants.* Furthermore, in future years factors such as high inflation could result in cost-based service charge increases being unaffordable for some tenants. Through its annual budget and rent setting process, the Council may decide to place a maximum limit on the service charge increase in a particularly year, based on an assessment of the affordability of the charge.

11.6 Stevenage Borough Council will aim to ensure its tenants are not disadvantaged by the effect on services charges through the introduction of Universal Credit and will show transparency in all of its service charge accounting.

11.7 *Other charges that payers of service charges may also be liable for:*

- *management fees; these are charged in line with the provisions made for such charges in the relevant tenancy agreement or lease.*
- *administrative fees; these cover Council's costs associated with managing properties, administering service charge and rent accounts, income collection and providing customer services where these are not covered by rent.*

11.8 *In general service charges will be reviewed annually and tenants will be given at least one month's notice prior to the implementation of any changes to service charges. These changes will usually become effective on the first Monday of April in any given year.*

11.9 *Support Charges are not included in the scope of this policy.*

12. Responsibility

12.1 The Chief Executive of Stevenage Borough Council is responsible for setting the level of annual rent increases and ensuring tenants are given the statutory period of notice of any subsequent rent increases.

12.2 The Assistant Director (Housing Development) is responsible for arranging rent assessment of all new properties.

13. Consultation

13.1 Stevenage Borough Council will give details of its rent policy in its tenancy agreement *and on the Council's website*. The tenancy agreement also states how and when the rent may be increased.

13.2 Stevenage Borough Council will consult with involved tenants using existing consultation mechanisms, and to ensure commitment to the HCA Regulatory Framework's Tenant Engagement Standard.

13.3 The Council will also consult with involved tenants and leasehold with regard to the provision of services and the charges made for these services, to ensure these are effective and provide value for money.

14. Review

14.1 This revised Rent and Service Charge Setting Policy will become effective from *01 April 2020* and remain in place until *31st March 2025*. It will run concurrently with the HRA Medium Term Financial Strategy.

14.2 It is the intention of Stevenage Borough Council to maintain a 5 year cycle of review for the Rent and Service Charge Setting Policy, subject to any changes being required by law in the interim period.

Appendix A -Legislation, regulation and guidance

Relevant regulation and legislation includes, but is not restricted to:

- Policy Statement on Rents for Social Housing, February 2019
- Direction on the Rent Standard, 2019
- Welfare Reform and Work Act 2016 (including amendments)
- HCA Rent Standard Guidance 2015
- Guidance on rents for social housing from April 2015
- Rent setting: social housing (England) 7 October 2015
- Summer Budget 2015, HC 264, July 2015, para 1.140
- Housing Act 1985 Section 24
- Local Government and Housing Act 1989 Section 76
- HRA Rent Setting Policy

Appendix B – Legislative background

- Rents have historically been set in accordance with Government guidance, following publication of the Government's Housing Green Paper, Quality and Choice: A decent home for all (April 2000).
- In 2002, rent restructuring was introduced and most rents for social housing were set based on a formula determined by Government. This approach created a "formula" rent for each property, which was calculated based on the relative value of the property, relative local income levels, and the size of the property. Landlords were expected to move the actual rent of a property to this formula rent, over time. An aim of this formula-based approach was to ensure that similar rents were paid for similar social rent properties.

- Annual changes in social rent levels have also been based on a policy set by Government. Under rent restructuring, weekly rents were expected to increase by up to RPI + 0.5 percentage points annually, plus up to an additional £2 where the rent was below the formula level for the property.
- At the 2010 Spending Review, the Government extended this policy for social rent increases to 2014-15. It also introduced “affordable rent”, allowing landlords to let properties at up to 80 percent of local market rent where they have in place an agreement with the Homes and Communities Agency, Greater London Authority or the DCLG (for new housing under the Right to Buy replacement policy) to provide new affordable housing.
- Changes to local authority housing finance came into place in April 2012 with the introduction of ‘Self Financing’. Under this regime, the level of debt assigned to this Council was calculated assuming rents would increase in line with the Government’s rent convergence formula. The Council’s first HRA Business Plan and its Rent and Service Charge Policy 2012 were predicated on that principle.
- In announcements made at Budget 2013 and in the 2013 Spending Round, the Government signalled a change to rent policy for social housing, which was to apply for ten years from 2015-16. In May 2014, it set out this policy in the DCLG document, Guidance on Rents for Social Housing, which applied to all stock-owning local authorities. From April 2015, local authorities were expected to increase rents by no more than CPI (at September of the previous year) + 1 percentage point in any year. The guidance recognised that not all properties would have reached formula rent. Where this was the case, authorities were expected to adhere to the limit on rent changes, but to move the rent up to formula rent where the property is re-let following vacancy. In the case of newly developed or acquired social rented properties, the formula rent would apply.
- The guidance confirmed that service charges are not governed by the same factors as rent. However, it stated that authorities should endeavour to keep increases for service charges within the limit on rent changes, of CPI + 1 percentage point, to help keep charges affordable. The only exception to this expectation is where new or extended services are introduced, where an additional charge may need to be made. Where this is the case, authorities are expected to consult appropriately with tenants before introducing new or extended services and associated charges.
- The guidance also confirmed that the Government does not expect local authorities to adhere to its social rent policy expectations in relation to social tenants with high incomes. It gave authorities the discretion to charge higher rent levels to tenant households with incomes over £60,000 (known as the ‘pay to stay scheme’).
- In September 2014, the Council agreed an addendum to its Rent and Service Charge Policy in line with the Government’s new guidance on social rents. A decision was made, however, that the Council would not use its discretion to charge those tenants with high income a higher level of rent.

- Government introduced the welfare reform and work act 2016 which implement policies outlined in the Conservative Party manifesto or which were announced in the Summer Budget on 8 July 2015, including its intention to reduce rents in social housing in England by 1% a year for 4 years from April 2016. Clause 21 of the Act provides the mechanism through which social landlords will be required to ensure that the rents payable by individual tenants reduces by 1% each year between 2016/17 and 2019/20. The rent baseline was the rent payable on 8 July 2015. Clause 22 makes provision for exceptions to the rent reduction requirement.
- Schedule 2 of the Act made provision for the rent initially payable by tenants of social housing whose tenancies began after the beginning of 8 July 2015. Part 1 of the Schedule sets out how such rents should be set in 3 different scenarios: new and existing social rent housing and Affordable Rent housing.
 - a) New tenant of existing social rent housing - the maximum initial rent payable by that tenant should be no more than the higher of the 'social rent' rate (i.e. the formula rent at 8 July 2015), or the 'assumed rent' rate (i.e. the actual rent at 8th July 2015), on a pro-rata basis, with appropriate rent reductions.
 - b) New tenant of new social rent housing - the maximum rent payable is the 'social rent rate' i.e. the formula rent as at 8 July 2015, on a pro-rata basis, with appropriate rent reductions.
 - c) New tenant of Affordable Rent housing - the rent payable by that tenant should be set at no more than 80% of the market rate for that social housing, with the 1% reductions then applied in each of the following years.

Appendix C: Rent Setting Narrative

Home Type	New - Lets	Re - Lets	Rent reviews	Notes
Social Rented (general rented) Page 3	<ul style="list-style-type: none"> From April 2020, new lets will be set at formula rent, unless specific arrangements are in place for the property. 	<ul style="list-style-type: none"> Where a property is re-let to a new tenant, the rent charge will typically be the same as at the end of the previous tenancy. Where a property is re-let to the same tenant, this is considered a continuation of the same tenancy for the purpose of rent setting and no new rent will be set. 	<ul style="list-style-type: none"> Stevenage Borough Council will observe Homes England guideline limit for rent increases of not more than CPI+1%, using the most recent September CPI figure. Baseline is the rent for 2019/20 	<ul style="list-style-type: none"> The Government policy contains flexibility to set rents at up to 5% above formula rent (10% for supported housing). If applying this flexibility, providers are required to ensure that there is a clear rationale for doing so which takes into account local circumstances and affordability.
Affordable rents	<ul style="list-style-type: none"> The maximum rent is 80% of the market rent, inclusive of service charges, or the <i>social rent rate</i>, exclusive of service charges, whichever is greater. 	<ul style="list-style-type: none"> On each occasion that a property is re-let, Council will re-base the rent using the same methodology as for a new let. If the accommodation is re-let to the same tenant because of the introductory tenancy ending, the rent will not be re-based. Note that in homes developed through S.106, an individual S.106 	<ul style="list-style-type: none"> Where a tenant's rent review date does not align with the start of the financial year, the Act overrides the rent review dates in a tenancy agreement to enable the Council to reduce the rent from the start of the relevant year. 	<ul style="list-style-type: none"> Affordable rents are rents set up to 80% of market rent levels within the local area. Within the terms of the government's affordable homes programmes, existing vacant properties can be converted from social rent to affordable rent in certain circumstances

	<ul style="list-style-type: none"> The market rent should be based on the valuation methods recognised by the Royal Institute of Chartered Surveyors. 	<p>agreement may override the above.</p>	<ul style="list-style-type: none"> Council will observe Homes England guideline limit for rent increases of CPI+1%, using the most recent September CPI figure. 	
<p>Market rent (For leased properties to other registered providers)</p>	<p>In setting our market rents, we will consider the following:</p> <ul style="list-style-type: none"> Input from local letting agencies Local rent information Property history, e.g. void levels, demand. Market interest. 	<p>Re-based as with new lets.</p>	<p>Re-based as with new lets.</p>	

Shared Ownership	Currently set at up to 3% of the unsold equity and Stevenage Borough Council reserves the right to amend this approach	As new let.	<ul style="list-style-type: none"> • Typically, RPI+0.5%, using the RPI rate from the previous September. • Some leases allow gross rent times 1.005 	
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