

**COMMUNITY SELECT COMMITTEE
MINUTES**

Date: Thursday, 19 October 2023

Time: 6.00pm

Place: Council Chamber, Daneshill House, Danestrete, Stevenage

Present: Councillors: Sarah Mead (Chair) (Chair), Alex Farquharson (Vice-Chair) (Vice Chair), Forhad Chowdhury, Mason Humberstone, Wendy Kerby, Conor McGrath and Ellie Plater

Start / End Start Time: 6.00pm

Time: End Time: 7.31pm

1 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence were received by Councillors Julie Ashley-Wren, John Duncan, and Carolina Veres.

There were no declarations of interest.

2 MINUTES - 19 SEPTEMBER 2023

It was **RESOLVED:** That the Minutes of the Meeting of the Committee held on 19 September 2023 be approved as a true record of the proceedings and be signed by the Chair.

3 PRE-SCRUTINY POLICY DEVELOPMENT - HRA BUSINESS PLAN

The Strategic Director explained that the Housing Revenue Account (HRA) was a separate account that was primarily focused on the Stevenage Borough Council (SBC) housing stock. The HRA Business Plan set out the strategic plan on how to maintain and manage the housing stock. The Government had ended the national council housing subsidy system and introduced a new self-financing regime under the Localism Act 2012. This gave local authorities more autonomy with their housing stocks. However there was a £200m debt settlement payment made to the treasury which meant SBC had to borrow this amount. Therefore SBC needed a clear business plan, which included longer term planning of managing the debt over a 30-year period.

The first HRA Business Plan was approved in 2012 and got reviewed when there was a significant change in circumstance. There was a fundamental review in 2019. Since the policy landscape for housing has significantly changed recently, it was appropriate to review it again. For example, there was new legislation after the Grenfell tragedy, as well as damp and mould, additional requirements through the Social Housing Regulation Act, Fire Safety Act, and the Building Safety Act. Additionally, the world was changing and the cost-of-living crisis and covid had a

knock-on effect on the plan. All these factors placed a lot of demand onto SBC as a housing provider.

Due to covid the investment programmes had to be extended and a lot of the original priorities would continue. Targets from the 2019/20 plan had been met, including:

- 287 new homes since 2019 – 486 homes had been delivered.
- Implemented the Decent Homes programme.
- Implemented the Major Refurbishment contract.
- Improved compliance position.
- Improved energy performance.
- Improved how stock was managed and allocated.

There had also been a focus on improvements from tenant suggestions, such as repairs which the Community Select Committee had been focusing on this year, and were also investing in energy performance measures.

The Finance Business Partner informed Members that the government set the national rent policy and had put 4 years of rent decreases into place between 2016 and 2020. This took £225m from the 30-year plan and affected the housing association sector as well as the Council. There was also a high level of rent arrears which had a knock-on effect as SBC had to provide for more bad debt. There was constant work in place to keep arrears as low as possible. The introduction of universal credit being paid in arrears created problems as people were getting into rent arrears while waiting for their universal credit to be paid.

SBC were seeking other sources of funding, such as £17.8m grant funding for new build houses and £5.4m for decarbonisation projects. The HRA only survived on the rental income and even funded the debt repayments.

There were many unknown risks which had to be taken into account when making the plan which included:

- The current rent setting policy ran out in 2024. Rent is currently set at inflation + 1%, but this could change.
- There were no new burdens funding specifically into the HRA which meant these had to be met from existing or other new funding streams.
- The Social Housing Regulator was now charging a £68,000 fee per annum in recognition of its expanded role in regulating the new Consumer Standards.
- The inflationary pressures with very high inflation on things such as employment and supplier costs.

The Strategic Director informed Members that the rent policy position was a key risk for SBC. The delivery of new homes underpinned the plan as there was an aspiration to increase the amount of stock SBC owned as a social housing provider. Over 30 years the aim was to deliver 2250 new Council homes and so far had provided 486 with more in the design phase. The net increase in social housing would be in excess of 1000 units and took into account the right to buy.

There were also new national standards around carbon emissions and energy performance, however this also led to an increased build cost. They needed to look at the viability of the schemes such as the split of affordable rent and social rent, and

other options such as shared ownership schemes. The Strategic Director also highlighted some of the other grant opportunities including from Homes England.

The Head of Asset Management advised that they produced a revised housing asset management strategy which focused on the changes in the regulations, legislation, and policies. The key areas were:

- Safe environments for tenants
- Excellent customer experience
- Investment into climate change with the long-term net zero ambition and included objectives which didn't have funding yet.
- Compliance with new areas as well as future changes such as the Decent Homes Standard, Building Safety, and Fire Safety.
- A review around responsive repairs and voids and there was due to be a review of the caretaking service.
- A focus on clearing the backlog in terms of voids and the service review had made a number of recommendations in this regard. Once the backlog had been addressed, there needed to be a transition to a new way of working.
- Delivering the fencing repairs backlog which was a significant investment need of around £850,000 in 2024/25.
- Look at the viability and investment requirements of housing stock and the asset groups that weren't viable could be looked at as potential development opportunities.

The Head of Housing informed Members that in order to meet statutory obligations, they had to increase resource to progress the work coming out of the service reviews, consumer regulations, building safety, and fire safety. They were looking at a new tenant engagement framework which was from ground level up to Executive level. This would link into a communications plan to make sure tenants and leaseholders were kept up to date and informed. Housing Managers who did not have a housing qualification or equivalent would be put on a training programme in line with the regulators requirements.

The tenancy audit programme had started, and it was important that SBC knew their tenants and the condition of the properties. Also looking at neighbourhood management and transforming services to focus on local issues and support customers better. There were a lot of vulnerable customers that were highlighted during covid support had increased to help them. She noted that they needed to do more digital investment so staff time could be spent supporting more customers. There was also a review of the rent arrears action plan to maximise rent collection.

The Strategic Director noted that they were looking at where SBC needed to invest in terms of current and new properties. There was a tight timeline, and they were remodelling the finances and looking at priorities to create a balanced package. He noted they were interested to hear the views of the Committee before it went to the Executive. He then gave a brief overview of the timeline for the report which was:

- 15th November – HRA Review Report to the Executive
- 13th December – HRA Draft Budget and Rent Setting to the Executive
- 17th January – HRA Final Budget and Rent Setting 2024/25 to the Executive.

- 24th January – HRA Final Budget and Rent Setting 2024/25 to Full Council

Some Members asked a series of questions relating to repairs. In response to these questions, the Strategic Director advised that:

- It was positive that SBC had a greater control around the HRA.
- Certain repairs would be looked at in more detail in the future once the government came forward with and updated Decent Home Standards.
- They were looking to improve case management and deal with the backlog of certain types of repairs.
- The challenge was choosing where to prioritise the spend.
- Even though there was a borrowing requirement, it could only go to a certain level.
- The prioritisation around fencing repairs comes from a health and safety angle. Where repairs could be done, they would be, but the programme was about significant, if not full, replacements.
- Previously SBC didn't have the resources in the HRA to deal with everything that we do now, but there were more burdens placed on SBC with the new regulations.

The Head of Housing also advised that they were looking at how to improve flat block inspections to include tenants and leaseholders feedback. The Head of Housing Asset Management added that the next phase was to deal with the final stages of the fencing backlog. The programme had no expected delays, but reminded Members that while they were delivering the backlog, they were also getting more fencing repairs through.

A Member asked how we reached the net zero target if we didn't decarbonise older properties. The Strategic Director advised that the government were reviewing policies in relation to net zero. SBC were having to provide match funding and there was a provision in the report to meet the 2030 target of EPC rating C as a minimum. The actual cost of decarbonising the national housing stock was billions and HRAs couldn't afford to do this in their current positions. New burdens funding would be required, and they were lobbying to ensure other sources were coming forward. He added that technology wasn't keeping pace with government policies. Head of Asset Management advised that there were things they could improve such as insulation or windows, but these were bespoke to the property. He added that funding criteria under the Social Housing Decarbonisation Fund was strict as to what can be delivered and SBC had to match fund it at around 50%.

Another Member asked what SBC were doing to support local businesses and trade. The Strategic Director advised that they were looking at market engagement in particular. They used Hertfordshire and regional based builders and were using procurement power to ensure they were creating job opportunities to maximise social value. The Head of Asset Management advised that SBC were looking at the social value commitments across the whole Council to maximise what they were getting. They were working with various organisations such as the North Herts College to maximise what they were getting training wise and to bring in a lot of apprentices. The Strategic Director added that currently 30 people secured jobs and

170 were going through training and SBC wanted to further grow this.

The Chair asked the Strategic Director to RAG the report and he indicated Green at the current time. He highlighted that the Council was still waiting for clarity from the Government on Decent Homes 2, Housing Consumer Standards, and Future Rent Policy and therefore it was likely that the plan would need to be reviewed in the next financial year once the guidance was made available. SBC were in a strong position with what was being put forward in the HRA Business Plan. The next review wouldn't be as in depth but would adjust to the regulation changes and the known unknowns. He added that the biggest area that couldn't be met right now was the decarbonisation ambitions, but this was the case across the entire housing sector.

A few Members asked questions in relation to rent arrears. The Strategic Director advised that they were uplifting the bad debt provision as they still had a number of tenants that needed to transfer onto universal credit. Tenants in arrears that are on universal credit account for 71% of the total arrears and they had seen higher levels of debt for people transferring onto universal credit. SBC was looking at additional resources and putting funding into debt and welfare benefit advice and support as they had seen an increase in demand. The Finance Business Partner advised that writing off debt was the last resort, and they try to avoid doing this as much as possible. When SBC provided for bad debt, they look at a certain percentage of the rent debit that they believe they won't get back and was based on past figures. If bad debts went down it freed up more money in the HRA that could be used, but if arrears went up then more money had to be put aside. The Strategic Director added that many registered providers were reducing the amount spent on new builds to offset the cost of maintaining their current stock. He was confident they would develop a balanced plan of new builds and maintaining the current stock.

A Member asked a question in relation to funding schemes and the Strategic Director advised that the position of funding may change due to priorities changing dependent on Government policies. SBC were bidding on funding available and were successful in getting some grants. The new Government policy set expectations on what they wanted which created new burdens, but the funding didn't align with this. They were reviewing their policy on how to fund commitments as the implications on SBC as a housing provider was significant as it was the most regulated service.

The Chair thanked all Officers for their contribution to the meeting.

4 **REPAIRS REVIEW MAPPING DOCUMENT**

The Chair introduced the document and reminded Members that the scope had been agreed in the July Community Select Committee meeting and since then they had interviewed the Portfolio Holder and Officers, as well as Members completing a site visit. She noted that there wasn't a current policy or standards and suggested this should be picked up as part of policy development. She added that she was impressed at how many repairs had taken place. The Assistant Director (Building Safety and Housing Property Services) advised that she could share the findings from the external Ridge review of the repairs service at the next Community Select Committee meeting.

The Chair made some comments on the review which included:

- There were instances where jobs had been referred incorrectly to the wrong teams.
- The site visit identified jobs that were booked in, but operatives were not present due to things such as being on holiday or off sick.
- The investment and the repairs teams needed to work in close collaboration and suggested a better triage system be put in place to streamline the process. She noted that it was positive that customers could upload images of repairs being reported and that better assessment should take place at this stage of the process. She noticed some barriers between the teams and suggested relationships should be improved.
- There needed to be more training for CSC Officers and checklists should be developed of what to ask the tenant to ensure they understood the original request.
- The communication they observed with tenants was excellent.
- There were some appointments arranged when tenants weren't there. The correct phone number needed to be provided with the original repair request. She suggested that if there were multiple failures to attend appointments then there should be a charge.
- She recommended that the repairs service should be a focus within community engagement, so people understood the implications of not being available when the operatives call/miss appointments and the impact this had on the service.
- More concrete policies should be required.

Members thanked the team for their response to the review and the improved changes taking place already.

The Assistant Director (Building Safety and Housing Property Services) advised that they had already picked up on some of the key issues such as the need for clear policies and processes as well as better communications between teams. She highlighted the positive things happening within the repair services but acknowledged that there were areas of improvement needed and they were focusing on these.

The Chair asked whether there were different processes for repairs compared to replacements. The Assistant Director (Building Safety and Housing Property Services) advised that the repairs team determined what was a repair or a replacement in consultation with the investment team, but the customer shouldn't have a difference experience.

5 **URGENT PART 1 BUSINESS**

There was none.

6 **EXCLUSION OF PUBLIC AND PRESS**

Not required.

7 **URGENT PART II BUSINESS**

There was none.

CHAIR