

## 2024/25 HRA Budget Growth Items

Service Area	Budget pressure 2024/25 £	Ongoing £	Narrative
<b>Housing Management:</b>			
	144,050	246,940	<p>In response to the Social Housing White Paper (SHWP) and in preparation of evidencing compliance with the Social Housing Regulation Act 2023 and revised consumer standards, the Council has undertaken a self-assessment against the Housing Quality Networks' SHWP self-assessment tool.</p> <p>From this, officers have produced a 12-18 month action plan to ensure that all the requirements and obligations as a social housing landlord are met and to be assured of the Council's ability to deliver services for the future.</p> <p>Officers have also gained valuable insights from the results of the Tenant Satisfaction Perception Measures, which the Council is obligated to collect and submit on an annual basis to the Regulator of Social Housing. Furthermore, officers have used analysis of complaints to inform how effectively residents feel services are being delivered.</p> <p>Service reviews have also been undertaken by individual services such as Repairs and Maintenance, Damp and Mould, Voids and Caretaking.</p> <p>From these methods, officers have identified 5 key workstreams that sit under a Housing Transformation Programme;</p> <ul style="list-style-type: none"> <li>• Fair Resident Access</li> <li>• Housing ICT &amp; Systems Roadmap</li> <li>• Repairs &amp; Maintenance</li> <li>• Damp, Mould &amp; Condensation</li> <li>• Voids</li> </ul> <p>Key areas for improvement are identified in the following table.</p>

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			<p>The housing team has recruited an interim Special Projects Officer who has undertaken the SHWP self-assessment and has implemented an action plan based on compliance with the Consumer Standards. To ensure the Council can affect the necessary service improvements it is important to develop a Housing Business Insight and Performance Unit that will be responsible for leading on the cross-cutting elements of service and IT improvements as well as providing oversight and assurance that the Council is compliant with the new regulatory framework and the expectations set by the Regulator of Social Housing. The plan is to recruit a Business Insight and Performance Manager to replace the interim arrangements who can deliver the Fair Access and Housing IT Roadmap transformation strands and successful Resident Engagement on the back of the draft Resident Engagement Strategy. It is foreseen that this post will also develop and embed a strong performance culture and help service leads use data and customer feedback to facilitate enhanced and improved service delivery. The post holder will manage the current Business Improvement Officers, Housing IT staff, the proposed Data Manager and the proposed Resident Engagement posts.</p> <p>Through the Housing ICT and Roadmap transformation workstream officers have mapped an intricate network of systems and applications linked to the main housing management system. The way that the Council processes and holds tenant related data needs to be refined to ensure its accuracy, relevance and accessibility. The plan is to recruit a Data Manager to ensure that tenant and property data is accurate, validated and stored appropriately and can be used to provide insight and reporting as well as inform tenant preferences. A key deliverable is the migration of the housing management system to the cloud, with new modules, digitalisation, mobile working and integrations necessary to support the improvements identified through individual service reviews. Without this internal resource the Council will be unable to successfully develop and implement systems improvements to support services and tenant accessibility and may have to request future growth for external providers to provide this specialist support.</p> <p>The Council currently delivers the majority of resident engagement activities through the co-operative neighbourhood model. Community Development Officers do not have the capacity to deliver the key aims and commitments identified within the draft Resident Engagement Strategy, which Cabinet will be</p>

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			<p>asked to approve on the 24<sup>th</sup> July 2024. This will be an area of focus for the Regulator of Social Housing when the Council is inspected in September 2024 and officers will need to demonstrate that the Council is compliant with the Transparency, Influence and Accountability Standard that came into effect on the 1<sup>st</sup> April 2024. Tenant satisfaction measure responses make it clear that tenants want to be kept more informed and that the Council can demonstrate that it listens and acts on what they say.</p> <p>To provide assurances that the Council is working towards a deeper and broader level of engagement specific to the delivery of the housing service, that the Council is providing formal opportunities to scrutinise services and that officers are keeping tenants informed and communicating with them effectively, the proposal is to introduce two new posts. A Resident Engagement Officer and a Resident Engagement Co-ordinator will be recruited to deliver the strategy as well as oversee the Councils statutory obligations in relation to the Tenant Satisfaction Perception Survey and data measures.</p> <p>Officers will recruit to the four identified posts throughout Q3 2024 and have them embedded by the end of Q4 2024.</p> <p><b>Breakdown of proposed resources</b></p> <table data-bbox="696 954 1727 1299"> <thead> <tr> <th></th> <th style="text-align: right;">2024/25 £</th> <th style="text-align: right;">Ongoing £</th> </tr> </thead> <tbody> <tr> <td colspan="3"><b>New Posts re Regulatory Demands</b></td> </tr> <tr> <td>Resident Engagement Officer - Grd 8</td> <td style="text-align: right;">33,400</td> <td style="text-align: right;">57,250</td> </tr> <tr> <td>Resident Engagement Co-ordinator - Grd 3</td> <td style="text-align: right;">18,580</td> <td style="text-align: right;">31,850</td> </tr> <tr> <td>Housing Performance and Insight Manager - Grd 11</td> <td style="text-align: right;">41,330</td> <td style="text-align: right;">70,850</td> </tr> <tr> <td>Housing Data Manager - Grd 6</td> <td style="text-align: right;">26,730</td> <td style="text-align: right;">45,830</td> </tr> <tr> <td>Oncost at 20%</td> <td style="text-align: right;">24,010</td> <td style="text-align: right;">41,160</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;"><b>144,050</b></td> <td style="text-align: right; border-top: 1px solid black;"><b>246,940</b></td> </tr> </tbody> </table>		2024/25 £	Ongoing £	<b>New Posts re Regulatory Demands</b>			Resident Engagement Officer - Grd 8	33,400	57,250	Resident Engagement Co-ordinator - Grd 3	18,580	31,850	Housing Performance and Insight Manager - Grd 11	41,330	70,850	Housing Data Manager - Grd 6	26,730	45,830	Oncost at 20%	24,010	41,160		<b>144,050</b>	<b>246,940</b>
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<b>Repairs and Voids:</b>													
- Specialist Support contractors	500,000	500,000	<p data-bbox="788 379 2011 555">During 2023/24 the Council experienced a significant increase in demand for roofing and fencing repairs that were carried forward into 2024/25. Also the enhanced budget of £500k, approved in 2023/24 to manage damp and mould cases, was fully spent. With the current caseload remaining high it is expected that the approved budget of £250k for 2024/25 will not meet the demand and additional budget will be required.</p> <p data-bbox="788 596 2018 695">In total an additional £500K of resources are required to cover the cost of these jobs as the current budget provision for 2024/25 is insufficient. A breakdown of the jobs and associated pressures can be seen below:</p> <table border="1" data-bbox="788 735 1285 922"> <thead> <tr> <th data-bbox="788 735 1077 775">Repair Type</th> <th data-bbox="1077 735 1285 775">Pressure (£)</th> </tr> </thead> <tbody> <tr> <td data-bbox="788 775 1077 810">Roofing</td> <td data-bbox="1077 775 1285 810">250,000</td> </tr> <tr> <td data-bbox="788 810 1077 845">Damp and Mould</td> <td data-bbox="1077 810 1285 845">125,000</td> </tr> <tr> <td data-bbox="788 845 1077 880">Fencing</td> <td data-bbox="1077 845 1285 880">125,000</td> </tr> <tr> <td data-bbox="788 880 1077 922"><b>Total</b></td> <td data-bbox="1077 880 1285 922"><b>500,000</b></td> </tr> </tbody> </table> <p data-bbox="788 963 2011 1098">The Council appointed additional interim specialist contractors to undertake the necessary works during quarter 4 of 2023/24, pending the completion of a new Repairs and Void Contractor Framework being procured during 2024/25. This is currently in progress with the contract award included on the Forward Plan for the Cabinet meeting in September 2024.</p> <p data-bbox="788 1139 2018 1278">It is considered prudent to assume that, based on recent figures, additional budget in this area will be required in future years. Demand for specialist repairs will be monitored during this financial year and future pressures will be incorporated in the revision of the HRA Business Plan, which will be presented to the Cabinet in November 2024.</p> <p data-bbox="788 1319 1995 1385">A pilot cyclical programme of gutter clearances/repairs is due to commence in Q2 which aims to prevent and/or minimise the incidence of future repairs arising from leaking or blocked gutters</p>	Repair Type	Pressure (£)	Roofing	250,000	Damp and Mould	125,000	Fencing	125,000	<b>Total</b>	<b>500,000</b>
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			<p>and/or downpipes, which evidence suggests is a frequent cause of the roofing and drainage repairs being reported. The pilot will be evaluated to inform the design and implementation of a wider cyclical programme to be delivered from 2025/26 onwards. If successful, the Council would expect to see reduced repair volumes and therefore reduced budget requirement for specialist contractors beyond 2025/26.</p> <p>Whilst funding had been included in the 204/25 HRA budget to clear the historic backlog of fencing repairs, there is a budget pressure arising from newly reported repairs over the last two quarters, for which contractor support is also needed to enable these to be managed effectively.</p> <p>A Fencing Policy has been drafted as part of a new Repairs and Maintenance Policy that the Cabinet will consider alongside this report. Once the policy is considered and approved, taking into account feedback from tenants, the demand on the service and budget pressures arising from fencing related repairs can be better managed and reduced in future years.</p>
- Staffing resources	375,000	95,000	<p>Both a Member led and separate independent review of the Council's Housing Repairs and Voids Service were completed in 2023/24. The reviews identified the need to increase staffing capacity and skills to help drive forward required service improvements. Improvement Plans have been put in place in response to the reviews, to:</p> <ul style="list-style-type: none"> <li>• Increase service resilience and flexibility, where teams can respond to fluctuating service demands.</li> <li>• Ensure high levels of customer satisfaction, driven by consistently delivering against legal obligations and/or published service standards.</li> <li>• Make better use of resources through increased productivity and improved VFM in contract management.</li> <li>• Enable greater collaborative working and joined up services.</li> <li>• Ensure services are easy to deal with, including improving the Council's on-line repairs service offer, with timely and effective communications with customers.</li> </ul>

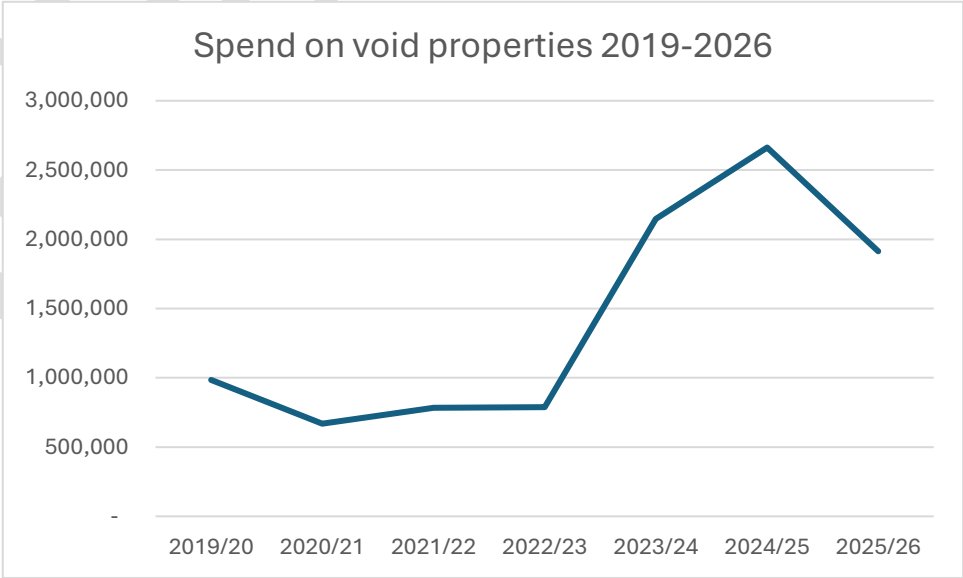
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			<ul style="list-style-type: none"> <li>Improve budget forecasting and increase the Council's ability to generate future efficiencies/savings for the Housing Revenue Account.</li> </ul> <p>The plans include the need to make some key staffing changes which, overall, would see a net increase of 3 FTE staff. There are 6 proposed new roles with 3 existing roles to be deleted and a further 5 to be amended to reflect updated responsibilities. At this stage Officers do not expect any redundancies arising from the implementation of the staffing proposals.</p> <p>The required new roles include:</p> <table border="1" data-bbox="790 662 1825 1212"> <thead> <tr> <th data-bbox="790 662 1041 699">Position</th> <th data-bbox="1041 662 1825 699">Role Purpose</th> </tr> </thead> <tbody> <tr> <td data-bbox="790 699 1041 810">Procurement Manager</td> <td data-bbox="1041 699 1825 810">To lead on and/or support procurement processes within the wider Building Safety and Housing Property Services Business Unit</td> </tr> <tr> <td data-bbox="790 810 1041 882">Senior Planner</td> <td data-bbox="1041 810 1825 882">To support the Repairs Manager with the delivery of the in-house repairs service including leading the Planning team.</td> </tr> <tr> <td data-bbox="790 882 1041 994">Disrepair and Damp and Mould Manager</td> <td data-bbox="1041 882 1825 994">To lead a combined team responsible for managing disrepair claims and addressing damp and mould issues within the housing stock in line with the D &amp; M Policy.</td> </tr> <tr> <td data-bbox="790 994 1041 1106">Disrepair Lead Surveyor</td> <td data-bbox="1041 994 1825 1106">To assess and manage disrepair claims in line with relevant legal protocols and Council Policies and provide support for and day to day supervision of the Disrepair Surveyor.</td> </tr> <tr> <td data-bbox="790 1106 1041 1212">Void Surveyor (x2)</td> <td data-bbox="1041 1106 1825 1212">To scope works required to void properties and once completed ensure that on handover they meet the Lettable Standard.</td> </tr> </tbody> </table> <p>The proposed staffing changes will:</p> <ul style="list-style-type: none"> <li>Improve efficiency and resilience – through combining teams which have synergies/crossover in caseloads.</li> </ul>	Position	Role Purpose	Procurement Manager	To lead on and/or support procurement processes within the wider Building Safety and Housing Property Services Business Unit	Senior Planner	To support the Repairs Manager with the delivery of the in-house repairs service including leading the Planning team.	Disrepair and Damp and Mould Manager	To lead a combined team responsible for managing disrepair claims and addressing damp and mould issues within the housing stock in line with the D & M Policy.	Disrepair Lead Surveyor	To assess and manage disrepair claims in line with relevant legal protocols and Council Policies and provide support for and day to day supervision of the Disrepair Surveyor.	Void Surveyor (x2)	To scope works required to void properties and once completed ensure that on handover they meet the Lettable Standard.
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			<ul style="list-style-type: none"> <li>• Increase customer satisfaction and reduce complaints through increasing the number of jobs fixed right, first time.</li> <li>• Increase management capacity and capability to move to a more proactive service approach and deliver greater service stability and flexibility.</li> <li>• Manage and/or avoid disrepair claims and the associated financial impacts = savings.</li> <li>• Provide foundations to deliver a high performing service and identify efficiency and other savings.</li> </ul> <p>The budget pressure in 2024/25 is much higher than the ongoing budget pressure arising from the proposed changes to the staffing establishment because there are currently a significant number of roles within the service being covered by agency staff. This has been partly driven by:</p> <ul style="list-style-type: none"> <li>- the need to bring stability, particularly in management of the service.</li> <li>- to temporarily boost staffing resources in key areas to help clear specialist repairs including – roofing, complaints, fencing, voids.</li> <li>- to test out some of the proposals for change prior to permanent implementation</li> </ul> <p>The plan is to recruit to the vacant and agency filled roles (new and existing) with a view to having a permanent staffing establishment in place by end of October or as soon as possible thereafter. This will mitigate against an additional budget pressure arising in 2024/25 as the current financial assumptions do not provide for agency appointments to continue beyond the end of Q2 2024/25. The potential cost of any delays in implementation beyond October 2024 would be up to £41k per month based on current agency staffing costs.</p>
- Works to empty properties	1,285,000	750,000	<p>In February 2023 a principal contractor was appointed through an existing major repairs contract to clear a voids backlog of 123 properties that had built up in the latter part of 2022/23, due to a lack of capacity within the in-house voids team to manage the demand on the service.</p> <p>452 voids were completed in 2023/24 of which 359 were completed by the principal contractor.</p>

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			<p>A breakdown of void type can be seen below:</p> <table border="1" data-bbox="790 411 1377 598"> <thead> <tr> <th>Property Type</th> <th>Volume</th> </tr> </thead> <tbody> <tr> <td>General Needs</td> <td>258</td> </tr> <tr> <td>Independent Living</td> <td>109</td> </tr> <tr> <td>Temporary Accommodation</td> <td>85</td> </tr> <tr> <td>Total</td> <td>452</td> </tr> </tbody> </table> <p>39 of the above TA voids required a visual electrical check only. Since Q3 of 2023/24 these types of TA void have been managed directly by the TA team.</p> <p>During December 2023 the Council moved to a multiple contractor approach, with a view to further improve turnaround times. As a result, the principal contractor was fully demobilised by the end of March 2024.</p> <p>The multiple contractors were appointed on an interim basis, pending completion of a fully compliant procurement process to appoint support contractors for the Repairs and Voids service. The related contract award is on the Forward Plan for Cabinet in September.</p> <p>The average cost of voids works per property undertaken by the principal contractor during 2023/24 was £6.6k, inclusive of capital works which represented on average 25% of total spend.</p> <p>During Q1 of 2024/25 an analysis of 114 voids handed by contractors has identified that the overall average cost per void remains high despite more competitive pricing with the multiple contractor model – this is illustrated in the table below:</p>	Property Type	Volume	General Needs	258	Independent Living	109	Temporary Accommodation	85	Total	452
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			<p>Notes:</p> <ol style="list-style-type: none"> <li data-bbox="835 1270 1675 1302">1. Assumed average run rate of voids = 7.5 per week based on Q1.</li> <li data-bbox="835 1302 1727 1334">2. Average cost based on sample of 114 voids completed in Q1 above.</li> <li data-bbox="835 1334 1980 1366">3. The assumed % split between capital and revenue is based on actual spend in 2023/24.</li> </ol>																											

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			<p>4. The actual number of voids and average costs are not predictable and could be higher or lower – for example no allowance has been made in the calculations for increased transfers due to new build completions.</p> <p>5. We will be reviewing the lettable standard during 2024/25 as part of the implementation of the void’s improvement plan which along with other proposed actions should help contain costs and improve turnaround times.</p> <p>6. It is assumed at this stage that any additional budget required for capital spend on voids can be accommodated through a virement within the approved HRA capital programme.</p> <p>The spend in 2023/24 and forecast spend in 2024/25 is consistently high compared to previous years as illustrated by the graph below:</p>  <table border="1" data-bbox="931 770 1890 1350"> <caption>Spend on void properties 2019-2026</caption> <thead> <tr> <th>Year</th> <th>Spend (£)</th> </tr> </thead> <tbody> <tr> <td>2019/20</td> <td>1,000,000</td> </tr> <tr> <td>2020/21</td> <td>650,000</td> </tr> <tr> <td>2021/22</td> <td>800,000</td> </tr> <tr> <td>2022/23</td> <td>800,000</td> </tr> <tr> <td>2023/24</td> <td>2,100,000</td> </tr> <tr> <td>2024/25</td> <td>2,650,000</td> </tr> <tr> <td>2025/26</td> <td>1,900,000</td> </tr> </tbody> </table>	Year	Spend (£)	2019/20	1,000,000	2020/21	650,000	2021/22	800,000	2022/23	800,000	2023/24	2,100,000	2024/25	2,650,000	2025/26	1,900,000
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			<p>Note: For 2024/25 and 2025/26 this is based on forecast spend.</p> <p>Prior to the pandemic the average cost per void was tracking at around £2.5-£3k.</p> <p>Whilst more analysis is being undertaken the key drivers of the increased spend on voids are as follows:</p> <ul style="list-style-type: none"> <li>- Inflation – construction cost inflation is measured through the Building Cost Information Index (BCIS) rather than CPI and tracks contractors pricing levels in accepted tenders. Generally, BCIS is above both CPI and RPI. Demand is the primary motivator for pricing and with increased investment and more competition in the sector this has led to an upward pressure on prices. Labour and material costs also influence tender prices, and a shortage of skilled workers will remain one of the inflationary drivers in 2024.</li> <li>- Condition of properties – in general the works required to meet the Lettable Standard are more significant than they have been in the pre-pandemic years, due to a range of factors including demographics, with Stevenage having a higher proportion of older people compared to the national and county average and also the ageing nature of the stock.</li> <li>- Volume of properties becoming void – a high proportion of voids are linked to tenants transferring within our stock. This churn and chain moves generated can be positive where it helps meet housing need – for example enabling older people to downsize to more suitable properties and free up family sized homes for those in housing need including families living in overcrowded conditions, but at same time the chain moves generated come at a cost particularly where the vacated property needs significant works to meet the Lettable Standard. With new build schemes in the current pipeline, for example Kenilworth Close, the Council would also expect to generate further internal transfers. However, understanding the reason for other moves and how the Council can ensure that properties are left in a lettable condition will be an area of focus within the Voids Improvement project – for example tenancy audits and pre-termination visits will be used to remind tenants of their obligations under their Tenancy Agreement.</li> </ul>

Service Area	Budget pressure 2024/25 £	Ongoing £	Narrative
			<p>- Anecdotally, we understand that many other local authorities have also experienced a significant increase in average void costs. We will be undertaking some benchmarking in 2024/25 as part of the review of the Lettable Standard which will be brought to Cabinet later in the year.</p> <p>To mitigate the risk of future backlogs and minimise the time taken to relet properties, a sustainable future voids delivery model needs to be agreed and implemented. This will be based on a blended approach of an in-house team with contractor support. It is therefore assumed at this stage that the budget pressure in future years can be managed downwards but the key assumption will be reviewed and updated for inclusion in the future voids delivery model and the HRA Business Plan reports, to be presented to Cabinet in the Autumn.</p> <p>A detailed proposal with financial modelling will be set out in the report on the future delivery model for voids to Cabinet in October, alongside the HRA Business Plan revision, and it is expected that this will not only provide a resilient and more efficient delivery model but improved Value for Money for tenants. However, given some of the drivers of the costs, it is prudent to assume that costs will be sustained at a much higher level than the base budget from previous years.</p>
- Disrepair claims	£130,000	£130,000	<p>Housing disrepair claims allow tenants to take legal action against their landlord to get repairs done and/or receive compensation.</p> <p>The disrepair pressure seen in 2024/25 is due to several historic cases that are still being worked through from previous financial years.</p> <p>The staffing proposals referenced above aim to mitigate the risk of ongoing cost pressures in relation to disrepair claims through a more proactive and preventative approach and also ensuring that the recently updated processes are followed to enhance prospects of successfully defending future claims.</p>

Service Area	Budget pressure 2024/25 £	Ongoing £	Narrative
			<p>Whilst at this stage officers cannot rule out that this will be an ongoing cost pressure, not least because of the implications of Awaab's Law (once enacted), officers expect to be able to reduce if not fully eliminate associated costs in future years because of the actions taken to date and those planned to mitigate this risk.</p> <p>SBC has had very low costs in this area, but the new operating environment and legislation is likely to require a higher ongoing budget resource and enhanced case management to minimise future cases</p>
<b>TOTALS</b>	<b>2,290,000</b>	<b>1,475,000</b>	