

# EXECUTIVE

8<sup>th</sup> September 2020

## HOUSING STRATEGIC IMPROVEMENT/ACTION PLAN – PROGRESS REPORT

Relevant Portfolio Holder	Cllr Craig Warhurst
Portfolio Holder Consulted	Yes
Relevant Head of Service	Sue Hanley, Deputy Chief Executive
Wards Affected	ALL
Non-Key Decision - Yes	

### **1. SUMMARY OF PROPOSALS**

This report to Executive Committee provides a further progress report two years into the approved three year Housing Strategic Improvement Plan.

### **2. RECOMMENDATIONS**

The Executive Committee are asked to resolve:

- 2.1 Executive consider the content of the report and endorse the progress reports detailed in the Improvement Plan (Appendix 1).**
- 2.2 That Executive agree that authority be delegated to the relevant Head(s) of Service for the revision/amendment and creation of new housing policies to ensure compliance with revised legislation and working practices/procedures, with the exception of any policy where there is a discretion or fundamental change in policy. All revisions/amendments to be undertaken following consultation with the Portfolio Holder Housing & Procurement.**

### **3. KEY ISSUES**

#### **3.1 Financial Implications**

3.1.1 There are no new financial implications as a result of the Improvement Plan however the current pandemic 'Covid 19' has had a profound financial impact on the Housing Revenue Account.

3.1.2 The Medium Term Financial Plan for the Housing Revenue Account 2020/21 to 2023/24 was endorsed by Council on the 24<sup>th</sup> February 2020.

- 3.1.3 Details of the actions required in both the short and medium term are contained within Section 2 of the Improvement Plan.
- 3.1.4 For 2019/20 the HRA outturn was a balanced position. £144k less reserves were used than was budgeted for. This was driven by an increase in the amount of interest received, vacancies in supervision and management and higher rental income than was predicted. These more than offset the overspend in repairs and maintenance and depreciation charges which were driven by an increase in property values. As part of budget setting for 2020/21 a four year budget was approved at Council on the 24<sup>th</sup> February 2020. This is currently being reviewed in light of the impact of Covid and a new three year budget is currently being developed which it is anticipated will be completed by the end of November in time for rent setting.
- 3.1.5 In light of the Covid pandemic monthly returns have been submitted to Government to report the income losses that are projected across the Council. A figure of £2M has been included in terms of projected income lost as a result of an increase in tenants moving to Universal Credit and the potential loss in rental income for the year for the HRA.
- 3.1.6 Whilst the 30 year business plan will be fully reviewed and prepared, priority is being given to the preparation and delivery of our financial recovery plan for the HRA as a result of the ongoing pandemic.
- 3.1.7 The collection of income from rents of £23.7M per annum is fundamental to the stability of the Housing Revenue Account as is the proactive management of rent arrears. Council has agreed to a new software system, which is currently being procured to enable the team to manage arrears more effectively.
- 3.1.8 In March 2020 rent arrears were being maintained at approximately 3% of the total annual rent debit, however during April 2020 there was a 'sevenfold' increase in Universal Credit claims due to lockdown, furlough, the self-employed being unable to work, alongside many tenants experiencing redundancy. We anticipate that there will be further impacts in relation to redundancy numbers, and financial hardship experienced by many families during the remainder of the financial year.
- 3.1.9 Universal Credit is ordinarily challenging to manage, however the total value of arrears debt where the method of payment is Universal Credit rose from 50% to 60%. In response to the Coronavirus Act 2020 directing all landlords to shift the focus from enforcement to financial support to tenants, our response has been proactive and supportive of our tenants:-
- The Housing Services team were reorganised to provide additional capacity and to focus on early intervention and financial support.

- Strong collaboration with Customer Services and Revenues and Benefits to maximise payments, minimise escalation of low level arrears and referral to specialist benefit advisors in complex cases.
- Council have recently approved the business case to purchase analytical caseloads where 'technical' arrears present and supporting those cases requiring intensive weekly intervention. We are currently procuring the system.
- The initial reorganisation of staff/ teams was not as effective as originally anticipated so a specialist rent team with one dedicated team leader has been established over the last eight weeks and is now achieving a positive effect on performance.
- As of the beginning of August 2020 rent arrears were £1.2M.
- Arrears as a percentage of the rent debit has continued to rise from 3.5% when reporting began at the start of April 2020 to 5.22% as at 10<sup>th</sup> August 2020.

### **3.2 Legal Implications**

- 3.2.1 The Council operates as a social landlord and is therefore required to comply with corporate policies, financial regulations, contract procedure rules, statutory returns and regulatory standards set by the Government.
- 3.2.2 There are a significant number of our housing policies which require amendment alongside recommended new policies as we implement our improvement programme, the new housing management system and revised ways of working.
- 3.2.3 Authority is sought for the relevant Head(s) of Service to have delegated authority to amend/update or create such policies in order to meet our legislative duties and new working arrangements in consultation with the Portfolio Holder. Anything where there is a discretion or fundamental change in policy will be duly brought to Executive/Council as required for Member consideration.

### **3.3 Background Information**

- 3.3.1 Members of the Executive Committee originally endorsed a three year Strategic Improvement/Action Plan in September 2018 (2018-2021).
- 3.3.2 This report and updated plan provides Members with a comprehensive update and overview to date on all aspects of the plan, two years into our three year plan.

3.3.3 The pandemic (Covid 19) has wrought profound impacts across all aspects of housing services and of course Council services delivered in Redditch. Our tenants and communities have been faced with unprecedented challenges and in many instances have relied greatly upon us as a landlord. Our managers, staff and teams have responded in a positive, proactive way. Despite the many challenges, emergency and essential services have been maintained alongside key front line services wherever possible, albeit by different and revised ways of working and delivery.

3.3.4 Whilst inevitably there has been a need to prioritise and revise our plans, including the Improvement Plan, we have remained focused on our fundamental purpose(s) and priorities, established and endorsed by members right from the outset of our improvement journey:-

- Key delivery towards our Strategic Purposes and predominantly “Finding Somewhere to Live”.
- Focus on making sure our tenants are safe (Compliance).
- Reduce the time our properties remain empty so we can allocate them to provide homes (Voids).
- Ensure repairs and maintenance is done quickly to a good standard, first time, to provide good homes (Repairs & Maintenance).
- Ensure tenants are housed in appropriate properties (Allocations).
- Deliver excellence in managing and supporting tenants (Tenancy/ Locality).
- Support and protect those most vulnerable (Homelessness).
- Engage and listen to our tenants.
- Rebalance the landlord/tenant relationship – the right balance of independence rights and responsibilities.

3.3.5 Not every aspect of the Improvement Plan is referred to in this covering report however the key issues/components are highlighted including significant actions which have, by necessity, been taken.

#### **3.4 Section 1: Corporate**

3.4.1 All actions have been delivered, however the Leadership/Management Development Programme has been delayed since February 2020 and is due to be launched September/October 2020 by an external provider.

3.4.2 The Cultural Change Programme is to be reviewed by the Corporate Management Team in August 2020 to incorporate the learning and revised ways of working over the last five months and build on the major programme undertaken throughout the whole organisation.

**3.5 Section 4: Voids**

3.5.1 The improvement plan sets out all of the elements and actions taken in reviewing and improving voids processes to improve performance and turnaround times.

3.5.2 The following actions have been taken to ensure momentum has been maintained:-

- A comprehensive analysis of voids was undertaken in January 2020 with the remapping of processes to further reduce void costs, rent loss and address increasing costs of providing temporary accommodation.
- A new workflow was created for ending tenancies, including a channel shift for tenants to submit Notice to Quit for dwellings and garages online. This was not only as a response to lockdown but also to instil control and compliance with all the necessary legal aspects of property terminations.
- During the early stages of lockdown our all round void performance was significantly improved with revised arrangements and an ability to address waiting times.
- Whilst the new housing management system will afford enhanced control over the 'end to end' void and allocation processes, we will continue to prioritise efficient void turnaround times to a quality standard, ensuring decent homes are available quickly.
- Void numbers (at 12<sup>th</sup> August 2020) have been reduced from a peak of over 120 voids to the current voids levels of 34 'in-house' and 18 larger scale capital voids.

**3.6 Section 5: Compliance/Capital Works**

3.6.1 The Improvement Plan does not reflect the significant amount of work undertaken by the teams in ensuring compliance in all aspects of delivery of our landlord services. The following updates can be provided:-

**Fire Safety Compliance**

3.6.2 The key statutory requirement is the Regulatory Reform (Fire Safety) Order 2005 (RRO) which requires Redditch Borough Council (RBC) to undertake regular assessments by a competent person of the fire safety risks of a residential block of flats.

3.6.3 The Capital & Compliance team have been carrying out new Fire Risk Assessments (FRA) of the blocks over the last 12 months along with detailed Building health checks to ensure that the integrity of the buildings are not breached.

3.6.4 The following works have been completed

- All high-risk buildings have had a new FRA completed by external consultants, with detailed health checks undertaken.
- A new fire safety policy has been drafted.
- All fire alarm systems and emergency lighting are maintained and serviced as required by legislation.

3.6.5 The following areas of work were placed on hold due to the COVID19 pandemic

- Medium and low risk FRAs were suspended and these are due to be restarted in September 2020.
- Medium & low risk health checks were suspended, and these were restarted in July 2020.
- Fire compartmentation and fire door upgrade works were suspended and are due to restart in September 2020.

Electrical Compliance

3.6.6 The key statutory requirement is the British Standard BS 7671 Requirements for Electrical Installations (also known as the IET Wiring Regulations) requiring Redditch Borough Council (RBC) to undertake regular assessments known as an Electrical Inspection Condition Report (EICR) by a competent person.

3.6.7 The Capital & Compliance team have been carrying out (EICRs) of the communal areas within blocks and domestic properties over the last 10 months, along with detailed assessments of smoke detection within the domestic properties.

3.6.8 The following work has been completed

- Of the 288 communal blocks that fall under the 5-year cycle for EICRs, we have completed 282 electrical inspections. The 6 communal areas where access is an issue are by necessity following a legal route to ensure compliance.
- A new electrical safety policy has been drafted.
- The electrical RCD protections have been upgraded in communal areas.
- 261 EICRs are satisfactory and all necessary category 1 remedial works have been completed.
- 17 communal areas within the blocks have works currently being undertaken, to ensure a satisfactory EICR is received.
- There are 5678 domestic properties that require EICRs with 3422 properties completed.

- The remaining 2256 properties have been scheduled in for the inspections with two external contractors, with surveys currently being undertaken.

3.6.9 The following areas of work were placed on hold due to COVID19 pandemic

- EICRs where the tenant has requested us not to attend.
- Asbestos removal due to location of meter which impacts on the ability to undertake an EICR.
- Areas which the council do not have access to, e.g. tenants external store cupboards.
- Upgrade of electrical systems which require access and works within tenants' flats. These works have now been scheduled to start in September 2020.
- Court injunctions for properties where we have exhausted our no access processes.

Asbestos Compliance

3.6.10 The key statutory requirement is the Control of Asbestos Regulations 2012 (CAR) which requires Redditch Borough Council (RBC) to undertake an asbestos survey to confirm locations of asbestos containing materials within communal areas.

3.6.11 The Capital & Compliance team have been carrying out Asbestos surveys within the domestic stock which may potentially disturb and Asbestos Containing Materials.

3.6.12 The following work has been completed

- 388 block surveys, and 112 re-inspections undertaken to ensure compliance.
- An internal audit report undertaken and completed.
- A new asbestos policy has been drafted.
- Asbestos awareness training delivered to all staff within the Capital, Compliance and Corporate Property teams.

3.6.13 The following areas of work were placed on hold due to COVID19 pandemic:-

- Re-inspections of domestic properties, now scheduled to restart in October 2020.
- Removal of asbestos in blocks where major works are due to start, and now rescheduled in accordance with the revised capital projects programme.
- Asbestos management surveys in domestic properties. We envisage these works to start in October 2020 and run over into next financial year.

- Asbestos awareness training for R&M, Gas and Voids teams to be completed by the end of September 2020.

**Gas Compliance**

3.6.14 The key statutory requirement is that RBC adhere to the Gas Safety (Installation and Use) Regulations 1998 (as amended) with a legal requirement for RBC to perform a gas safety check every twelve months, and to maintain the associated paperwork. The Capital & Compliance team have recently taken responsibility for the interim management arrangements to ensure compliance with gas safety.

3.6.15 The team have recently identified the need for an essential programme of work to fit (additional) flue brackets to ensure compliance with the Gas Safety Regulations. These corrective work(s) will be undertaken over the next six to eight weeks, and will be carried out by an external contractor to enable the in-house team to concentrate on the required annual gas servicing and certification. Tenants will be advised in advance of the need to undertake essential upgrade work to flues and boilers, where identified by inspection.

3.6.16 The following works have been completed,

- A new draft gas policy has been written.
- Interim operational management arrangements in place, with consultancy support to the gas engineers and Gas Supervisor.
- A review undertaken of current procedures and processes, supported by a skills evaluation, and tool box talks, to ensure all staff comply with the regulations.
- The Capital Programmes and Contracts Manager has taken up the role of Duty holder on an interim basis until the new Mechanical and Electrical Manager is in post full time.
- New registration of staff endorsed with Gas Safe, and access to the portal allowing all key staff to receive information direct from the regulator.
- Third party audits re-introduced.
- New procedures drafted to address 'no access issues'.
- Sub-contractor procured to ensure high risk works are completed when in-house labour is not available.
- New IT system being developed to manage the gas service through the new procured Asset management system (Asprey).
- A review undertaken of all gas repairs and tenant heating/hot water related issues to ensure that the reporting/recording is now logged onto the SAFFRON housing system. This will be fully implemented by 1<sup>st</sup> September 2020.

**3.7 Section 7: Repairs & Maintenance (including Voids/Gas/Electrics)**



- 3.7.1 Throughout lockdown and phased return to full business, we retained essential services at all times, including Out of Hours and emergency repairs. Gas servicing has been maintained and essential equipment and adaptation services continued.
- 3.7.2 Only essential electrical works were completed during lockdown with other non-essential works recorded for future reference and programming.
- 3.7.3 When not dealing with emergency repairs, the team have concentrated on work to void properties and external works, which reduced the overall voids numbers.
- 3.7.4 Operational Risk Assessments (RAs) including those for staff visiting tenants in their homes were completed and were compliant with government guidance and have been regularly reviewed. The RAs were also shared with our contractors.
- 3.7.5 Staff were placed on a rota, initially one week in three, moving to two weeks in three as advice changed. This was to ensure that we retained resilience in the work force. Managers and supervisors were also on an office/depot rota to support operational staff throughout. All teams have now returned to full time working.
- 3.7.6 The Stores team sourced and monitored requirement for personal protective equipment (PPE) throughout the pandemic. They have also maintained supplies of essential equipment and materials. However, materials such as glass, plastics and fencing materials were difficult to source during lockdown and still are.
- 3.7.7 We have recruited to a number of posts during the pandemic including a new Housing Property Services Manager and a Mechanical & Electrical Manager. Interviews for vacant posts were carried out part remotely via Skype and Teams.
- 3.7.8 Key points to note since October 2019:-
- In order to ensure strict financial control, weekly finance tracker meetings between Housing Property Managers and the Finance Team were implemented and strict budget limits were agreed, to help balance the 2019/20 budget.
  - The number of operational vehicles used by the in-house work force was reduced by 11. This was achieved by reducing the numbers of staff and implementing vehicle sharing on voids and E&A.
  - Operational staff numbers have been reduced through a reduction in the number of agency staff being used, Voluntary Compulsory

Redundancies, retirements and resignations. Currently our work force numbers have reduced from 54 to 37 operatives.

**3.8 Overview**

3.8.1 All of the identified areas within the Improvement Plan continue to be developed, managed and regularly reviewed and reported. The impacts of the pandemic have necessitated a review of priorities, plans and timescales to ensure we continue to deliver essential services and resume business across all areas of housing as soon as possible.

3.8.2 The Plan(s) remain focused but also flexible to ensure we deliver the necessary change and improvements, although over a longer period of time. Heads of Service, Managers and all the teams are working incredibly hard to ensure we deliver our services in an integrated way in a complex environment whilst remaining true to tenant and community focused work.

3.8.3 It is natural to focus on the areas which have experienced some delays, and there to be the necessary reassurance provided in relation to critical services. Member scrutiny and challenge is fundamental and welcomed in our improvement journey, however given that it is two years since the Improvement Plan was agreed, the following achievements and developments should be recognised:-

- We have remained focused on delivering our strategic vision and priorities.
- Strengthened leadership and management.
- Major improvement in contract and contractor management.
- Management of the Capital Programme (Stock Condition Survey).
- Health & Safety with priority given to identified essential and urgent works (compliance areas)
- Greater degrees of integrated working across the service areas.
- Major review of policies and procedures alongside revised working arrangements.
- Service reviews undertaken – Community & Housing Management, Housing Options, Housing Capital, St. David's House.
- Working towards delivery of a new integrated Housing Management IT system.
- Planned housing growth programme development, with additional stock acquired.
- New cleaning contract procured and in place for Evesham Mews, the Batchley three storey flats and Woodrow Centre.
- Improved void performance.
- Proactive response in support of tenants throughout the period of the pandemic. This includes our response to rough sleepers, homelessness and community support.

**3.9 Human Resources & Staffing Implications**

All of the management and service reviews carried out and those detailed over the next twelve months will be undertaken fully in accordance with our agreed Human Resources policies. Full consultation will be undertaken with the Trade Unions and all staff impacted by any review proposal(s).

**3.10 Customer/Equalities & Diversity Implications**

A wide range of people, groups of people and our communities are affected by current and future actions. Specifically tenants, future tenants, leaseholders, residents of the Borough and those seeking support and advice in all housing matters.

**4. RISK MANAGEMENT**

- 4.1 Risk logs are maintained and regularly reviewed at both corporate and service levels.
- 4.2 The following risks remain categorised as high risk areas for these service(s) as recently reviewed as a result of the pandemic and revised management arrangements.
- (i) Financial risks – Housing Revenue Account and General Fund – long term financial sustainability. Income recovery and debt management.
  - (ii) Failure to effectively manage housing repairs and maintenance.
  - (iii) Failure to deliver on compliance, regulatory and health and safety. Priority area identified to complete gas boiler/flue bracket rectification works.
  - (iv) Failure to manage presenting homelessness and pressure on temporary accommodation.
  - (v) Failure to manage backlogs of work.
  - (vi) Delays on delivery of the improvement programme.

**5. APPENDICES**

Appendix 1: Strategic Improvement/Action Plan – August 2020

**6. BACKGROUND PAPERS**

HRA Outturn Report January 2020

**7. AUTHOR OF REPORT**

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