

Public Document Pack

Daneshill House
Danestrete
Stevenage
Hertfordshire

18 January 2022

Dear Sir/Madam

Notice is hereby given that a meeting of the Stevenage Borough Council will be held in the Council Chamber, Daneshill House, Danestrete, Stevenage on Wednesday, 26 January 2022 at 7.00pm and you are summoned to attend to transact the following business.

Yours faithfully

Matthew Partridge
Chief Executive

AGENDA

1. APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

2. MINUTES - 15 DECEMBER 2021

To approve as a correct record the Minutes of the meeting of the Council held on 15 December 2021.

Page Nos. 3 - 8

3. FINAL HOUSING REVENUE ACCOUNT (HRA) BUDGET SETTING AND RENT REPORT 2022/23

The officer report (attached as Item 3) on the Housing Revenue Account (HRA) Budget Setting and Rent Report 2022/23 is to be considered by the Executive on 19 January 2022. The Executive's recommendations to Council will be circulated on a supplementary agenda.

Page Nos. 9 - 54

4. RESOLUTION TO GRANT APPROVAL FOR COUNCILLOR ABSENCE AT COUNCIL MEETINGS - SECTION 85 LOCAL GOVERNMENT ACT 1972

To seek Council's approval, in accordance with section 85(1) of the Local Government Act 1972 for Councillor non-attendance at in person meetings of the Council for reasons related to the ongoing Coronavirus Pandemic.

Page Nos. 55 - 58

5. EXCLUSION OF PUBLIC AND PRESS

To consider the following motions –

1. That under Section 100A of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as described in Paragraphs 1 – 7 of Part 1 of Schedule 12A of the Act as amended by Local Government (Access to Information) (Variation) Order 2006.

2. That Members consider the reasons for the following reports being in Part II and determine whether or not maintaining the exemption from disclosure of the information contained therein outweighs the public interest in disclosure.

6. PART II MINUTES - 15 DECEMBER 2021

To approve as a correct record the Part II Minutes of the meeting of the Council held on 15 December 2021.

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STEVENAGE BOROUGH COUNCIL

COUNCIL MINUTES

Date: Wednesday, 15 December 2021

Time: 7.00pm

Place: Council Chamber, Daneshill House, Danestrete, Stevenage

Present: Councillors: Sandra Barr (Mayor), Philip Bibby CC, Stephen Booth, Lloyd Briscoe, Rob Broom, Lizzy Kelly, Graham Lawrence CC, Nick Leech, Mrs Joan Lloyd, Lin Martin-Haugh, Andy McGuinness, Adam Mitchell CC, Robin Parker CC, Simon Speller, Sharon Taylor OBE CC and Jeannette Thomas

Start / End Time: Start Time: 6.00pm
End Time: 7.50pm

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

Apologies for absence were submitted on behalf of Councillors Myla Arceno, Julie Ashley-Wren, Doug Bainbridge, Stephen Booth, Adrian Brown, Matt Creasey, Michael Downing, John Duncan, Alex Farquharson, John Gardner, Jody Hanafin, Liz Harrington, Richard Henry, Jackie Hollywell, Chris Howells, Wendy Kerby, Maureen McKay, Sarah Mead, Margaret Notley, Claire Parris, Loraine Rossati, Graham Snell and Tom Wren.

There were no declarations of interest.

The Chief Executive advised that all Members not in attendance at the meeting had been issued with the Zoom codes in order to be able to view both Part I and Part II sections of the meeting. He also advised that a report would be brought to the January 2022 meeting of Council to ensure that those Members' non-attendance at this meeting would not count against the 6 month attendance rule.

At this juncture, Councillor Andy McGuinness apologised to the Mayor for any inappropriate language he may have inadvertently used at the previous Council meeting.

2 **MINUTES - 13 OCTOBER 2021**

It was **RESOLVED** that the Minutes of the meeting held on 13 October 2021 be approved as a correct record and signed by the Mayor.

3 **MAYOR'S COMMUNICATIONS**

The Mayor announced that in light of the current Covid situation, including the spread of the Omicron variant and the national threat level being increased, the meeting was being held with reduced numbers of Councillors present. The agenda

would also be varied to undertake the required business only, to shorten the meeting.

The Mayor then summarised the activities that she and her consort had been involved with since the previous Council meeting in October 2021 including:

- Meeting two elected students of round diamond school student council to discuss civic studies, national politics and local politics;
- Joining Councillor Simon Speller on the first of his 'walks and talks ' celebrating the New Town's 75th birthday, then joining other walks and talks in Monks Wood, Hampson Park and Fairlands valley;
- Celebrating the 60th anniversary of Nobel School with Councillor Sharon Taylor and Cllr Robin Parker overseeing the planting of a new oak tree to reflect the original one on their emblem;
- Attending the pride of Stevenage awards which was deemed to be a huge success by all attendees. The Mayor thanked her Mayoress Louisa Barr who had worked so hard to put together the entertainment for the evening, provided by North Star Academy, Bedwell School and Longmeadow school choir, despite the challenge posed by the pandemic.
- Attending a curry night fundraiser with the Mayor of Welwyn for the Garden House Hospice.
- Following the launch of the new Lumo railway company, travelling with Councillor Lloyd Briscoe on the inaugural journey to Edinburgh.
- Attending the Grange Rotary Club dinner, with the Deputy Mayor and consorts.
- Attending the Civic Service of the Mayor of Ware at the Church of St Mary's in Ware.
- A visit to SPACE an equipment & toy library for autistic and disabled children at Arlington Park.
- Tea in the parlour for a pride awards winner who was not able to take part in the Pride of Stevenage event.
- A visit to Hampson Park and a green space reception provided thanking Green Space volunteers for their outstanding volunteering work in the Borough.
- Being a guest of the Mayor of Dacorum at the Puddlestone Gin Distillery, with Cllr Claire Parris.
- Attending the World Forum AGM to hear the stories of elder resident Denzil, of the pioneer residents' in Bedwell.
- Halloween – Art in the park, in Hampson Park, with a wonderful display of local childrens and adults examples of art work .
- A visit to Mather Marshall in the old town who displayed the art competition 'Lest We Forget' for the Royal British Legion.
- Awarding prizes to the winners of the Litter Artwork Competition organised by the Town Centre Manager.
- Planting purple crocuses at St Vincent de Paul with the year 1 children, the Chair of the Town Rotary Club and the Red Shed, to commemorate the end of polio across the world, thanks to the world wide vaccine programme.
- The Leader and the Mayor visiting the home of ex-Councillor David Cullen, to bestow the title of Honorary Alderman of Stevenage upon him.

- The ‘topping out’ ceremony at the Chalkdene housing site in Pin Green.
- Starting the fireworks display at Fairlands valley.
- Attending Knebworth Park with Councillor Speller to set off the half marathon runners and awarding medals to the top three runners.
- Recording a message for Glaxo Smith Kline’s Christmas toy appeal.
- Cutting the ribbon at Autolist the New stem cell factory in the Town Centre.
- Attending the opening of the Golden Siam Thai restaurant in the High Street.
- The Mayor and Mayoress being invited to the Coptic Cathedral New Year, at St Margaret’s Chapel in Westminster Abbey;
- Joining the Leader of the Council and local children in the Old Town, to turn on the Christmas lights.
- Joining the Stevenage Irish Network for annual Christmas lunch.
- Celebrating the Air Cadets achievements at a ceremony with Cllr Simon Speller and ex-councillor John Lloyd.
- Officially opening the new shops at Symonds Green Neighbourhood Centre with Cllr Taylor.
- Collecting 563 toys gifted by the workers at Glaxo for children in poverty in the town.
- Visiting the workers at Cavendish Road at their annual Christmas burger bar treat.
- Joining the St Nicholas Councillors and the Great Ashby Co-operative to collect food donations for families in need.
- A visit to Mobbsbury School with Cllr Speller to talk about art in the park and the civic duties of Councillors and the Mayor.
- Going to Bandle Hill Play Centre to pack hampers for underprivileged families in need this Christmas.

The Mayor also advised that due to the increase in Covid infections she had decided to postpone the Mayor’s Christmas party this year but would be holding a replacement event in the Spring.

4 **MAIN DEBATE**

There was no main debate.

5 **PETITIONS AND DEPUTATIONS**

There were no petitions and deputations.

6 **QUESTIONS FROM THE YOUTH COUNCIL**

The Council received two questions from the Youth Council. The responses to the questions had been circulated.

7 **QUESTIONS FROM THE PUBLIC**

There were no questions from the public.

8 **LEADER OF THE COUNCIL'S UPDATE**

Councillor Bibby advised that he would decline his opportunity to raise a matter relevant to the Borough that had arisen since the last meeting due to the circumstances of this meeting.

The Leader of the Council advised that her updates would be circulated to Members after the meeting.

9 **UPDATE FROM SCRUTINY CHAIRS**

Written updates from the three Scrutiny Chairs would be circulated following the meeting.

10 **NOTICE OF MOTIONS**

The Notice of Motion submitted by the Labour Group, the Motion from the Conservative Group and the three Motions from the Liberal Democrat Group would be deferred to the next Ordinary Meeting of the Council on 9 March 2022.

11 **QUESTIONS FROM MEMBERS TO COMMITTEE CHAIRS / PORTFOLIO HOLDERS**

The Council received nine questions from Members to Committee Chairs/Portfolio Holders. The responses to the questions had been circulated to all Members. Each questioner was advised to submit any supplementary questions in writing to committees@stevenage.gov.uk. Written responses would be provided in due course.

12 **QUARTER 1 AND 2 MONITORING REPORT CAPITAL (GENERAL FUND) 2021/22**

Council considered a report providing Members with an update on the Council's 2021/22 capital programme and seeking approval for the revisions to the General Fund and Housing Revenue Account capital programmes.

It was moved by Councillor Mrs Joan Lloyd, seconded by Councillor Sharon Taylor and upon being put to the vote it was **RESOLVED**:

1. That the additional General Fund budget requirements as set out in table one, para 4.1.1 of the officers report of £291k be approved;
2. That additional delegated authorities to Executive of £200k for 2021/22 as set out in paragraph 4.2.1 of the report be approved;
3. That the borrowing for the Railway Station Multi Storey Car Park of between £1.85 and £2.05 million as set out in paragraph 4.2.2 and the use of £1.45 million of the Marshgate receipt as set out in paragraph 4.2.3 of the report be approved;
4. That circa £800k of forward-funding to enable demolition of Swingate House as set out in paragraph 4.3 be approved.

13 **MID YEAR REVIEW OF TREASURY MANAGEMENT STRATEGY 2021/22**

Council considered a report updating Members on the Treasury Management activities in 2021/22 and reviewing the effectiveness of the 2021/22 Treasury Management and Investment Strategy including the 2021/22 prudential and treasury indicators.

It was moved by Councillor Mrs Joan Lloyd, seconded by Councillor Sharon Taylor, and following debate and upon being put to the vote, it was **RESOLVED:**

1. That the 2021/22 Treasury Management Mid-Year review be approved;
2. That the list of approved countries (with approved counterparties) for investments as set out in Appendix D of the Officers report be approved;
3. That the updated authorised and operational borrowing limits as set out in Appendix A to the report be approved.
4. That the impact of the outstanding decision set out in paragraph 4.1.4 be noted.

14 **APPOINTMENT OF EXTERNAL AUDITORS - OPTING IN TO THE PUBLIC SECTOR AUDIT APPOINTMENTS (PSAA) PROCESS**

Council considered a report regarding the appointment of External Auditors and opting into the Public Sector Audit Appointments (PSAA) process.

It was moved by Councillor Teresa Callaghan, seconded by Councillor Mrs Joan Lloyd, and following debate and upon being put to the vote, it was **RESOLVED:**

1. That the Council opt into the appointing arrangements made by Public Sector Audit Appointments (PSAA) for the appointment of External Auditors covering the period April 2023 to March 2028;
2. That the Executive Director Finance (Section 151) confirms the Council's interest in undertaking the opt-in appointing process.

15 **AUDIT COMMITTEE MINUTES**

The Minutes of the meeting of the Audit Committee held on 10 November 2021, were received and noted.

16 **EXCLUSION OF PRESS AND PUBLIC**

It was **RESOLVED:**

1. That under Section 100A of the Local Government Act 1972, the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as described in Paragraphs 1 – 7 of Part 1 of Schedule 12A of the Act as amended by Local Government (Access to Information) (Variation) Order 2006.
2. That the reasons for the following report being in Part II were accepted, and that the exemption from disclosure of the information contained therein

outweighs the public interest in disclosure.

17 **APPROVAL OF EMPLOYEE MATTER**

Council considered a report outlining an employee matter which required Council approval under S.40 Localism Act 2011 and the Council's Pay Policy Statement.

It was **RESOLVED** that the Recommendations contained in the report be approved.

CHAIR

Meeting EXECUTIVE / COUNCIL

Portfolio Area RESOURCES/ HOUSING, HEALTH AND OLDER PEOPLE

Date 19 January 2022 / 26 January 2022



FINAL HOUSING REVENUE ACCOUNT BUDGET SETTING AND RENT REPORT 2022/23

KEY DECISION

Authors Clare Fletcher | 2933; Keith Reynoldson |2403

Contributor Chris Stratford | 2024; Ash Ahmed | 2805; Andrew Garside | 2545; Clare Fletcher | 2933; Steve Dupoy | 2587; Richard Protheroe | 2938;

Lead Officers Chris Stratford| 2024; Clare Fletcher | 2933

Contact Officers Keith Reynoldson |2403

1 PURPOSE

- 1.1 To update Members on the final proposals on the Housing Revenue Account (HRA) budgets and rent setting for 2022/23, to be considered by Council on 26 January 2022.
- 1.2 To update Members on the formula for setting rents for 2022/23.
- 1.3 To propose the HRA rents for 2022/23.
- 1.4 To propose the HRA service charges for 2022/23.
- 1.5 To update Members on the 2021/22 and 2022/23 HRA budget, incorporating the Making Your Money Count options and fees and charges.

2 RECOMMENDATIONS

- 2.1 That HRA rent on dwellings be increased, week commencing 4 April 2022 by 4.1% which is an average increase of £4.06 for social rents, £6.60 for affordable rents and £4.74 for Low Start Shared Ownership homes per week (based on a 52-week year). This has been calculated using the rent formula,

CPI + 1% in line with the government's rent policy as set out in paragraph 4.1.1.

- 2.2 That Council be recommended to approve the 2022/23 HRA budget set out in Appendix A.
- 2.3 That Council be recommended to approve the 2022/23 growth options as set out in section 4.8, with supporting impact assessments in Appendix B. This includes new match funding for a Decarbonisation Grant application of £950,000.
- 2.4 That Council be recommended to approve the 2022/23 Fees and Charges as set out in Appendix C.
- 2.5 That Council be recommended to approve the 2022/23 service charges.
- 2.6 That Council be recommended to approve the minimum level of reserves for 2022/23 as shown in Appendix D to this report.
- 2.7 That Members note the Rent Increase Equalities Impact Assessments appended to this report in Appendices E.
- 2.8 That the contingency sum of £250,000 within which the Executive can approve supplementary estimates, be approved for 2022/23 (unchanged from 2021/22).
- 2.9 That Council notes the comments from the Overview and Scrutiny Committee and the Portfolio Holder Advisory Group meeting as set out in 4.10 in the report.

3 BACKGROUND

- 3.1 The HRA is a legally ring fenced account that records the income and expenditure relating to the operation of the Council's housing stock. The main costs in the HRA relate to management, maintenance, depreciation (used to finance capital works) and interest on loans. This is mainly funded from rents that make up the majority of HRA income. Any surpluses are held in the ring fenced area and are used to contribute towards capital and offset years where the account may be in deficit.
- 3.2 The sustainability of the HRA is mainly reliant on rent levels and last year saw a lower level of inflation than expected in the business plan (0.5% compared to 2.2%). This not only impacts the current year, but has a large cumulative effect on the 30 year plan. However, interest rates on borrowing were lower than forecast and the inflation in September 2021 has been much higher than anticipated, offsetting the lower income levels from last year.
- 3.3 For 2022/23 rent setting there has been no change to the government rent policy issued in 2020, this allows for social housing providers to increase rents by the Consumer Prices Index (CPI) +1% for a five-year period. Guidance released in November 2020 does allow local authorities to breach this cap in circumstances of exceptional financial hardship. However, this would not currently apply to Stevenage Borough Council's HRA.
- 3.4 There are still developing policy issues in the HRA regarding the decent homes standard and regulation of the sector. Also environmental improvements, like decarbonisation of the housing stock and building safety regulations continue to evolve. Estimates for some of the potential impacts of changes in these areas have been included in the budget plans, but these will need to be refined as the position becomes clearer and updated in the 30 year business plan in the summer of 2022.
- 3.5 The Government have finally completed their reforms of the 'Use of Right to Buy (RTB) Receipts'. The system has now been greatly simplified, requiring annual,

rather than quarterly, returns and accounting. Councils have also been given 5 years to spend receipts, instead of 3 under the old rules. The percentage of receipts used in new acquisitions has been increased from 30% to 40%, reducing the additional contribution needed from HRA resources to use the receipts. However, a limit has been placed on acquisitions of existing properties through open market purchase, to be phased in over the next 3 years. While this could limit opportunities in the future, with current development plans this is unlikely to be an issue in the medium term and overall the changes have been beneficial for the Council.

- 3.6 Like other Council services the HRA continues to be impacted by the COVID pandemic. In particular, rent arrears have not substantially reduced from the height of the crisis and are still historically high. The potential for further issues resulting from the re-commencement of enforcement action and the continued roll out of Universal Credit, will be monitored carefully in the coming months. In some areas of the service there are still operational pressures caused by the pandemic. Most notably in Independent Living, due to increased COVID safety measures. The known impacts have been reflected in the budget proposals.
- 3.7 The total number of HRA homes in management on 14 October 2021 is summarised in the table below. The average rents for 2022/23 are based on current housing stock, any right to buys or new schemes after this date may change the average rent per property type.

Stock Numbers at 14/10/2021	Social	Affordable	Sheltered	LSSO	Homeless	Total
Number of Properties	6,819	35	837	80	174	7,945

- 3.8 The assumptions in the HRA Draft report to the December 2021 Executive are shown in the table below.

Financial Assumptions included in the HRA MTFS and December FS report	2021/22	2022/23
Rent & Service Charge Increases	CPI+1% or 1.5%	CPI+1% or 4.1%
New Build policy	50% Affordable 50% Social	
Right-to-Buys	35	35
Making Your Money Count Options	£366,440	£57,370
Growth bids	£224,444	£1,418,460
Growth bids Business Plan	£250,000	£0
Financial Assumptions included in the HRA MTFS and December FS report	2021/22	2022/23
New Build - Number of Units (HRA BP)	29	179
Repayment of Debt	0	0
New loans	26,602,339	15,640,000
Capital Deficit in the Business Plan	0	0

3.9 The Budget and Policy Framework Procedure Rules in the Constitution prescribe the Budget setting process, which includes a minimum consultation period of three weeks. Under Article 4 of the Constitution, the Budget also includes: the allocation of financial resources to different services and projects; proposed contingency funds; setting the rents; decisions relating to the control of the Council's borrowing requirement; the control of its capital expenditure; and the setting of virement limits.

4 Reasons for recommended course of action and other options

4.1 Rents

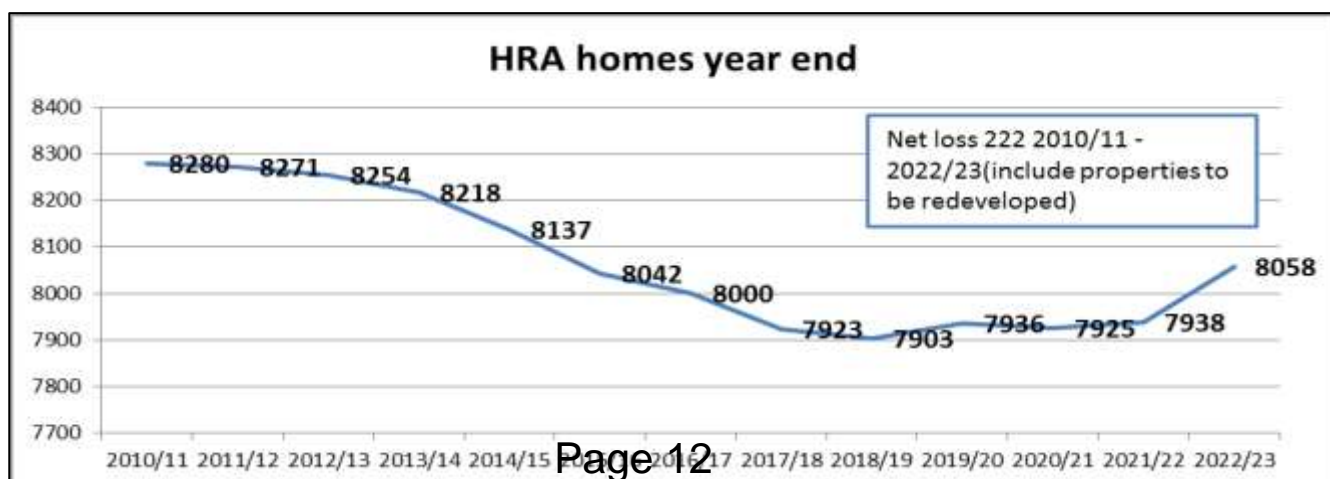
4.1.1 Rents are calculated on a formula of a CPI+1% increase for 2022/23. The CPI inflation increase is based on the September index which was 3.1%, this means the increase for 2022/23 for the council's housing stock is 4.1%.

4.1.2 The proposed average rents for 2022/23 are set out in the table below, there are currently 35 affordable rented properties (ranging from four bedroom-two-bedroom houses and flats). There is no change from the draft December HRA report.

Average Rents 2022/23	LSSO	Incr./ (decr.) %	social	Increase/ (decrease) %	Affordable	Incr./ (decr.) %
Average Rent 2021/22	£115.59		£99.01		£160.97	
Add rent impact 2022/23	£4.74	4.10%	£4.06	4.10%	£6.60	4.10%
Total 52 week Rent 2022/23	£120.33		£103.07		£167.57	

4.1.3 The net rental income increase for 2022/23 is estimated to be £2.1Million, which includes the impacts of estimated right to buys, a significant number of expected new properties and properties taken out of management (awaiting redevelopment).

4.1.4 The total number of properties available is estimated to have reduced by 222 homes between 2010/11 and 2022/23, (based on net impact of RTBs, new homes, homes awaiting development). The forecast numbers for 2022/23 are a the highest level since 2015/16 and reflect new schemes such as Kenilworth and Symonds Green.

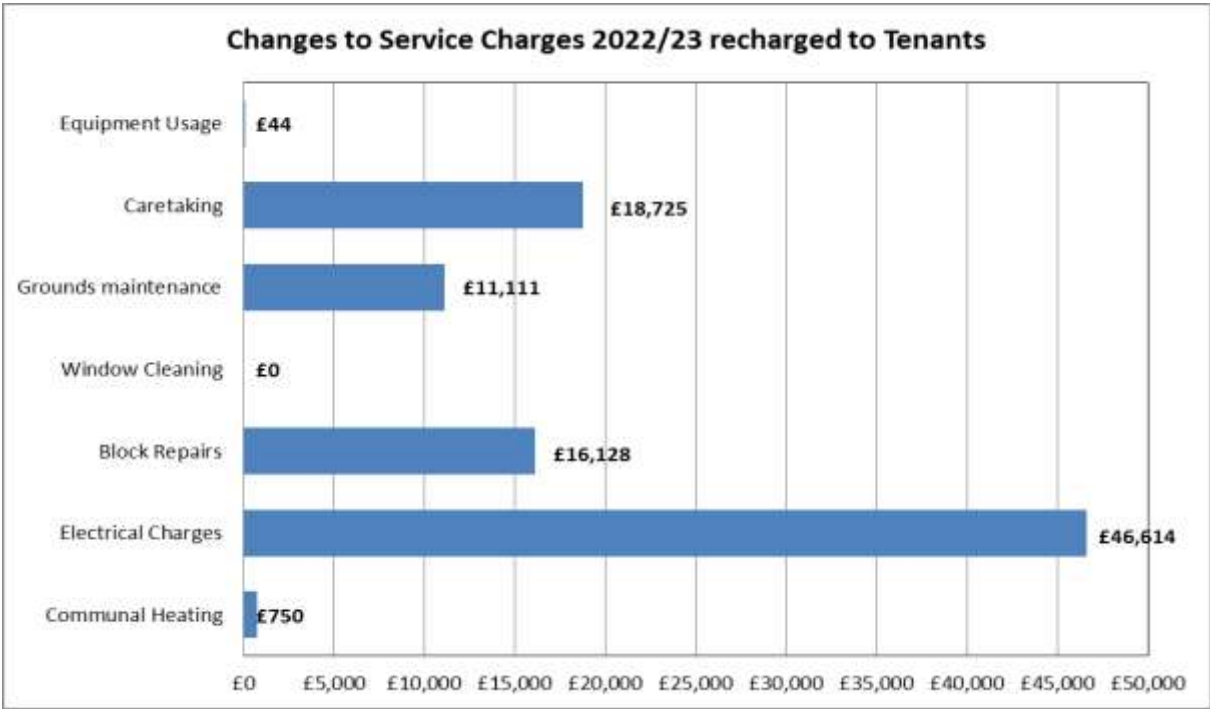


4.2 Service Charges

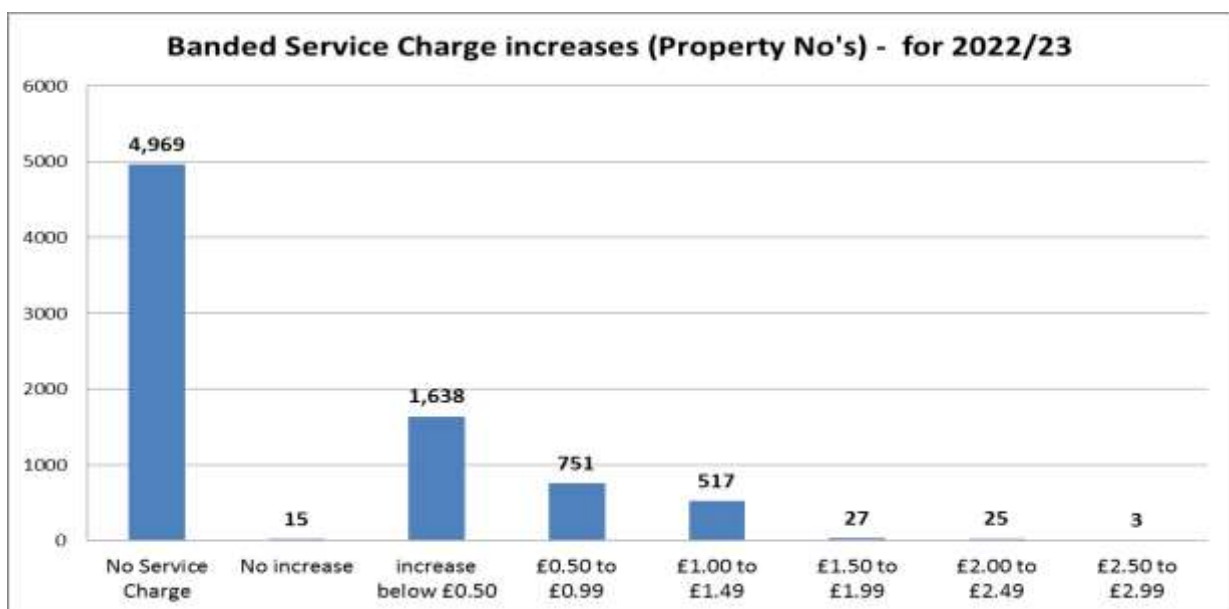
4.2.1 Service charges are calculated for each block individually for the 2976 properties, (2021/22, 2,956) or 37% of current SBC tenanted properties. Service charges currently provided, (eligible for housing benefit) are shown below.

Service Charges:
Caretaking
Grounds maintenance
Window cleaning
Block repairs (including pest control)
Electrical charges
Communal heating

4.2.2 Service charges are not subject to the rental increase of 4.1%, but are based on cost recovery. For 2022/23, service charge costs will increase with inflationary pressures and changes in usage. The chart below identifies the changes between 2021/22 and 2022/23 for service charges. The estimates are based on the projected budgeted costs for 2022/23, with the exception of block repairs, which is ‘smoothed’ over a five-year period to eliminate individual in-year spikes in repairs spend.



4.2.3 The spread of service charge increases for all tenants in 2022/23 is shown in the chart below. The impact of the changes means that 2,404, or 81%, of homes who receive a charge, will have increases below £1 per week. The highest increases are estimated to be below £3 per week for next year. There is no change from the December 2021 HRA report.

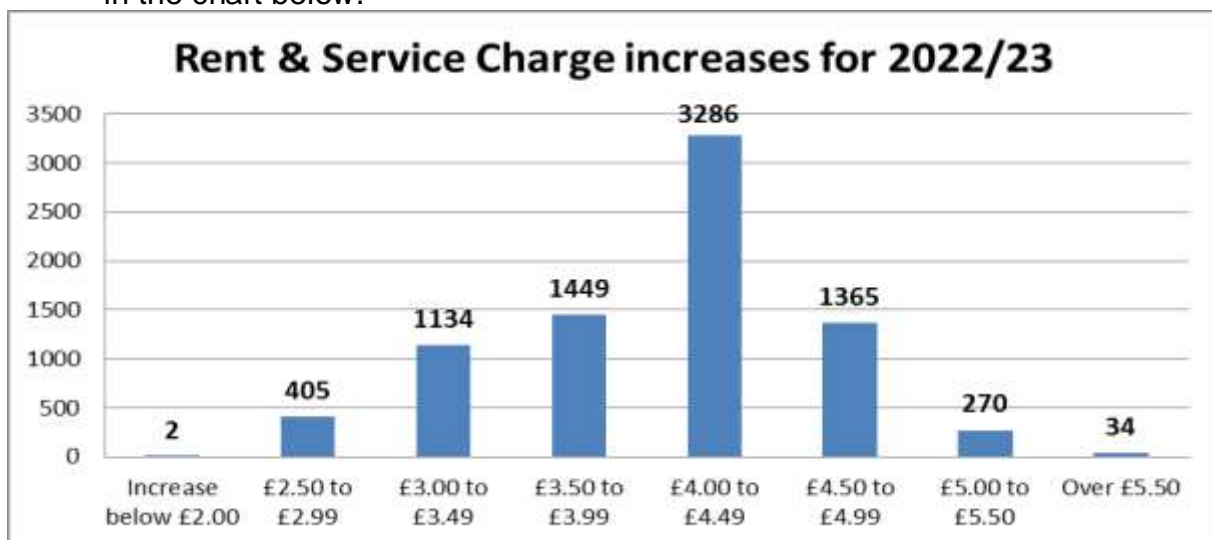


4.3 Rents and Service Charges

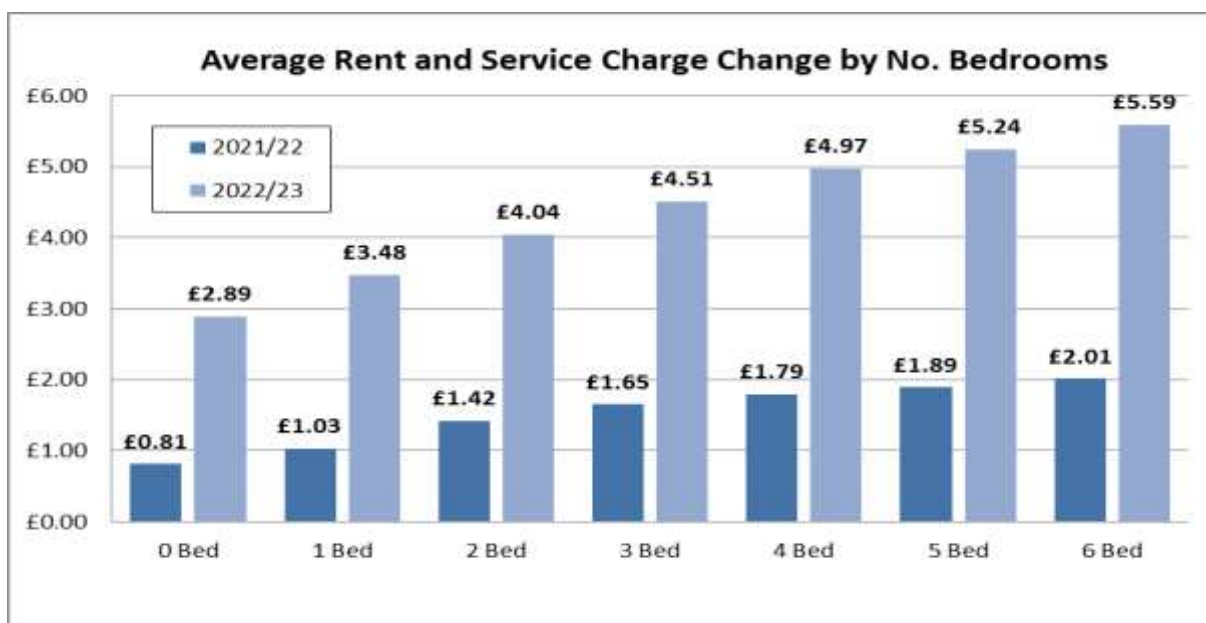
4.3.1 The impact of the 2022/23 rent increase and service charges is:

- 3,286 homes or 41% receive a weekly rent and service charge increase between £4.00 and £4.49, driven by the September CPI. However this is after lower increases for the 2021/22 financial year and rent reductions for the period 2016/17-2019/20.
- 1,541 homes or 19% of households will receive a weekly rent and service charge increase of less than £3.50 (based on 52 weeks).
- There are only 34 properties with an increase of more than £5.50 of which 25 are affordable homes with higher rents and the remaining social homes are larger properties.

4.3.2 The spread of the 2022/23 rent and service charge changes are summarised in the chart below.



4.3.3 The average rent and service charge increase/(decrease) by bedroom size has also been calculated and summarised in the chart below.



4.3.4 The comparison between HRA property rents per week and private sector rents per week, for one to four-bedroom properties, is shown in the table below. A three-bedroom private sector rental property costs an additional 131%, (2021/22,133%) more per week than a SBC council home and 30% more than the affordable let properties,(2021/22 32%).

	SBC Social Rent	SBC Affordable Rent	Median Private Rent	Local Housing Allowance (LHA) 2021/22	Median % v SBC Social	Median % v SBC Affordable
1 Bed Property	£91.87	£143.39	£171.14	£155.34	86%	19%
2 Bed Property	£106.56	£181.93	£226.94	£195.62	113%	25%
3 Bed Property	£118.68	£210.43	£274.30	£241.64	131%	30%
4 Bed Property	£131.13	£252.31	£331.27	£299.18	153%	31%

Private rent Data from ONS as at March 2021 updated by ONS rental inflation for East of England to September 2021. Please note the SBC rents are April 2022 prices and the private rents September 2021 prices.

4.3.5 The Local Housing Allowance (LHA) shown in the table above is the maximum amount of housing benefit payable by property size for private rented properties.

4.4 Borrowing

4.4.1 New loans totalling £29.5Million and £15.6Million are expected to be taken in the current and next financial years for 2021/22 and 2022/23 Capital Expenditure. However, the decision when to take the new borrowing will be reviewed, weighing up the cost of carry and the prevailing PWLB rates. The interest payable in 2021/22 and 2022/23 is estimated to be £7.489Million and £8.277Million respectively.

4.4.2 The HRA continues to invest in current and new stock, taking advantage of the new financial freedoms offered by the debt cap removal. These plans have been updated to reflect delivery timescales that have been impacted by the pandemic and material supply issues. However, the overall target investment and outcomes remains consistent with the last business plan.

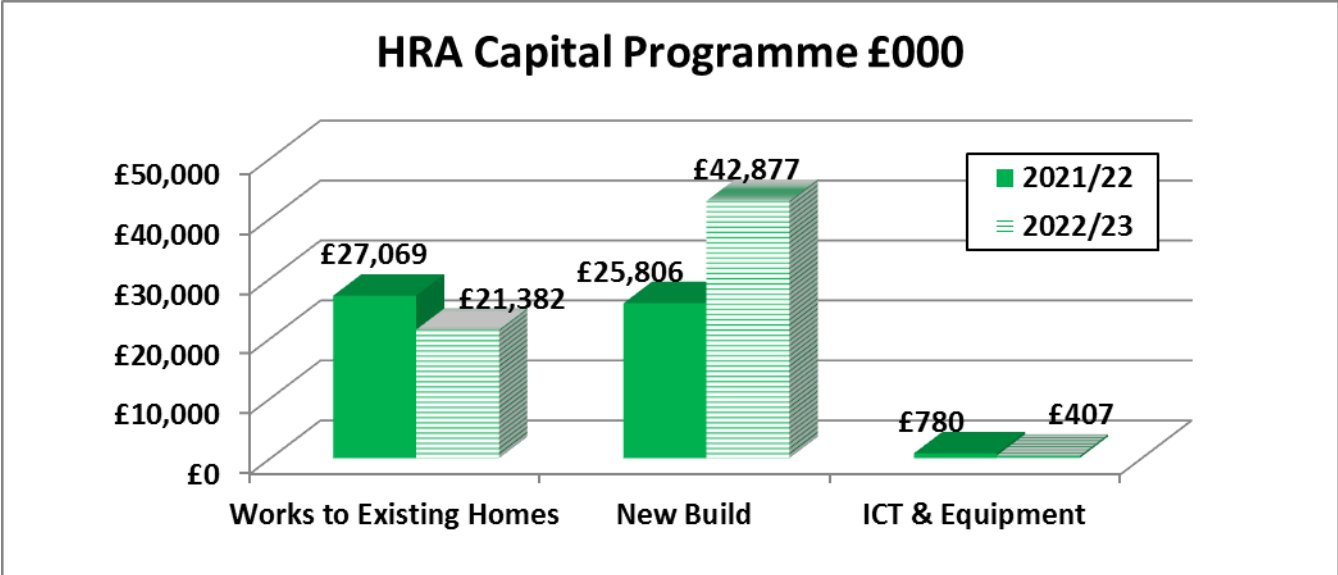
4.4.3 The Development team have identified a new pipeline of schemes and to ensure any schemes are within the Treasury Management levels for future borrowing (subject to business cases). An allowance of £15Million has been built into the treasury management authorised and operational limits to facilitate this.

4.4.4 These business cases will be developed by the Council’s Housing Development and Finance teams with the leadership and oversight offered by the member led Housing Development Working Group. Where appropriate the construction schemes subject to these business cases (depending on size and budget requirements) will return to Executive for necessary approvals in connection with procurement and appointment of contractors or development partners depending on the particular needs of the scheme.

4.5 Contributions to Capital Expenditure

4.5.1 The Draft Capital Strategy Report 2022/23 assumes a £931K revenue contribution to capital (RCCO) to compensate for lower depreciation contribution to the Major Repairs Reserve, (than projected in the HRA BP). This will rise to £2.204Million in 2022/23 in order to keep capital funding for repairs in line with the current business plan and to match fund the new decarbonisation growth project detailed in paragraph 4.8.13, (change from December 2021 report.)

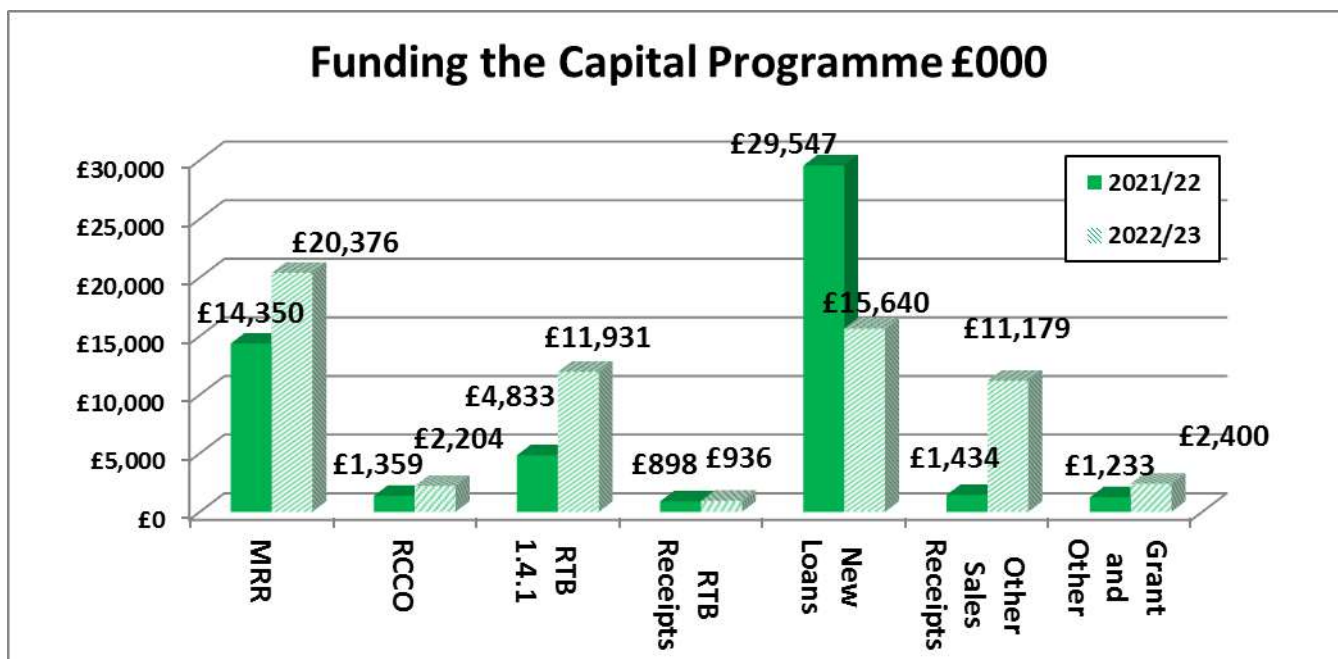
4.5.2 The 2022/23 budgeted depreciation allowance required by legislation to be transferred to the Major Repairs Reserve (MRR) to fund the capital programme is £11.9Million, an increase of £416K on the 2021/22 amount. A summary of the 2021/22-2022/23 capital programme is shown in the chart below.



4.5.3 The increase in the value of the 2022/23 capital programme compared to the current 2021/22 programme is mainly due to rescheduling of new build schemes, the impact of the Kenilworth scheme and the commencement of work on major new schemes. Expenditure on the existing stock is expected to be lower and this is mainly due to the completion of the sprinkler installation and the scheduling of the Major Repairs Contract (MRC) works.

4.5.4 The capital programme funding for 2021/22 and the final HRA capital programme for 2022/23 is summarised in the chart below. This currently shows a shift in funding from Repairs to the MRR in 2022/23. However, as

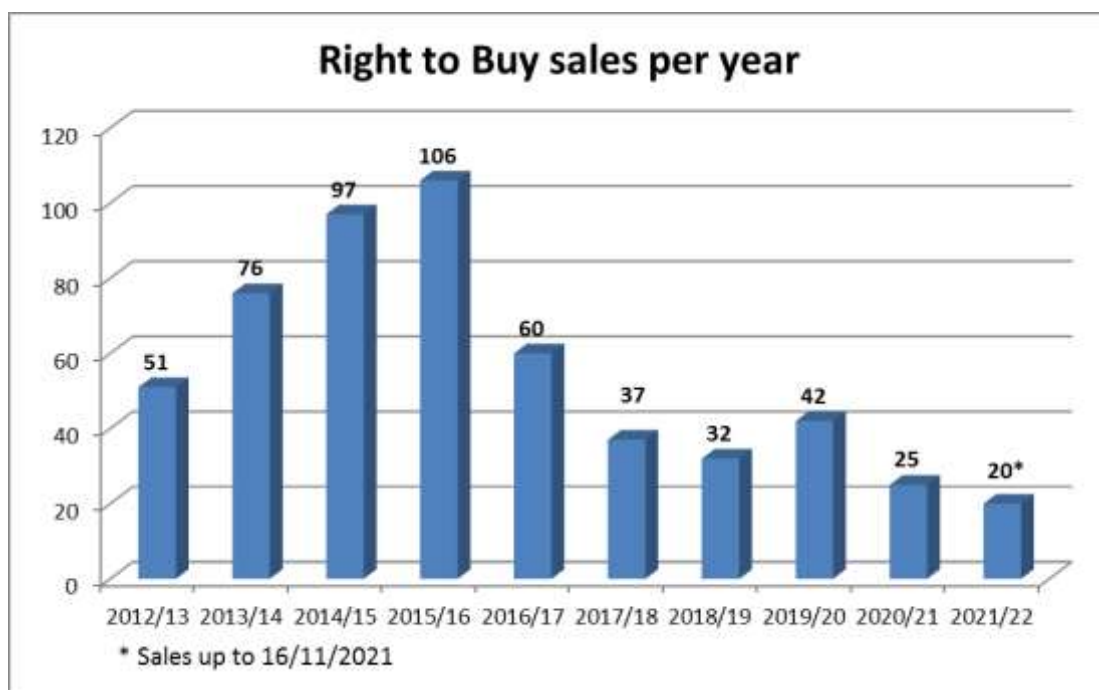
stated earlier, this funding may be revised to achieve best value and take advantage of current interest rates.



4.6 Use of One for One Receipts

4.6.1 As mentioned earlier in the report, the Government has now amended the rules regarding the use of capital receipts arising from the sale of Right to Buy properties and the Council has entered into a new retention agreement that reflects these changes. Under the new rules, receipts will be accounted for annually rather than quarterly, the Council will be able to fund up to 40% of new property costs from RTB receipts and the time limit for using the funds has increased from 3 to 5 years. However, a limit on the use of these funds for buying existing properties on the open market is being phased in over the next 3 financial years. As the Council has many major new schemes under way, or planned, it is not expected that this will be a problem in the short to medium term, but depending on sales levels and future development opportunities it may cause problems in the longer term.

4.6.2 As previously reported, sales have reduced considerably from their peak in 2015/16 and this, in combination with the new rule changes, has lowered the risk of the Council needing to pay receipts to the Government. With the removal of the borrowing cap and record low interest rates on loans, the Council is also continuing to invest in new property and has an ambitious programme of new development that is expected to absorb the current level of receipts generated by sales. At the end of 2020/21 the Council had a balance of £10.364Million that would need to be spent by 2026/27. Current projections show that these should be fully spent and that no receipts will need to be paid to Government.



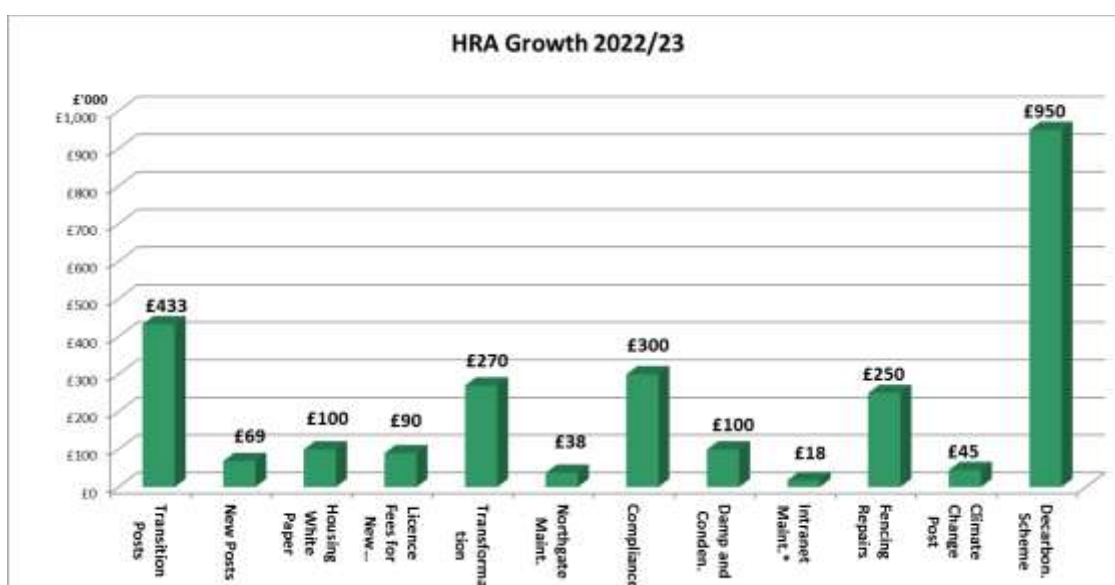
4.7 The 2022/23 making Your Money Count process for the General Fund and HRA

4.7.1 The 2022/23 savings included in the draft 2022/23 budget now total £39,370 and reduction of £18,000 for the HRA are subject to approval of the options as set out in the Draft General Fund report to this Executive. These options were supported by the Leaders Financial Security Group (LFSG) as part of their review during October and November.

4.7.2 Fees and charges totally £63,630 as set out in Appendix C have been included in the draft budget but were not part of the review by the LFSG.

4.8 Growth included in the HRA

4.8.1 The growth included in the 2022/23 HRA budget is summarised in the chart below.



*HRA share of General Fund expenditure

4.8.2 **Transition Posts (19 FTEs) - £433K.** Following a comprehensive business unit review the establishment of the HRA was reduced, on the assumption that new business process improvements and transformation would lead to efficiencies. However, it was recognised that transition posts would be required to bridge the gap between the old and new structures. The impact of the pandemic and accommodation of new ways of working, has led to a request to fund the transition stage into 2022/23, while the permanent structure is

reviewed, to be included in the new HRA Business Plan proposals in the summer.

- 4.8.3 **New Posts – £69K. (£38K on-going).** Four new permanent posts and one fixed term post have been proposed in the growth for next year. Four of the posts are either fully or part funded through existing capital schemes, or transfers from other budgets, with one new building safety post wholly funded from the revenue budget. Attached as Appendix B, is the detailed rationale for the continued employment of the original 'transition posts along with necessary supporting data. It is important to appreciate that given the continued impact of the pandemic, and the need to recognise that change to existing complex systems and processes will take time to implement, it is not therefore time to make significant adjustments to the present staffing resources. It is however the intention to review the resources required as new housing systems are deployed and the process of refreshing the longer term HRA BP unfolds in the early part of 2022. The outcome of this refresh and anticipated positive impacts on staffing resource will be reported accordingly.
- 4.8.4 **Housing White Paper £100K.** Officers have requested that a budget of £100K is included in 2022/23 to address the implication of meeting the requirements set out in the recent housing white paper. The timing and extent of any regulatory changes is not currently known, but this will give officers flexibility to respond to this issue. The first consultation paper relating to the Regulators role and the indications in respect of the consumer standards has recently been published. Whilst the £100k has therefore been identified to support any initial response to forthcoming legislation the timetable remains uncertain and additional funds may be required during 22/23 depending on the speed at which final legislation or regulatory reform is confirmed.
- 4.8.5 **Licence Fees £90K. (on-going)** This growth is required to implement three new systems relating to arrears recovery and income management on, customer service insight in line with the White Paper and right to buy administration, to augment the current limited Northgate module. While Northgate remains the primary system for housing services, some specialist functions are better served by separate housing focussed applications and auxiliary systems that have been proposed for these areas. The approval process will involve taking account of the necessary linkages to the Transformation objectives. The Interim Head of IT service is involved and aware of the emerging intentions.
- 4.8.6 **Transformation - £270K.** A housing transformation budget of £1.5m was used to invest in the business and improve services for customers. This programme has now concluded, with the last of this funding used in 2021/22. However, there are still areas of the Northgate system that are in development and this growth will be used to support this work, but it's main use will be the HRA share of the Council's corporate transformation programme.
- 4.8.7 **Northgate Maintenance £38K. (on-going)** The transformation and development work on Northgate, has increased the need for periodic maintenance and updates from the software provider and other specialists. This had been accommodated in the transformation funding, but a separate budget is now required for these costs.
- 4.8.8 **Compliance £300K.** As part of the last business plan review additional funds were invested in compliance work to ensure that building safety met the required standards. However, it is now recommended that further ongoing funds are needed to increase Page 19 of electrical testing carried out in

line with best practice. The longer term impact of the testing regime will be included in the Business Plan re-write in the summer of next year.

- 4.8.9 **Damp and Condensation £100K.** This is a demand led area with an existing budget of £250k and there have been an increased number of requests for work to be carried out in recent years. In order to deal with the underlying issues contributing to damp and condensation fully the cost of individual repairs has also increased. These factors have led to the proposed budget increase.
- 4.8.10 **Intranet Maintenance £18K (on-going).** This is the HRA's share of a corporate growth item, required to maintain and develop the Council's intranet. A service that has become more important since the pandemic and many more staff working remotely,
- 4.8.11 **Fencing Repairs £250K.** During the pandemic repairs were limited to emergency provision and this had led to a backlog. A one off growth of £250k has been requested in order to address the outstanding jobs in 2022/23.
- 4.8.12 **Climate Change Officer £45,000.** To meet the Climate Change agenda and deadline of zero emissions by 2030, a dedicated post is required (plus the continuation of time limited resources) to drive the priority forward across the Council. The additional growth bid was approved by the Executive in December and supported by the Overview and Scrutiny meeting also in December 2021.
- 4.8.13 **Decarbonisation Scheme - £950,000.** The Council have made a bid to the Government's Public Sector Decarbonisation Scheme. The total value of the capital works to the housing stock would be £2,850,000 if the bid is successful, but a third of the scheme must be funded by the Council to meet the grant requirements. As these works were not anticipated in the business plan, an additional revenue contribution to capital of £950K has been included in the budget to secure the £1.9Million of grant. The Council has not been told whether the bid has been successful yet, but budget provision must be included in order to allow the scheme to proceed. This additional use of reserves will need to be re-balanced when the HRA Business Plan is reviewed in the summer, but will only be needed if the bid succeeds. Members are asked to approve the additional spend.

4.9 Final Budget Proposals

- 4.9.1 The Final 2022/23 HRA budget is estimated to be a net surplus of £1,956,200, which is a reduction of £1,280,030 to the Draft Budget. The table below shows the main movements in the budget and includes growth proposals for 2022/23.

Summary of 2022/23		
Draft HRA 2021/22 budget		(£3,236,230)
Changes from Draft to Final Budget		
Fencing backlog work	£250,000	
Climate Change Post	£45,000	
Decarbonisation Scheme	£950,000	
General Fund Recharges	£19,910	
Insurance Premium Increases	£17,680	
Other net adjustments	£15,460	
Removal of one off growth items	(£18,020)	
Total Changes:		£1,280,030
Final HRA 2022/23 budget		(£1,956,200)

4.9.2 All HRA balances, in excess of the minimum balance held for assessed risks in year, are required to fund the HRA 30-year capital programme.

4.9.3 A risk assessment of balances has been completed and is in Appendix D to this report. The HRA balances currently exceed this for the reasons set out in paragraph 4.10.3.

HRA Balances:	2021/22	2022/23
	£	£
HRA Balance 1 April	(25,394,723)	(26,571,503)
Use of balances in Year	(1,176,780)	(1,956,200)
HRA Balance 31 March	(26,571,503)	(28,527,703)
Minimum Balances	(2,985,000)	(3,320,000)
Debt Repayments	(23,586,503)	(25,207,703)

4.10 Consultation

4.10.1 A Portfolio Holder Advisory Group meeting, to review the budget, was held on the 5th January. A presentation was given by senior officers to highlight the main changes to the budget and several questions were asked regarding the recommended growth items and the level of balances.

4.10.2 The Assistant Director for Housing and Investment explained the rationale for the requested growth. The further growth bid for fencing of £250,000 in 2022/23 was welcomed by Members due to the level of customer feedback and of outstanding work.

4.10.3 The Strategic Director (Section 151) advised members that the HRA is required to keep a higher level of balances in the early years of the HRA Business Plan in order to ensure sufficient balances are available throughout the plan to repay the HRA borrowing. Members were also reminded that of the £279Million borrowing by 2023/24, the Council was required to pay the Treasury £199Million as part of the self-financing deal and that this forms the majority of the debt.

4.10.4 Members were also advised that, due to the levels of growth, the summer revision of the HRA Business Plan will require prioritisation of service expenditure in order to balance the plan for both revenue and capital areas.

4.10.5 Overview and Scrutiny at its meeting of the 14 December 2021 reviewed the draft HRA budget. The Strategic Director (CF) advised Members that the rent formula was government policy, which is a CPI+1% increase in 2022/23, or 4.1%.

5. IMPLICATIONS

5.1 Financial Implications

5.1.1 Financial implications are included in the body of the report.

5.2 Legal Implications

5.2.1 Legal implications are included in the body of the report.

5.3 Staffing Implications

5.3.1 The unions are being consulted on the options contained in this report. Human Resources staff are co-ordinating centrally the implementation of any staff related savings.

5.4 Risk Implications

- 5.4.1 Due to frequent Government policy changes, there are significant risks in setting the HRA budget. Historically the ring-fenced account has relied almost solely on rent income to finance both revenue and capital works. Many changes in policy, including the loss of £225Million from the Business Plan from four years of rent reductions, have made medium to long term planning difficult. These risks have increased with the removal of the debt cap in 2019, as the Council is making long term financing decisions, on capital investment, based on income streams set by the current policy.
- 5.4.2 Currently one of the continuing risks to the account is a large increase in arrears. These have increased, in part as a result of tenants switching from housing benefits to Universal Credit, but mainly due to the impact of the COVID 19 pandemic and the measures put in place by the Government, which included a suspension of evictions. To mitigate this position increased resources are still in place to help recover rent owed and the provision for bad debt has been increased to recognise that not all the outstanding debt will be recovered.
- 5.4.3 Current high inflation rates may put pressure on capital and revenue repairs budgets and may put further pressure on HRA resources.
- 5.4.4 The full operational implications of regulatory changes after the Grenfell tragedy are still being implemented. As policy and best practice across the sector is developed this could increase budget pressures on the HRA.
- 5.4.5 There is a risk of interest rates being higher than projected and leading to a reduction in the amount of expenditure for both revenue and capital. There is also a risk that the PWLB rate differential between gilts and borrowing rates might be adjusted (as happened in 2019/20). To mitigate this, the budget includes an interest rate reserve of £3.4Million to offset any future variances from expected rates.
- 5.4.6 The HRA has an annual Making Your Money Count target to achieve, which for 2023/24 onwards is £200,000 per year, linked to expected savings from the Transformation programme. There was an existing target of 2% per annum savings on responsive repairs linked to the investment in the major repairs programme.

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 2022.
- 5.5.2 To inform the decisions about the Budget 2022/23 officers have undertaken Brief Equality Impact Assessments (EqIAs) for service-related budget proposals. Where there is a potentially negative impact, officers have identified further action needed to inform a final decision and to mitigate the impact where this is possible.

6. BACKGROUND DOCUMENTS

- BD1 Housing Revenue Account Budget 2022/23; Medium Term Financial Strategy (2021/22-2025/26); and HRA Business Plan Review 2021- December 2021 Executive

7. APPENDICES

- Appendix A – Housing Revenue Account Summary
Appendix B – Growth Impacts
Appendix C- Fees and Charges
Appendix D – Risk Assessment of Balances
Appendix E - EQIA for HRA Rent

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APPENDIX A

HOUSING REVENUE ACCOUNT SUMMARY

	Actual 2020/21 £	Original Budget 2021/22 £	Original Budget 2022/23 £
Summary of Expenditure			
Supervision and Management	11,599,175	9,286,050	10,084,870
Special Services	4,609,251	5,090,240	5,235,580
Rent, Rates, Taxes and Other Charges	516,898	539,430	548,990
Repairs and Maintenance ⁽¹⁾	6,039,327	7,594,610	8,354,280
Corporate and Democratic Costs	1,056,360	1,085,810	1,106,780
Contribution to the Bad Debt Provision	370,103	224,220	224,220
Total Expenditure	24,191,114	23,820,360	25,554,720
Summary of Income			
Rental Income:			
Dwelling Rents	(40,095,788)	(40,891,590)	(43,020,770)
Non Dwelling Rents	(90,621)	(91,640)	(92,120)
	(40,186,409)	(40,983,230)	(43,112,890)
Charges for Services & Facilities - Tenants	(2,270,023)	(2,282,150)	(2,485,700)
Leaseholder Service Charges	(885,760)	(975,920)	(895,850)
Contributions Towards Expenditure	(255,436)	(346,400)	(346,800)
Reimbursement of Costs	(301,378)	(345,540)	(345,540)
Recharge Income (GF & Capital)	(1,867,358)	(2,029,100)	(2,374,980)
Total Income	(45,766,364)	(46,962,340)	(49,561,760)
Depreciation	11,900,417	11,484,000	11,900,420
Impairment/Loss on Revaluation	0	0	0
Interest Payable	6,931,794	7,800,270	8,277,040
Interest Receivable	(302,604)	(221,510)	(330,380)
Net (Surplus)/Deficit For Year	(3,045,643)	(4,079,220)	(4,159,960)
Appropriations:			
Revenue Contribution to Capital Outlay	0	1,359,260	2,203,760
Self Financing Contribution To Provision	0	0	0
Pension Reversal	(239,220)	0	0
Transfer to/(from) Reserves	(2,290,000)	0	0
Housing Revenue Account Balance			
Net Expenditure/(Income) for Year	(5,574,863)	(2,719,960)	(1,956,200)
Balance B/Fwd 1 April	(21,302,059)	(26,876,922)	(26,571,503)
HRA Balance C/Fwd 31 March	(26,876,922)	(29,596,882)	(28,527,703)

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Appendix B – Growth Impacts

Job Role	Impact of not securing growth															
1. Lettings Advisor																
<p>In 2019 we complete a full scale Housing and investment Business Unit review in which we looked at current service provision and systems that could be implemented to assist in effective service delivery. The lettings services at that time had 4 posts and as part of the BUR the proposal was to reduce this to 3 posts after 18 months when Northgate Housing Online was implemented and in place.</p> <p>The unforeseen challenges faced by the services during the pandemic have meant that we are not as far forward with Housing Online as originally proposed. The system is also not offering the service delivery improvement expected and the team are actually spending a huge amount of time dealing with processing enquiries.</p> <p>Since the 1st of August 2021 we have received 635 applications. 229 were registered onto the housing register and 266 were rejected. We currently have about 140 applications pending within the 28 day KPI. On Average we receive 150 applications a month so 7.5 per working day that require processing.</p> <p>Of the past 240 rejected application, they were rejected for the following reasons:</p> <table border="1" data-bbox="73 1339 1174 1731"> <thead> <tr> <th style="background-color: #00b050; color: white;">Number Rejected</th> <th style="background-color: #00b050; color: white;">Rejection Reason</th> <th style="background-color: #00b050; color: white;">Percentage of Rejections</th> </tr> </thead> <tbody> <tr> <td>125</td> <td>Completion Error</td> <td>52%</td> </tr> <tr> <td>3</td> <td>Homeowners</td> <td>1%</td> </tr> <tr> <td>79</td> <td>No Local Connection</td> <td>33%</td> </tr> <tr> <td>33</td> <td>Not Eligible</td> <td>14%</td> </tr> </tbody> </table> <p>Half of those rejected have to resubmit their applications. We have been working with Housing IT to amend some of the wording on the online application to see if we can reduce the errors. This is evidence of the system not working in the anticipated way and we are some 17 months after the implementation of Northgate Housing Online.</p> <p>We are currently considering alternative software solutions for our Housing Options services and whether we can introduce an alternative allocations module with this also.</p>	Number Rejected	Rejection Reason	Percentage of Rejections	125	Completion Error	52%	3	Homeowners	1%	79	No Local Connection	33%	33	Not Eligible	14%	<ul style="list-style-type: none"> Applications for the housing register will not be processed within the 28 day KPI leading to an increase in complaints and member enquiries Applications for part 6 accommodation in the register will not be processed correctly due to the lack of resource leading to applicant obtaining accommodation they should not otherwise access Properties will not be let within the 6 working day KPI leading to additional void loss which is already projected to be an additional £190k for the remainder of the financial year plus the current £500k loss. Staff will leave due to the intense pressure on the very reactive service being unmanageable
Number Rejected	Rejection Reason	Percentage of Rejections														
125	Completion Error	52%														
3	Homeowners	1%														
79	No Local Connection	33%														
33	Not Eligible	14%														

Below is the number of applicants on the waiting list in 2015/2016 compared to this financial year which shows a 54% increase over a 6 year period;

Financial Year	Number on the Housing Needs register
2015/2016	2263
2021/2022	3486

This is an average of a 9% increase per year however it is important to note that we are due to commence an Allocations Policy review this financial year which may reduce number of the housing register. This review of the Allocations Policy will in turn lead to further work requirements such as a full scale review of the housing register where we will not have capacity to reduce existing resource

The team consists of 4 officers managing offers of SBC owned stock and the nominations process for registered providers, managing the lettings and monitoring of voids throughout the voids process and housing register enquiries and processing.

Below detailed the total lettings completed per year out of our total SBC owned stock

	Number of Lettings	Percentage of total stock let
2018/2019	356	5%
2019/2020	445	6%
2020/2021	270	3%
2021/2022 (To Sep 21)	161	2%

In 2020/2021 we let a lot less properties due to the pandemic restrictions where all non-essential lettings were delayed during the periods of national restrictions in order to stop the spread of COVID.

There is a backlog of 80 void units currently and when properties returns needing re let within 6 working days. Void rates have been 3x the anticipated amount which does not suggest that lettings numbers will increase drastically from 2020/2021 and therefore there will not be any capacity to reduce staffing in this team in the near future.

- Without effective software and sufficient resources this will increase complaints, cause a lack of staff retention and lead to low staff morale and cause delays and ineffective application of our duties under part 6 of the Housing Act

original resource redirected to the Specialist Support team to assist with ILS lettings. The work within this team has also seen an increase and as part of the Allocations Policy review the proposal will be to direct let ILS units and remove from CBL.

There is no capacity within the Lettings team to support work in the specialist support team due to increasing workload.

2. Strategic Complaints Managers

There are currently 3 Strategic Complaints Managers for Housing and Investment “H+I” for each area; Providing, Managing and Investing in Homes.

The Providing Homes Strategic Complaints Manager “PHSCM” started in this role in January 2020 after the need was identified for additional resource to focus on this area of work following high levels of customer contact, complaints and feedback. Since introducing the role there have been no complaints escalated to stage 2 or 3 showing a clear improvement in case handling by introducing a consistent response across the teams. The below figures evidence that in the previous year there had been case escalations.

Escalated cases

	Investing in Homes	Managing Homes	Providing Homes	Corporate
April – October 2021				
Stage 2 complaints	6	13	0	54
Stage 3 complaints	4	3	0	12
2020/21 full year				
Stage 2 complaints	17	21	12	63
Stage 3 complaints	9	3	5	15

The work undertaken for the PHSCM has included the implementation of the 10 working day turnaround for communication across H+I, liaison with the CSC on wording of complaints to be in the customers own words, writing feedback for the newsletter and ensuring a consistent approach across H+I for customer contact, complaints and feedback.

Taking into account the success of the PHSCM and the introduction of the White Paper consultation confirming requirements for housing providers and the number of contact for Housing there were complaints managers

- Complaints will not be dealt with in a consistent approach
- The level of complaints and contact received within H+I is unmanageable for team managers to complete alongside the ever increasing pressures of the day to day operational work they are required to deliver.
- The pressure of this additional work will cause managers to look for alternative jobs- we are not seeing the calibre of candidates requires applying for specialist Housing roles meaning there are gaps and leads to a further issue with staff retention

introduced in Investing and Managing Homes. The 2 additional Complaints Managers started their roles in August 2021 therefore as they are relatively new in post there has not been the opportunity to see such dramatic results as there has been for Providing Homes who has had the role for 10 months.

Below shows the level of complaints received in Q1 2021/2022 for the 3 areas of H+I and complaints received corporately. The below figures evidence that there 361 complaints received corporately and for H+I making up 40% of total number of complaints received with is reflective of the size of H+I in comparison to other services areas. Similarly 37% of the total number of member enquiries made are to H+I. It is also important to note the sheer level of member enquiries into the Providing Homes services.

Customer Complaints closed Q1					Member Enquiries closed Q1			
	IN	OUT	TOTAL	S/L	IN	OUT	TOTAL	S/L
Investing in Homes	29	15	44	65.91%	24	2	26	92.31%
Managing Homes	28	29	57	49.12%	22	23	45	48.89%
Providing Homes	46	0	46	100%	90	0	90	100%
Corporate	150	65	214	70.09%	229	39	268	85.45%

Taking into account the level of members enquiries received and that all were processed within time with very positive feedback this is evidence of the success of the role. The feedback received from members has been;

From The Leader - *Thank you Caroline. A great response.*

Also from the Leader - *Thank you so much for dealing with this so quickly Caroline.*

From Cllr Jeanette Thomas - *Your response to the resident is brilliant and I hope she takes the apology and the hope it gives well.*

From Cllr Myla Arceno - *Thank you for your prompt reply as always, and the detailed information for our learning.*

In Q2 2021/2022

Customer Complaints closed					Member Enquiries closed			
	IN	OUT	TOTAL	S/L	IN	OUT	TOTAL	S/L
Investing in Homes	39	9	48	81.25%	27	4	31	87.10%

- Complaints and member contact will be delayed due to the operational service delivery needing to be prioritised along with the pressure of taking on more distributed work following the distribution of work from corporate work areas that having functionality reduced eg; Human Resources

- We will not be compliant with the White paper demands as teams do not have capacity to simply manage complaints let alone additional duties to be introduced.

Managing Homes	36	49	85	42.35%	34	39	73	46.58%
Providing Homes	42	0	42	100%	109	0	109	100%
Corporate	183	127	310	59.03%	242	62	304	79.61%

For Q2 the highest level of complaints has been received by Managing Homes which is reflective of the pressures faced by the services with staff retention and complex casework. Bearing in mind that there has been double the amount of complaints received for Managing Homes than Providing Homes the Complaints Manager has closed a similar number of cases within time which is reflective of the good work from the Managing Home Strategic Complaints Manager "MHSCM" and to date there is no backlog of cases. There has also been a similar number closed by Investing In Homes in this quarter.

The level of member contact is again the highest for Providing Homes yet again all responded to within target due to the effective management from the PHSCM.

Channel shift will not stop the need for a physical officer to deliver this work taking into account the requirements in the white paper to be more transparent, consistent and effective.

3. Income posts

As part of the Business Unit Review we carried out late 2019/20 we based the staffing numbers on the world we were living in at that time and being able to implement a number of IT solutions to aid income collection.

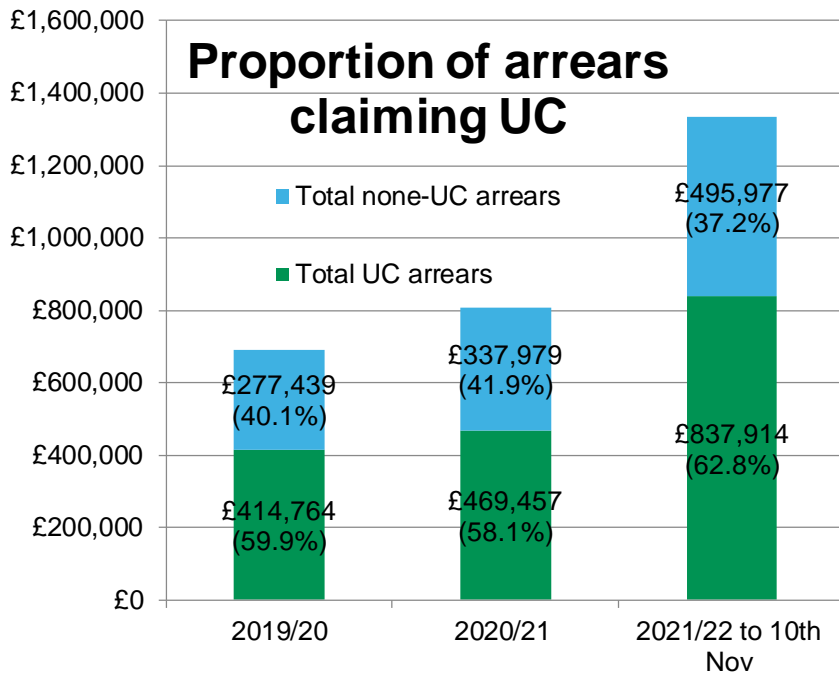
The world that we worked in changed just before implementing the Business Unit Review and we very quickly noticed an increase in arrears due to the pandemic, increase in Universal Credit applications and produced an arrears recovery plan. As part of that plan additional posts were requested to support the income recovery work.

Whilst we have been working through the arrears recovery plan, there are a number of areas which have not been able to be progressed, some of which are around the IT solutions. This has been held up due to development needed from the corporate IT side.

We have also seen the impact of the pandemic and Universal Credit being realised and changing the way the team need to work. For the past 18 months the team have been very reactionary due to workload demands supporting those on furlough, job retention schemes and those made redundant. Also spending time with people who have not claimed benefits before and educating them on budgeting.

The team will not be able to focus on:

- Proactively targeting those experiencing financial difficulties especially as this is the highest cost of living since a decade with the increase in energy and fuel costs (petrol is up by 25p per litre, Gas up by 28%, Electricity up by 19%)
- Invest more time on early intervention for new debtors and UC applicants and



The level of contact has continued to shift from direct incoming call and service request to emails. The customers' have adapted to the new ways of working and responding. We are experiencing an increasing level of email use. The figures for last Q2 are as follows;

- 36 on average telephone calls received per week
- 45 Av Service requests received per week
- 122 Av Emails received per week

The number of people using Housing On line for income related matters has increased. In Q2 they received 1536 compared to Q1 when they received 1252.

The enquiries and contacts regarding income, arrears and benefits have become increasingly more complex and demanding and will continue to remain complex in nature. The time spent on dealing with customer contacts has increased. Previously the officers spent on average 2- 5 minutes dealing with telephone enquiries and this has steadily increased to 35 – 50 minutes over the last year with follow up work taking up approximately 1.5 hours (this does not include all other contacts).

For example one such typical call involves the following;

- running through current account status
- Running benefit awards and payment
- Running through income and expenditure ,
- if the household has children over 18 years , then most likely will have a non-dependant charge which means that they will not receive housing costs to cover the charges in most cases educating tenants on maximising money from within the households towards rent and council

keep up with the employment status and impact on ability to pay rent.

- Offering intensive support to UC cases to ease the adjustment to the new benefit and maintain payments.
- More Intensive management of high level arrears case as Court intervention is taking so long which stalls the arrears recovery process.
- Effort on reviewing arrangements in place and all the cases for all those in receipt of UC following the deduction of £20pw and those who have historically been in receipt of DHP as this funding pot has reduced and is expected to reduce further.

The team will receive more complaints as they won't be able to deal with the level of enquiries coming into the service from tenants and leaseholders

The team will not have capacity to deal with the eviction cases needing to be taken to court including the backlog.

Tenants and leaseholders will not get the intense support needed to pay their rent, service charges or arrears as staff will not have time which will mean a

- negotiating repayments

The follow up work after the call;

- Liaising with DWP/Benefits Services in terms of any UC/HB issues
- Applying for APAs
- Applying for Third Party Deduction for water rates on most cases where they have applied for APAs
- Making referrals for further support for those who need this

This involves officer intervention and cannot be automated.

The team have set up 1468 arrangements with tenants since March 2021.

The ratio of Housing Benefit claimants to Universal Credit claimants has shifted. As at end August 2021 there were 34% of total current tenants on Housing Benefit which has decreased significantly.

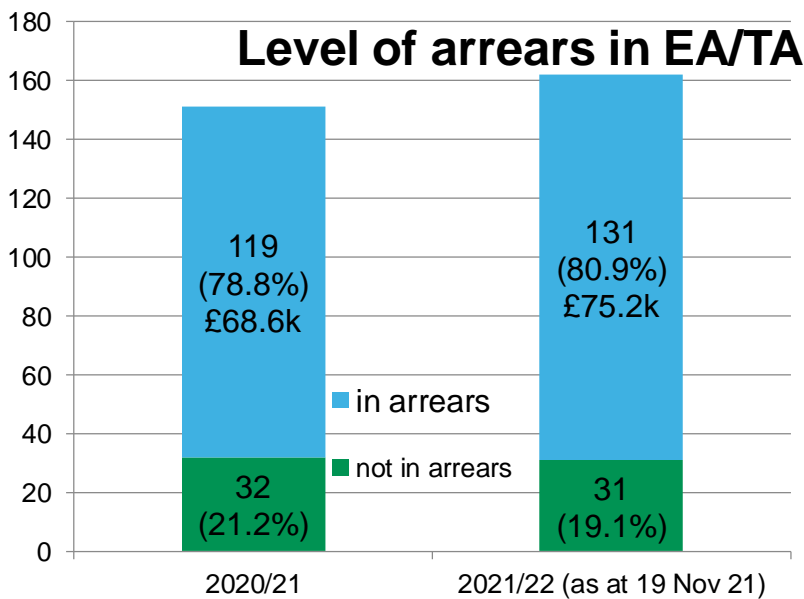
There is still a backlog of Court cases due to eviction cases being on hold. We have only been able to progress 2 so far in 2021. This involves a lot of work by the team to ensure we pursue more in the coming months but are facing delays in getting hearing dates.

There has been an increase in Emergency (EA) and Temporary Accommodation (TA) demand due to high levels of homeless presentations.

greater increase in arrears.

Former tenant arrears will not be collected and the amount will increase.

The MRC billing enquiries and payment actions will not be dealt with on time due to demands on other workloads.



This area of work is too much work load for 1 person.

The complex cases that are coming through require time and attention and a single point of contact. The assessments are complex and require a very special skill set to have sensitive conversations.

This post is far more than just a letting co-ordinator, it requires the specialist skills to complete the complex assessments and liaise with families and professionals which can sometimes be more challenging than the client themselves.

This post would also manage the assisted bidding and co-ordinating of removals enabling the Accommodation and Complex Needs Officer to work on the pro-active elements of this role, the different projects, managing the incentive scheme once finalised, marketing and promotion of independent living schemes etc.

Ultimately we are aiming to reduce our voids and have an active waiting list (49 applicants to date) so that when a property becomes available we are working with individuals on the waiting list preparing them to move.

This is an example of how many lettings have taken place over the number of voids received each month to demonstrate the work being carried out by the post holder.

Month 2021	Lettings	Voids
November	18	6
October	9	7
September	10	6
August	9	3
July	8	10
June	10	8
May	16	7
Total	80	47

On 27 April 2021 and we had 85 voids in total. This has reduced to 42 as at 29th November 2021 due to the intense work from the post holder.

Voids will increase due to the level of complexities that are coming through as there is only 1 person working in this area. People are unlikely to move without support to do this. This will form part of the downsizing incentives scheme and is also in the Housing for Older People Strategy.

We would not be able to pro-actively contact the red flag referrals we receive from aids and adaptations – these are residents that require aids and adaptations to their current home. If we can get in there early we can talk about a possible move which would potentially save money for aids and adaptations but also release family homes back to general needs.

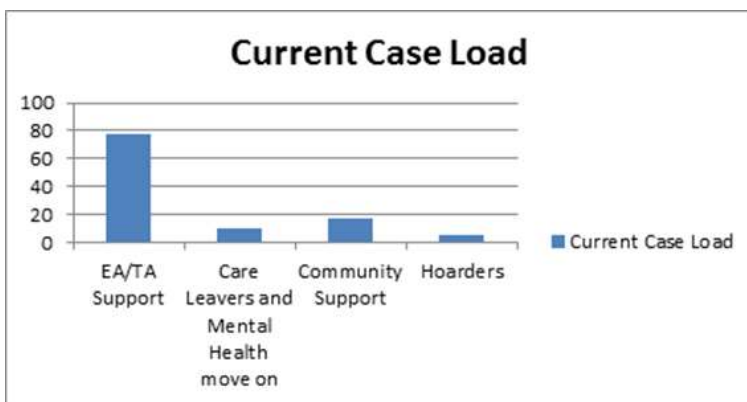
The post holder wouldn't have time to work with environmental health to support older residents that are privately renting possibly in poor housing conditions that need to move.

Without the additional role we would not be able to do the proactive work of contacting all existing council tenants over 55 and introducing them to the services and to support them to move if they wish

which could potentially release family accommodation back into general needs.

The additional role is also needed to support Independent living properties coming out of the Choice Based Lettings system.

5. Specialist Support – Homeless and communities



In terms of unmet demand, the team have just started to take on hoarding cases which is a minimum of 6 months support and is intensive support that requires dedicated time with that individual. There are at least 30 hoarders that resident and estates team have flagged that need intensive support as well as other residents in general needs requiring extra support.

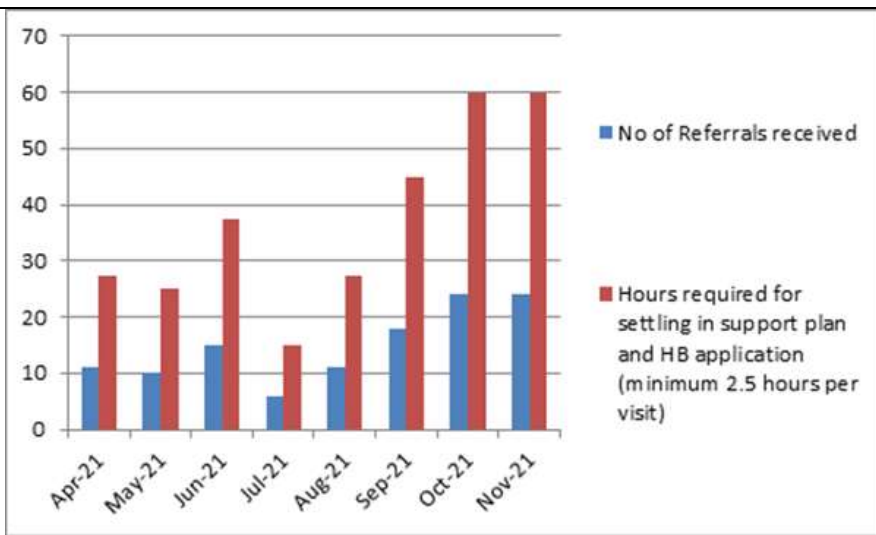
This on-going support case load is split between 3 Specialist Support Officers (2 permanent and 1 transitional post). The level of support required is medium to high and can change from week to week depending on the individual and their circumstances.

The team are predominantly supporting those in EA/TA. The graph below shows the number of referrals received and the minimum number of hours spent on their initial settling in visit to complete a support plan and housing benefit form.

Following the pandemic, but also with the various works going on in flat blocks, it is highlighting more and more residents that need extra support to maintain their tenancy.

The team currently have a very high case load each and cannot maintain the level of demand.

The waiting list will be



so long there will be a lot of people not receiving the right support which could lead to evictions or a fire risk (hoarding).

The number of new referrals has been increasing which has led to 60 hours of the team's time being spent just on the initial visit to complete the support plan to identify support needs and housing benefit forms. This is in addition to the on-going support provided.

The team also support care leavers and mental health move ons which involves a lot of time liaising with Hertfordshire County Council and the mental health supported accommodation provider and then supporting once the person moves in.

The 3rd post is needed permanently to ensure we are able to deliver the intensive support to as many tenants/EA/TA people as is needed acknowledging that there will be a waiting list due to the demand on this area of work.

6. Housing Officers

Housing Officers are dealing with an increased case load of complex cases each week that usually involve other agencies or teams. They are spending at least 70% of their time on casework which includes work such as progressing changes of tenancy, successions, terminations etc.

Right to buy applications are delayed and miss the statutory deadlines.

The time needed on these cases take away the officer's time on other areas of work such as Right to Buys, tenancy audits and flat block inspections as they cannot achieve the numbers needed each month.

Increased backlog of flat block inspections. Health and safety risk.

For Right to Buys there is roughly 10 new applications received each month each requiring at least 6 hours – processing the application; interviewing tenants; reviewing the document; auditing the property; liaising with legal. It needs dedicated resource to carry out these functions as we have a statutory timeframe to work in.

Increased backlog of tenancy audits

There is a high level of hoarding cases (around 50 that we are aware of) ranging from low level to severe which require a significant amount of officer time weekly/biweekly. The more severe cases need to be referred to Specialist Support but they do not have the capacity at present to take these

Tenants could lose their tenancies if they do not have the support.

Complaints increase.

on.

Tenancy audit KPIs at full capacity would be 10 accessed visits per months – this is aside from tenancy auditing properties with ongoing change of tenancy applications etc. At the moment, there is not capacity and on average 2/3 are being carried out per month.

Staff leave due to increased workload.

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Appendix C – Fees and Charges

Service	Description of Chargeable Service	2021/22 GROSS FEE PAYABLE BY CUSTOMER	NET FEE (2022/23)	VAT (exemption can be applied for on certain	2022/23 GROSS FEE PAYABLE BY CUSTOMER	Increase £	increase %	Total Budget 2021/22 £	Budget Increase	Budget 2022/23	Options considered/Rationale	
Housing Revenue Account												
Supported Housing:												
Guest Bedrooms	All schemes other than those listed below (per night, per person)	£12.50	£10.83	£2.17	£13.00	£0.50	3.97%					
Guest flats	Hobbs Ct, Silkin Court and Norman Court (any bedsit type guest room, per night, per person)	£22.50	£19.17	£3.83	£23.00	£0.50	2.24%				All Guest rooms except Norman Court to be removed	
Short Stay Units	Assessment (per day)	£11.50	£11.60	£0.00	£11.60	£0.10	0.87%					
	Respite	£22.50	£23.00	£0.00	£23.00	£0.50	2.22%					
								10,630	270	10,900		
Laundry Charges	Sheltered schemes first wash (per week)	£3.15	£2.67	£0.53	£3.20	£0.05	1.71%				This has been free during covid - can we start charging again. It was agreed 21/22 to charge the first wash which needs to be implemented. We will look at setting a service charge for washing machines for 2023/24 instead of tokens.	
	Second wash and thereafter	£3.15	£2.67	£0.53	£3.20	£0.05	1.71%					
	Guest bedrooms and short stay (per wash)	£3.15	£2.67	£0.53	£3.20	£0.05	1.71%					
	HG110 977500							7,270	130	7,400		
Room Hire	Hairdressing at Silkin/Fred Millard, (Hourly charge) *	£5.00	£4.58	£0.92	£5.50	£0.50	9.92%					
	Private chiropodist and other services, (per hour) *	£5.00	£4.58	£0.92	£5.50	£0.50	9.92%					
	HG110 977700							1,500	100	1,600		
Support Services and careline for HRA tenants	HG110 977807	Housing related support (includes all services shown under careline alarms)	£19.65	£19.65	£0.00	£19.65	£0.00	0.00%	496,980	60,020	557,000	Full costing of the service hasn't been concluded due to finance pressures. Early indication shows that this figure needs to decrease due to some activity being covered under rent ie building safety checks and some activities that can be rebatable. The support element will be around £12. We would then need to have a communal management cost to pick up the charges that fall outside of the support and rent element.
		SIM Careline Unit (additional weekly charge)	£1.00	£0.83	£0.17	£1.00	£0.00	0.00%				
		independent living and flexi care support charge for previous hHRS protected clients and new residents entitled to HB	£8.00	£10.00	£0.00	£10.00	£2.00	25.00%				will book in some time with you to finalise the costings
	HG110/977801	response service for new customers (50 weeks)	£8.64	£7.25	£1.45	£8.70	£0.06	0.69%	68,040	1,960	70,000	We are up to our ceiling in what we can reasonably charge without pricing ourselves out of the market.
		Response service to other provider equipment (50 weeks)*	£4.92	£4.10	£0.82	£4.92	£0.00	0.00%				This is the difference between response service for new customers and the monitoring only charge.
	Monitoring only service (50 weeks) *	£3.72	£3.15	£0.63	£3.78	£0.06	1.61%	We need to be remain competitive alongside Herts Careline who is currently charging.				
								565,020	61,980	627,000		
Careline Alarm- private (Shortfall funded from General Fund)	Response service (52 weeks) *	£8.64	£7.25	£1.45	£8.70	£0.06	0.69%				Previously charged for 50 weeks per year; amended to 52 week charging from 2021/22	
	Response service out of area (52 weeks)*	£8.64	£7.25	£1.45	£8.70	£0.06	0.69%					
	Response service to other provider equipment (52 weeks)*	£4.92	£4.10	£0.82	£4.92	£0.00	0.00%					
	Monitoring only service (52 weeks) *	£3.72	£3.15	£0.63	£3.78	£0.06	1.61%					
	HG110 941100							126,400	1,600	128,000	This Saving (£1,600) is for the GENERAL FUND - shown on there as a "one liner" - and only shown here for REFERENCE	
Replacement Pendants	Careline (Winkhause) keys*	£13.20	£11.50	£2.30	£13.80	£0.60	4.55%					
	Fobs - Sheltered Schemes (Black)	£21.50	£18.65	£3.73	£22.38	£0.88	4.09%					
	Fobs - Sheltered Schemes (Shark)	£13.00	£10.90	£2.18	£13.08	£0.08	0.62%				This includes an admin fee	
	Tynetec pendant	£52.50	£48.00	£9.60	£57.60	£5.10	9.71%				Includes an admin fee	
Key safe	Doro pendant		£40.00	£8.00	£48.00	new					Includes an admin fee	
	Supply	£21.25	£18.33	£3.67	£22.00	£0.75	3.51%				clarify the difference between fobs black and shark-JC	
Lock Change	Fit	£61.00	£53.08	£10.62	£63.70	£2.70	4.42%					
		£88.50	£75.00	£15.00	£90.00	£1.50	1.69%					
	HG110 968800							3,580	120	3,700		

Service		Description of Chargeable Service	2021/22 GROSS FEE PAYABLE BY CUSTOMER	NET FEE (2022/23)	VAT (exemption can be applied for on certain	2022/23 GROSS FEE PAYABLE BY CUSTOMER	Increase £	increase %	Total Budget 2021/22 £	Budget Increase	Budget 2022/23	Options considered/Rationale
General Needs Tenants and Leaseholders:												
Key Fobs	HJ990 976202	Old Style "Black fobs"	£22.00	£18.67	£3.73	£22.40	£0.40	1.84%				
		New "Shark" Fobs*	£13.00	£10.92	£2.18	£13.10	£0.10	0.80%				This includes an admin fee
Communal door entry keys	HJ990 976200	Replacement keys for entry doors to flat blocks.	£20.60	£17.92	£3.58	£21.50	£0.90	4.39%	1,260	40	1,300	
Laundry charges - Roundmead, Brent and Harrow		Wash tokens	£5.75	£5.00	£1.00	£6.00	£0.25	4.35%				
		Dry Tokens	£3.10	£2.71	£0.54	£3.25	£0.15	4.90%				Round up
Management Fees for Westwood Court & Kilner Close		Administration Fees	£1.00	£1.00	£0.20	£1.20	£0.20	20.00%	7,090	110	7,200	
	HJ990 977500								8,350	150	8,500	
Stores	HC110 978101		£6.00	£6.50	£0.00	£6.50	£0.50	8.33%	15,520	480	16,000	
Lock change	HR613 976200	Callout	£140.00	£120.83	£24.17	£145.00	£5.00	3.57%	0	0	0	
	HA110 992200	Admin charge	£50.00	£43.33	£8.67	£52.00	£2.00	3.99%	11,000	0	11,000	
		Charge		on Application (is VATA	POA						0	
									26,520	480	27,000	
Tenant's Retrospective Charges	HA120977700		£200.00	£0.00	£0.00	£0.00	-£200.00	-100.00%				To be replaced with further breakdown below
Inspection charge - depending on cost of work		From £0 to £999	£205.00	£225.00	£0.00	£225.00	£20.00	9.76%				
		From £1,000 to £1,999	£210.00	£230.00	£0.00	£230.00	£20.00	9.52%				
		From £2,000 to £2,999	£220.00	£250.00	£0.00	£250.00	£30.00	13.64%				
		From £3,000 to £3,999	£230.00	£260.00	£0.00	£260.00	£30.00	13.04%				
		From £4,000 to £4,999	£290.00	£310.00	£0.00	£310.00	£20.00	6.90%				
		From £5,000 to £5,999	£390.00	£420.00	£0.00	£420.00	£30.00	7.69%				New charge
	Administration			£160.00	£0.00	£160.00	£160.00	0.00%				
									6,000	400	6,400	
GRAND TOTAL									£755,270	£65,230	£820,500	
Notes									Additional Income (fees & charges)		£65,230	
1.charges are rounded to the nearest 5p									Less: £1,600 (G Fund Saving)		£63,630	
2.All charges are inclusive of VAT @ 20% with the exception of items marked with an *												
3.Caroline and Community Support are subject to VAT for private residents unless they complete an exemption declaration.												

**APPENDIX D: RISK BASED ASSESSMENT OF THE LEVEL OF HOUSING REVENUE ACCOUNT
BALANCES 2022/23**

Potential Risk Area	Comments including any mitigation factors		
Income from areas within the base budget where the Council raises "Fees and Charges"	Potential risk that the budgeted level of income from activities where the Council is charging for services will not be achieved. This is anticipated largely to be as a result of the downturn in economy and post COVID recovery, but could also be as a result of increased void rates, lower collection rates, disputed bills, All "fees and charges" income is reviewed as part of the monthly/quarterly budget monitoring process. All budgets are profiled over the year based upon previous experience.		
		Calculated Risk	
Specific Areas	Estimated Income	Risk assessed at	Balances Required
Rechargeable works not raised or recovered	£153,790	10.00%	£15,379
Leaseholder charges not realised (excluding insurance)	£807,520	5.00%	£40,376
Rental income (increase in voids rates)	£42,972,770	0.75%	£322,296
Service Charges (increase in voids rates)	£1,882,740	0.75%	£14,121
Heating charges	£242,110	5.00%	£12,106
Total			£404,277

Potential Risk Area	Comments		
Demand Led Budgets	Potential risk that spending on parts of the budget where the Council has a legal duty to provide the service increases significantly, including due to COVID and regulatory requirements. Individual budgets reviewed as part of the monthly budget monitoring process. All budgets are profiled over the year based upon previous experience and so any variances should show up during the year.		
		Calculated Risk	
Specific Areas	Estimated Exposure	Risk assessed at	Balances Required
Storm damage and fire damage uninsured costs (excess is £25,000 for fire damage)	£25,000	100.00%	£25,000
Response and Emergency repairs increase as a result of inflationary pressures or unforeseen repairs	£8,355,430	5.00%	£417,772
Unforeseen Capital works not budgeted for requiring a contribution to capital (based on a proportion of the capital programme)	£64,001,260	2.00%	£1,280,025
Inflation pressures on capital works requiring additional revenue resources to fund the shortfall	£64,001,260	0.75%	£480,009
Insufficient budget identified for damp and mould works	£350,000	10.00%	£35,000
Total			£2,237,806

Potential Risk Area	Comments including any mitigation factors		
Changes since budget was set	Potential risk that things change since the budget estimates were made and the estimates are then under budgeted for.		
		Calculated Risk	
Specific Areas	Estimated Exposure	Risk assessed at	Balances Required
Increase in borrowing costs for internal borrowing	£3,046,508	0.25%	£7,616
Transitional Vacancy Rate 4.5% not achieved	£258,820	10.00%	£25,882
Increase in bad debt provision	£224,220	10.00%	£22,422
Utility inflation (Electricity increase in April 2018, Gas increase from Oct 2018)	£746,300	5.00%	£37,315
NEW pay award is higher than budgeted for	£8,462,770	0.50%	£42,314
Total			£135,549

Potential Risk Area	Comments including any mitigation factors		
Income from areas within the base budget where the Council raises "Fees and Charges"	Potential risk that changes in government policy and legislation mean income from activities where the Council is charging for services will not be achieved.		
		Calculated Risk	
Specific Areas	Estimated Income	Risk assessed at	Balances Required
Increased Right to buys as a result of Government initiatives reducing the amount of collectable rent. Assume an additional 20 RTB's increasing the number to 65 in 2021	£107,193	50.00%	£53,596
NEW higher rent arrears as a result of COVID	£500,000	2.50%	£12,500
Total			£66,096

Potential Risk Area	Comments including any mitigation factors		
Estimated balances required for any over spend or under -recovery of expenditure	This calculation replaces the calculation based on Net Expenditure		
		Calculated Risk	
Specific Areas	Estimated Exposure	Risk assessed at	Balances Required
Gross Expenditure (excluding fixed interest costs and depreciation and RCCO)	£25,886,800.00	1.50%	£388,302
Total			£388,302

Potential Risk Area	Comments including any mitigation factors		
Greater exposure to interest rate changes	Moving from RCCOs to new borrowing to support capital increases the risk of higher borrowing costs due to increased interest rates.		
		Calculated Risk	
Specific Areas	Estimated Exposure	Risk assessed at	Balances Required
General allowance in the balances to meet any potential increased cost of borrowing (new 2022/23 loans)	£15,640,000	0.56%	£87,740
Total			£87,740

Level of Balances Assumed in Housing Revenue Account Based on risk	£3,320,028
Balances held for future debt and capital programme.	£25,207,675
Total Required balances	£28,527,703

Appendix E

Full Equality Impact Assessment

For a policy, project, service or other decision that is new, changing or under review

What is being assessed?		HRA: Rent and Service Charge 2022/24	
Lead Assessor	Chris Stratford		Assessment team
Start date	Jan 2022	End date	Jan 2024
When will the EqIA be reviewed?	Jan 2024		Elizabeth Ddamulira

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Who may be affected by it?	All tenants
What are the key aims of it?	<p>Rent increases are prescribed by Government and it is extremely difficult therefore not to apply the determination made by Government annually.</p> <p>To increase the rent on dwellings from week commencing 4 April 2022 by 4.1%, which is ,an average increase of £4.06 for social rents, £6.60 for affordable rents and £4.74 for Low Start Shared Ownership homes per week (based on a 52 week year). This has been calculated using the rent formula CPI (3.1) +1% in line with government policy and the Council’s Rent and Service Charge Policy.</p> <p>The Council’s Rent and Service Charge Policy provides a framework for setting our rents and service charges within legislative requirements. The rent and service charge income underpins the delivery of the Housing Revenue Account Business Plan’s key housing objectives to deliver effective services, to invest in its properties to ensure homes are of a modern standard and to provide new social housing to rent. The policy was revised in</p>

December 2019.

The revisions aimed to ensure that the policy complied with the government’s direction on the Rent Standard 2019 and to clarify the Council’s position in relation to service charge increases and affordable rents. A further aim since 2020 is to mitigate the impact of COVID 19 on our customers and their ability to pay rent and service charges. Key elements include:

- 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.
- Increase the rents for all excluded properties by CPI +1%, e.g. LSSO
- Set the rent for a proportion of new build homes at affordable rents.
- Set the rent where adaptations or extensions have resulted in the property being increased in size (for example, an additional bedroom), in accordance with the formula rent as detailed in the policy.
- Further to the Welfare Reform and Work Act 2016, charge the rent payable by new tenants of existing social rent housing at the higher of the formula rent (i.e. the ‘social rent rate’), or the actual rent (i.e. the ‘assumed rent rate’) as at 8th July 2015, with the appropriate rent increase applied in line with the current Rent Standard Direction (February 2019).
- Charge actual costs for service charges but with the provision to apply a cap, subject to any legal constraints, on affordability grounds where appropriate.
- Mitigation of COVID19 impact

What **positive measures** are in place (if any) to help **fulfil our legislative duties** to:

Remove discrimination & harassment		Promote equal opportunities	The aim of the Rent & Service Charge Policy is to provide a fair method of calculating rents and service charges for all of our tenants. It also aligns with the council’s Concessions for Fees and Charges Policy, and the principle of recovering the cost of providing services.	Encourage good relations	
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<p>What sources of data / information are you using to inform your assessment?</p>	<ul style="list-style-type: none"> • Policy Statement on Rents for Social Housing, February 2019 • Direction on the Rent Standard, 2019 • Welfare Reform and Work Act 2016 • Housing and Planning Act 2016 • Rent and service charge policy agreed by Exec December 2019 and recommended to Council in January 2020 • Rent account information • Housing System data • Supported housing service data
<p>In assessing the potential impact on people, are there any overall comments that you would like to make?</p>	<p>Approval to increase rents by CPI + 1% for 5 years from 2020/21 required a revision of HRA Budget plans priorities. The HRA Business Plan was agreed at the December 2019 Executive Meeting.</p> <p>The average rent increase for 2022/2023 is (Adjusted Limited Basic 2021) + 1.0% (General stock) and + 1.0 % (LSSO stock).</p> <p>When calculating rents and service charges accounts, 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. This relates to 37% of homes to which a service charge applies, which are predominantly flats as well as sheltered accommodation. The Council must recover the actual cost of providing the service and service charge costs will increase with inflationary pressures and changes in usage.</p> <p>The impact of the 2022/23 rent increase and service charges is</p> <ul style="list-style-type: none"> • 306 homes or 4% receive a rent and service charge reduction; • 7,657 homes or 96% of households will receive a weekly rent and service charge increase of less than £4.06 (based on 52 weeks). •

We had 7653 general social rented properties, 36 affordable rent properties, 857 (including Walpole Court and Hobbs Court) Sheltered Accommodation and 85 LSSO as at Jan 2022. The setting of a proportion of new build lets at affordable rents will contribute positively to increasing the supply of new homes in Stevenage. All target groups will benefit given the need for affordable housing is common across all socio-economic and minority groups. The current low supply of new affordable housing and the high cost of the private rented sector in Stevenage have impacted adversely on those groups whose incomes are average or below average.

This also further supports work with people who need help to live independently at home and those at risk of homelessness, through wider housing options, continued provision of support, and financial assistance for adaptations and more homelessness preventative programmes respectively.

Any groups that are potentially disadvantaged are still expected to be able to benefit from a council property set at a social rent.

Tenants benefited from four years of rent reduction from 2016-2020 so the impact of the rent increase is mitigated partially by having to use a lower base than it would have been had there not been a mandatory rent reduction (cumulative) of 1 % between 2016-2020.

Evidence and impact assessment

Explain the potential impact and opportunities it could have for people in terms of the following characteristics, where applicable:

Age				
Positive		Negative	Unequal	The increase is applied to all properties; it is not possible to exempt any

impact		impact		impact	<p>particular groups. A proportion of tenants may see an increase in service charges in any given year. The majority of tenants who are charged for services live in flats and/or sheltered accommodation. Tenants living in sheltered housing do so because they have additional needs that require support relating to age, disability or both. The minimum age for entry into sheltered housing is 55 years and data from Northgate indicates that the proportion of tenants aged 60+ in sheltered housing, is almost three times the proportion for all tenant housing.</p> <p>In relation to flat blocks, the data indicates that there is a higher proportion of people aged 18-29 years in flat blocks compared with all SBC housing.</p> <p>For people living in independent living/flexicare schemes, in addition to basic rent and service charges, those who pay for the support/emergency response services that are not eligible for Housing benefit may see an increase in overall payment due each week .</p> <p>We currently know that COVID-19 is disproportionately of particular risk to older people and those with underlying conditions. This may result in in this age group incurring extra expenses that may affect their ability to pay rent and service charges.</p>
Please evidence the data and information you used to support this assessment				See page two and three.	
What opportunities are there to mitigate the impact?	Ongoing consultation will take place with residents in 2022/23 to establish the impact of the rent & service charge increase. Please also refer to the mitigations outlined in the socio-economic section below, most of which will also apply to this protected characteristic group.			What do you still need to find out? Include in actions (last page)	

Disability

Positive impact		Negative impact		Unequal impact	<p>The increase is applied to all properties; it is not possible to exempt any particular groups. Northgate data on tenants in relation to disability was collected a number of years ago and is not up to date. This information was also disclosed at the tenants' discretion so some tenants may not have provided it. To give some context, the data indicates that the proportion of tenants in sheltered housing declaring that they had a disability was almost double the proportion for the whole SBC tenant population.</p> <p>The proportion of tenants living in flat blocks declaring a disability was very similar to the proportion living in all properties; therefore a disproportionate impact on these tenants is not anticipated.</p>
Please evidence the data and information you used to support this assessment				See page two and three.	
What opportunities are there to promote equality and inclusion?					What do you still need to find out? Include in actions (last page)

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Gender reassignment, Marriage or civil partnership, Pregnancy & maternity, Race, Religion or belief, Sex, Sexual orientation N/A

Positive impact		Negative impact		Unequal impact	
Please evidence the data and information you used to support this assessment					
What opportunities are there to promote equality and inclusion?					What do you still need to find out? Include in actions (last page)

Socio-economic¹

e.g. low income, unemployed, homelessness, caring responsibilities, access to internet, public transport users

Positive impact	Negative impact	Unequal impact

The rent increase will be applied across all tenancies prescribed by the Work and Welfare Reform Act and in line with the current Rent Standard Direction (February 2019) regardless of circumstances. This will be applied for at least the next 3 years. Those reliant on Housing Benefit (HB) and Universal Credit (UC) Housing costs to cover their full rent and eligible service charges won't be affected by the increase in rent and service charges as their benefit award will be recalculated.

The number of bids on the new build properties let at affordable rents are similar to the number received for new build let at social rents. There is a mixture of employed and unemployed applicants. Applicants in receipt of benefits are not excluded or unfairly treated.

Those who receive services for which a service charge is made will be charged the actual cost of those services. Heating charges are exempt from HB and tenants are expected to pay this. Water charges are also exempt from HB and are set by the Water Authority. SBC collects the water charges on behalf of the Water Authority.

The COVID19 pandemic has caused

¹Although non-statutory, the council has chosen to implement the Socio-Economic Duty and so decision-makers should use their discretion to consider the impact on people with a socio-economic disadvantage.

			<p>unemployment and unstable employment. So for example we have 249 residents as at 16 December 2021 who are furloughed, on job retention or made redundant.</p> <p>Residents experiencing exceptional economic hardship who are unable to work due to a duty to self-isolate and are receiving a drop in earnings.</p>		
<p>Please evidence the data and information you used to support this assessment</p>		<p>See page two and three</p>			
<p>What opportunities are there to mitigate the impact and promote equality and inclusion?</p>	<p>The policy allows for capping of service charges, subject to any legal constraints. As a means of mitigating the impact of an increase that would cause hardship, the council may subsidise the costs.</p> <p>Rent increase information will be published on our website early February 2022 to start preparing tenants.</p> <p>The rent notification letter (to be sent out at the end of February) will offer tenants the opportunity to discuss any queries they have with staff. It will explain why the rent has increased and also explain any increase in service charges. Where a property has a number of service charges they will be fully explained, with a summary of how the weekly charge has increased overall.</p> <p>Where support charges are also included (mainly but not exclusively for sheltered and flexi care schemes) separate notifications will be sent out to these residents to ensure it is clearly set out how each element of the weekly charge is made up.</p>		<p>What do you still need to find out? Include in actions (last page)</p>		

To ensure that this is explained as clearly as possible there will be a FAQ sheet and details on the website and hard copies available for those who need them.

The policy states that the Council will have regard to the Local Housing Allowance when setting affordable rents. If affordable rents are set at this level, HB/ UC housing cost will cover the rent in full for those tenants who are entitled to the maximum amount of housing benefit. Setting at the Local Housing Allowance will also benefit tenants who are, for example on a low wage or zero hour contracts and where partial housing benefit can be paid.

For those moving into Affordable Rent (AR) properties a comprehensive affordability assessment is carried out prior to offer to ensure that the tenancy is sustainable.

The implementation of the policy in respect of AR will be kept under review by the Housing Development Executive Committee and should adverse impacts be identified this will inform future decision making in this regard.

Support provision for this group has been increased as part of an income recovery action plan, to ensure that they can pay through sustainable arrangements to maintain payments towards rent and service charges. Additional staffing resources have been secured to continue work to target and support UC cases to maximise income collection and minimise the level of arrears for this group of tenants.

We will make links to support and guidance clear on all of our communication platforms.

We will prepare staff to enable them to respond effectively and empathetically with tenants.

Other				
please feel free to consider the potential impact on people in any other contexts				
Positive impact		Negative impact		Unequal impact
Please evidence the data and information you used to support this assessment				
What opportunities are there to mitigate the impact?			What do you still need to find out? Include in actions (last page)	

What are the findings of any consultation with:

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Residents?	Planned consultation with residents during 2021/22 regarding the impact of the new rent policy was postponed to 2022/23 due to work load catch up due COVID19 over 2020 and 2021. This will be the second year of increase since the rent reduction regime was introduced and consultation will enable us to establish the impact and put in place systems to mitigate this accordingly.	Staff?	
Voluntary & community sector?		Partners?	
Other stakeholders?	<p>Housing Management Advisory Board (HMAB) was consulted in November 2019 and was supportive of the policy to charge service charges at actual costs but with the provision in the policy to cap any increases if this would cause hardship.</p> <p>In terms of affordable rents, HMAB broadly supported this policy. There are still some concerns about the affordability of such schemes and the position if tenants lost employment/were on a low wage. The rent would be covered in full for those tenants entitled to full HB/ UC housing costs due to the rent being set</p>		

at the LHA level. Also those in low paid employment may be entitled to partial HB/ UC housing costs. Thorough affordability assessments will be carried out.

Overall conclusion & future activity

Explain the **overall findings** of the assessment and **reasons for outcome (please choose one)**:

1. No inequality, inclusion issues or opportunities to further improve have been identified

2a. Adjustments made

The future viability of the HRA Business Plan will be reliant upon us being able to recover the costs of service provision where it's possible to do so.

Only a proportion of new builds will be at affordable rent in line with the revised HRA Budget plan. The proposal to offer a mix of new build rents at affordable rent levels and at social rent levels would result in additional income to the HRA over 30 years which makes a significant contribution to the sustainability of the plan and the Council's ability to build new homes and to deliver other housing priorities.

2b. Continue as planned

There are plans to build 240 social rented and 270 affordable rented houses over the 5 years of the revised Business Plan. The policy and the aim is for a 50/50 split, but due to the timing of delivery on schemes the weighting is slightly biased towards affordable, but it evens out over the whole 30 year plan.

This means that there will be a total of approximately 4% of council homes at affordable rent at the end of the 5 year period. The majority of annual lettings (i.e. of new build and re-let properties) would continue to be at a social rent level and it is estimated that after 30 years the vast majority of council property rents (an estimated 88%) will be set at the

Negative / unequal impact, barriers to inclusion or improvement opportunities identified

		social rent rate, subject to any changes in legislation or Government guidance.
	2c. Stop and remove	

Detail the actions that are needed as a result of this assessment and how they will help to remove discrimination & harassment, promote equal opportunities and / or encourage good relations :				
Action	Will this help to remove, promote and / or encourage?	Responsible officer	Deadline	How will this be embedded as business as usual?
Consultation with residents to establish the impact of the rent increase	Remove discrimination and promote equal opportunities	Elizabeth Ddamulira	March 2023	Systems will be put in place to mitigate impacts

Approved by Assistant Director (Housing and Investment) : Chris Stratford

Date: 12/01/22

Meeting Council
Portfolio Area
Date 26 January 2022



RESOLUTION TO GRANT APPROVAL FOR COUNCILLOR ABSENCE AT COUNCIL MEETINGS

SECTION 85 LOCAL GOVERNMENT ACT 1972

Author - Simon Banks | Monitoring Officer

1. PURPOSE

- 1.1. To seek Council's approval, in accordance with section 85(1) of the Local Government Act 1972 for Councillor non-attendance at in person meetings of the Council for reasons related to the ongoing Coronavirus Pandemic.

2. RECOMMENDATIONS

- 2.1. That Council approves, in accordance with Section 85 of the Local Government Act 1972, non-attendance for any Councillor unable to attend meetings in person due to the ongoing impact of the Coronavirus pandemic. The period of approval to commence from 15 December 2021 and will expire on 24 May 2022 (the day immediately before Annual Council).

3. BACKGROUND

- 3.1. Following the expiry of the “The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020 in May 2021 it has been necessary for all formal meetings of the Council (including Council, Committees and the Executive) to take place in person.
- 3.2 The challenges posed by the Coronavirus Pandemic, including the emergence of new variants which have the potential to cause a more serious level of illness (Delta) or have a greater rate of infection (Omicron), continue to evolve.
- 3.3 Whilst it is hoped that the illness caused by Covid-19 should be less severe for those who have been fully vaccinated, it is still possible for individuals to contract the virus and pass that infection on to others. There is clear evidence that many of those who have contracted Coronavirus are symptom free and unaware that they are transmitting the virus.
- 3.4 Councillors (as with all members of the public and Council officers) are currently required to self-isolate should they fall ill with Covid-19 and / or may be otherwise unable to attend at in person meetings for reasons related to potential infection with the virus (that cannot be managed by the use of face-coverings and social distancing).

4. REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

- 4.1. The recommendation at 2.1 above will allow any Councillor who is unable to attend a qualifying meeting for any coronavirus related reason before 24th May to continue to act as a Borough Councillor where they would otherwise fall foul of the six-month disqualification rule as set out in section 85 of the Local Government Act 1972.
- 4.2. Members are invited to approve non-attendance for coronavirus related issues until 24 May 2022; if there are reasons to continue approval after the May elections this will be sought as part of the annual constitutional update report so as to ensure that all members of the Council have the potential benefit of this exemption for the same period of time.

5. IMPLICATIONS

Financial Implications

- 5.1. None

Legal Implications

- 5.2. Section 85(1) of the Local Government Act 1972 provides:

... if a member of a local authority fails throughout a period of six consecutive months from the date of his last attendance to attend any meeting of the authority, he shall, unless the failure was due to some reason approved by the authority before the expiry of that period, cease to be a member of the authority.

Council is therefore permitted to give prior approval for any non-attendance for any reason connected to the effect of the ongoing coronavirus pandemic. Without this approval any Councillor unable to attend a qualifying meeting, and who would otherwise not meet the qualifying attendance requirements, will cease to be a member of this Authority.

Policy Implications

5.3. None.

Planning Implications

5.4. None.

Climate Change Implications

5.5. None.

Equalities and Diversity Implications

- 5.6. When considering proposals placed before Members it is important that they are fully aware of and have themselves rigorously considered the equalities implications of the decision that they are taking.
- 5.7. Rigorous consideration will ensure that proper appreciation of any potential impact of that decision on the Council's obligations under the Public Sector Equalities Duty. As a minimum this requires decision makers to read and carefully consider the content of any Equalities Impact Assessment (EqIA) produced by officers.
- 5.8. The Equalities Act 2010 requires the Council when exercising its functions to have due regard to the need to (a) eliminate discrimination, harassment, victimisation and other conduct prohibited under the Act; (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it and (c) foster good relations between persons who share protected characteristics under the Equality Act and persons who do not share it. The protected characteristics under the Equality Act are: age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion and belief; sex and sexual orientation.
- 5.9. If approved, the recommendation at 2.1 above will ensure that all Councillors, including those with protected characteristics and who may not be able to attend council for reasons related to the ongoing coronavirus pandemic, are able to continue to act as Members of the Council when they may otherwise be disqualified by reason of the six month rule as set out in section 85 Local Government Act 1972.

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By virtue of paragraph(s) 1 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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