

SWT Tenants Strategic Group

Monday, 25th January, 2021,
6.00 pm

**Somerset West
and Taunton**

[SWT VIRTUAL MEETING WEBCAST
LINK](#)

Members: Alex Akhigbemen (Chair), Jessie Bunn, Paul Cram,
Dennis Galpin, Kevin Hellier, Ivor Hussey, Corrine McMylor,
Livi Mongare, Cllr Mark Lithgow, Cllr Janet Lloyd and Cllr
Francesca Smith

Agenda

- | | |
|--|-----------------|
| 1. Apologies | |
| 2. Notes from previous meeting | (Pages 5 - 12) |
| 3. Directorate Report | (Pages 13 - 24) |
| 4. Property Safety Compliance Update Report | (Pages 25 - 40) |
| 5. Budget and rent setting | (Pages 41 - 66) |
| 6. A New Deal for Social Housing - White Paper Summary | (Pages 67 - 68) |
| 7. Complaints Self Assessment against Housing
Ombudsman Code | (Pages 69 - 76) |
| 8. Tenants' Strategic Group election update | (Pages 77 - 78) |
| 9. Committee members - if you cannot attend the virtual
meeting but have statements or questions that you wish
to make on any of the attached reports, please contact
Sharon Yarde. | |



**JAMES HASSETT
CHIEF EXECUTIVE**

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Following Government guidance on measures to reduce the transmission of coronavirus (COVID-19), we will be live webcasting our committee meetings and you are welcome to view and listen to the discussion. The link to each webcast will be available on the meeting webpage, but you can also access them on the [Somerset West and Taunton webcasting](#) website.

If you would like to ask a question or speak at a meeting, you will need to submit your request to a member of the Governance Team in advance of the meeting. You can request to speak at a Council meeting by emailing your full name, the agenda item and your question to the Governance Team using governance@somersetwestandtaunton.gov.uk

Any requests need to be received by 4pm on the day that provides 2 clear working days before the meeting (excluding the day of the meeting itself). For example, if the meeting is due to take place on a Tuesday, requests need to be received by 4pm on the Thursday prior to the meeting.

The Governance and Democracy Case Manager will take the details of your question or speech and will distribute them to the Committee prior to the meeting. The Chair will then invite you to speak at the beginning of the meeting under the agenda item Public Question Time, but speaking is limited to three minutes per person in an overall period of 15 minutes and you can only speak to the Committee once. If there are a group of people attending to speak about a particular item then a representative should be chosen to speak on behalf of the group.

Please see below for Temporary Measures during Coronavirus Pandemic and the changes we are making to public participation:-

Due to the Government guidance on measures to reduce the transmission of coronavirus (COVID-19), we will holding meetings in a virtual manner which will be live webcast on our website. Members of the public will still be able to register to speak and ask questions, which will then be read out by the Governance and Democracy Case Manager during Public Question Time and will be answered by the Portfolio Holder or followed up with a written response.

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For further information about the meeting, please contact the Governance and Democracy Team via email: governance@somersetwestandtaunton.gov.uk

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SWT Tenants Strategic Group - 23 November 2020 held via Zoom Video Conference

Present: Councillor Alex Akhigbemen (Chair)

Paul Cram, Kevin Hellier, Ivor Hussey, Corrine McMylor and Livi Mongare

Officers: James Barrah, Chris Brown, Ian Candlish, Bryony Cole, Shari Hallett (Housing Performance Manager), Simon Lewis, Sharon Yarde (Housing), Amy Maggs (Housing) and Tracey Meadows (Democracy and Governance)

Also Present: Councillors Lloyd and Lithgow

(The meeting commenced at 6.00 pm)

14. **Apologies**

Apologies were received from Jessie Bunn and Dennis Galpin.

15. **Notes from previous meeting**

The notes from the previous meeting on the 21 September 2020 were agreed.

16. **Directorate Update Report - James Barrah, Simon Lewis, Ian Candlish, Chris Brown and Shari Hallett**

Director of Housing and Communities Introduction

Unitary Authority

The Assistant Director updated the group on the Unitary Authority progress so far. Reported that a business case would be submitted in December. A letter to all tenants and leaseholders had been sent to inform everyone about the issues and to signpost where tenants can comment on both the Stronger Somerset and One Somerset proposals;

Brexit

Reported that the main impact of Brexit related to the supply chain for building materials. Work with suppliers was ongoing to ensure that we were aware of pressures as quickly as possible;

Covid -19

Reported that due to the second "lockdown" reception at the Deane House was again closed. Most services were still being delivered remotely with staff still working at home. A few non-essential activities involving extensive time required in people's homes had been paused;

Housing Development and Regeneration Team

Reported that the Laxton Road developments would be ready to handover to the housing team in late December;

The Zero Carbon Pilot had formally started with pre-app planning discussion commencing with 39 units likely through the first five sites;

Housing and Communities Teams

Reported that SWT had 2 Extra Care Housing sites, Kilkenny and Wellington with on-site care provided by Way Ahead Care who were commissioned by Somerset County Council;

Sheltered Housing update

The Sheltered Housing team had continued to be affected by long term staff sickness and reduced work hours. Additional staff have been recruited to make sure that we can give a good level of services to our tenants. We are also utilising the Deane helpline for welfare checks;

The usage of meeting hall will be revisited in early December;

Lettings have now resumed with properties being advertised on Home Finder Somerset. The team are working to COVID-19 risk assessments and procedures ensuring that they are in line with safe working practices;

A Homeless Plus Officer funded from Hinkley had now been put in post who will help support tenants who want to downsize, exchange their properties;

Income

Our Christmas Rent Campaign will be starting soon which will include sending text messages and providing information on paying rent on the website and also taking part in the Talking Café held by Village Agents to promote priority payments over the Christmas period;

Anti-Social Behaviour

ASB/neighbour nuisance was still high on the team's agenda. The lockdown has again caused minor nuisance cases coming to our attention. COVID-19 nuisance letters will be sent out to try to deal with this;

Tenancy/Estates

The team were now preparing scheduled walkabouts to identify areas that need attention on the estates. Work to continue Annual Tenancy checks were ongoing;

Housing Performance

This team has been created to drive service improvements to our customer experience and service delivery as well as overseeing housing governance, risk and performance. Key pieces of work to be completed by Christmas are;

- Christmas Newsletter to tenants and leaseholders;
- STAR survey council tenants and leaseholders. This is a comprehensive satisfaction survey completed every two years by an independent company. Results will be published in the new year;
- 2019-20 Annual Report to tenants;
- Restarting meetings of our Tenants' Strategic Group and Tenants' Action Group;
- Review of our complaints process including self-assessing our performance against the new Housing Ombudsman code;

Comments made by members of the group included, responses are in italic;

What is the general feeling of tenants, members of staff under a unitary authority? *The government has put back the devolution white paper which would have potentially suggested wider scale change across the public sector, however they have still said that they would still welcome three county areas to submit bids for the changes to the structure of Local Government and Somerset is one of those so therefore we become proactive in that issue and working with the other districts on the strongest Somerset bid. So far in terms of staff's views it is a mixed bag in terms of some wariness around change as staff have already gone through a fundamental change with the creation of Somerset West and Taunton. Having to go through further change is not ideal for many people. My main objective is that we give good service to tenants;*

Resolved that the report be noted.

17. **Fees and Charges Briefing Note - Bryony Cole**

Housing Revenue Account (HRA) –Rents Setting and Service Fees and Charges 2021-22

Reported that some Council Fees and Charges would no longer be required to go to Full Council for approval under the new delegated powers contained within the Financial Procedure Rules adopted by SWT from April 2020, instead the fees and charges for the HRA would be approved by the Section 151 Officer. The exception would be the setting of Dwelling Rents which will still be submitted to Full Council for approval;

The Regulator of Social Housing issued a new Rent Standard for 2020 under the direction of the Government. This new Rent Standard will now apply to all social housing providers, whereas previously Local Authorities were excluded from such standards, although relevant Government Guidance and Direction applied;

The proposed Policy Statement recommends registered providers should endeavour to keep increases for service charges within the limit on rent changes, of CPI+1%, to help keep charges affordable;

The proposal was also to increase garage rents by the same CPI += 1% figure so that they are in line with the Dwelling Rental and Service Charges increase for 2021/22;

The fees levied for 2021/22 for meeting room hire would be increased by CPI + 1 and then rounded to the nearest 10p as requested by tenants during feedback in 2017/18;

The fees levied for 2021/22 for meeting room hire will be increased by CPI+1% and then rounded to the nearest 50p as requested by tenants during feedback provided in 2017/18;

The fee for temporary accommodation is broken down into two elements: the licence fee and the service charge;

The proposal for 2021/22 is to continue setting the temporary accommodation licence fee in line with the permitted Local Housing Allowance (LHA) rate, as done in previous years, and to increase services charges by CPI+1%;

Charges for properties not on mains sewerage and shared ownership.

These properties charges for sewerage will be increased in line with the Wessex Water increases for 2021/22 once known. Wessex Water rates for sewerage standing charge per annum and poundage charges are used in the system calculation;

For 2020-21 these are £7.00 per annum for unmetered sewerage standing charge and £1.68 for the poundage charge payable per £ of rateable value of the property;

Wessex Water will publish their new charges in February 2021 (available from their website) for 2021/22;

Shared ownership rental charges will be in accordance with the lease agreement;

Resolved that the report be noted.

18. **Access to Information - Exclusion of the Press and Public**

Access to Information - Exclusion of the Press and Public

RESOLVED that under Section 100A (4) of the Local Government Act 1972 the public be excluded from the next item of business on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 3 respectively of Part 1 of Schedule 12A of the Act, namely information relating to the financial

or business affairs of any particular person (including the authority holding that information).

19. **Development Report, Seaward Way - Chris Brown**

Seaward Way, Minehead - New Build HRA Low Carbon Homes

Reported that the site located to the east of Minehead town centre close to the A39 and Butlins holiday camp was to be developed for 54 new homes for the Council to showcase an innovative approach to house building and its commitment to affordable housing throughout the district and addressing climate change. The London Energy Transformation Initiative (LETI) standards were being applied to achieve this;

The scheme will re-purpose an existing Council asset into much needed housing stock for the residents in the former West Somerset area, together with community benefit from high performing houses that are cost efficient to maintain. It will also result in the improved general appearance of the area and the gateway to Minehead;

The District had significant demand for affordable homes with a current target of 264 units per year. SWT new build through the HRA complements the affordable homes delivered through housing association partners and planning gain;

Members were being asked to approve a capital budget to fund the delivery 54 new zero carbon homes to be let at an affordable rent on the Seaward Way Site, Minehead. This scheme would support the aspiration to deliver new homes into the community over the next 30 years as per the approved HRA 2020 Business Plan;

Comments made by members of the group included;

The planned new homes look like they are on different orientations, how will this work with the photovoltaic roof panels? *The panels will work on these orientations but will be packed up with batteries will store the energy and then help release it when it is needed so we hope that the combination of PV and battery power will help make sure that people's energy bills are low;*

As part of the Government Climate Change agenda does every new Council development have to electric charging points in their homes? *In the future the Government well insist on that. We will also have our local policies for this. The council has already set aside a fund for electric charging points. We are also keen to look at communal charging points in the future;*

Resolved that the group supported this project.

20. **Development Report, Oxford Inn - Chris Brown**

Oxford Inn New Build HRA Zero Carbon Homes, Taunton

Reported that the repurposing scheme would see the existing building, the Oxford Inn in the Halcon and Lane Estate area demolished with 11 affordable homes built to standards emerging from Zero Carbon Affordable Homes Pilot, subject to planning approval. The site was owned by SWT and fell under the HRA and was formerly operated as a public house.

The home would be built to SWT adopted space standards, which are between 5% and 14% larger than many developer house types. The mix will consist to 9 x 1 bedroom flats and 2 x 2 bedroom houses. The build would be completed by Spring 2023.

Resolved that the group supported this project.

21. **Development Report, North Taunton - Chris Brown**

North Taunton Woolaway Project

Reported that this project was a flagship regeneration project of the SWT's housing development programme and tackled some of the Council's worse performing homes in one of the most socially deprived areas in our County.

The project would see the demolition of 26 homes in Phase A and would start building 47 new homes with the first of these properties completed by August 2020. Phase A was estimated to be completed by September 2022 with the overall project delivering 229 new Council homes and refurbishment of 27 properties over an 8.5 year period rather than the original 10-12 years period.

This was an essential part of the Council's commitment to offer a choice of good quality homes for our residents whatever their age and income, in communities where support was available for those in need.

Comments made by members of the group included:

Concerns with the noise disruption and traffic during the building works were raised, we need to be prepared for residents' complaints; *customer liaison was very good with the demolition process.*

Will Brexit impact this development? *At the moment Covid is the most significant risk to this development. Concrete and timber has now increased in price due to factories not working to full capacity due to this pandemic;*

Resolved that the group supported this project.

22. **Tenant Strategic Group Election Revised Timeline - Sharon Yarde**

Election revised timeline

Reported that the timeline for elections would now be held in April 2021. If 10 or less applications are received the election will not go ahead.

Currently we are looking to use a third party for the ballot due to our Electoral Services being unavailable in May.

An update on the progress will be given at the next meeting in January 2021.

23. **STAR survey update - Sharon Yarde**

Star survey update

Reported that the Star Survey was running to schedule with the paper survey sent to Leaseholders on the 30th October.

The telephone questionnaire commenced on the 10 November and both surveys would run until the end of the month.

The report responses would be published on the website.

Comments from members included;

We have not received performance statistics for a while. Please can this be implemented for next year.

Resolved that the report be noted.

(The Meeting ended at 7.50 pm)

Housing Directorate Report to Housing Tenants' Strategic Board

25th January 2021

Director of Housing and Communities Introduction

Since the last report in November our main focus continues to be COVID-19 and particularly since the New Year re-adjusting the services to respond to the latest lock down measures. I would like to acknowledge the flexibility of the team and of partner organisations and contractors to once again make substantial changes to what services we offer, and to tenants who have been accommodating and understanding. We will continue to closely monitor issues.

Since the New Year we have not seen any significant impacts from Brexit with our supply chains holding up.

Elsewhere our project to replace our main housing management IT system has kicked off, this is a major piece of work and will run for around 16 months. Lastly it was pleasing to see improvements in our Star survey satisfaction results particularly that in the last two years we have been through major organisational changes and experienced nearly a year of COVID impacts.

Housing Development and Regeneration Team

Housing Strategy

- Single Homeless Accommodation Strategy - The service is producing an accommodation strategy to respond to the Government aspiration to maintain accommodation support to reduce or end rough sleeping by 2025. The strategy will help inform the Council's partnership and investment decisions.
- The Homelessness Reduction Board is progressing to commence its work early 2021.
- LHA Housing Advisors Programme – Somerset councils and ARK consultancy have submitted the draft report into Better Futures for Vulnerable People in Somerset. This sets out how Somerset authorities work to support the most vulnerable people, provides examples of good practice and sets under six themes opportunities to delivery better outcomes. The report will support the Homeless Reduction Board set its priorities and action.
- A delivery officer is being recruited to the team to deliver and oversee the Hinckley point C Housing Action Plan.

- The revised Private Sector Renew Policy was considered and supported by full council in December.

HRA New Homes

- Laxton Road Development completion and handover took place 15th January providing 8 new HRA homes. Here are a couple of photos of the build just before the finishing touches were put in place.



- Zero Carbon Pilot – The procurement of a volumetric modular contractor was not successful. The Development Team are progressing zero carbon through a more traditional approach. Although some time has been lost, the specification and approach to be adopted is established and the lessons learned have already been adopted on this and other projects. Lessons are also being shared with other local authorities, community led housing and registered provider partners.
- Oxford Inn – This scheme gained support from members in December and will provide new zero carbon homes by Spring 2023.
- Seaward Way, Minehead – The community is currently being consulted on this scheme of 54 units, through social media and other formats. The scheme will be submitted to planning in the next two months. This scheme will be zero carbon and delivered by Autumn 2023. Here are some images of how the site will look:



- North Taunton Woolaway Project – The final designs for phase A are complete and contract costs are being finalised through the Pre Construction Services Agreement (PCSA). Members supported the scheme at Full Council in December and a cross party working group is being formed to ensure the Council’s new build housing programme has the focus and support which its scale merits. An approach is being adopted initially for phase A to achieve 80% zero carbon at first letting and 100% zero carbon when the grid decarbonises. This approach means a moderate investment in fabric and technology will reduce by nine times the carbon produced by the new homes compared to a standard (part L) new build homes; and by twelve times compared to a Woolaway home. Fuel savings to the customers are

calculated to be 70%-80%. A report has been placed in the member library on the approach and assumptions.

Housing Property Team

Following the government's recent lockdown/Tier 5 announcements, we have undertaken a review of services and those listed below have been deemed essential to our customers and therefore need to be maintained. This decision has been taken with an awareness of continuing COVID-19 challenges, in particular the current high number of positive COVID cases in Taunton and Wellington. Our Risk Assessments and Method Statements (RAMS) are being reviewed to ensure the ongoing safety of our staff and residents whilst these works are undertaken.

- Responsive Repairs - Emergency works, and all external works (i.e. both emergency and non-emergency works) only. We will continue to log all requests for repairs and make contact with residents to arrange appointments when appropriate to do so.
- Property Safety Compliance checks and works all to continue – including gas safety checks (LGSR's), water risk assessments and remedial works, electrical inspections (EICR's), asbestos surveys and re-inspections, fire risk assessment and remedial works & fire safety checks, and lift and stair-lift checks and remedial works.
- Compliance includes ongoing block inspections and estate walkabouts where officers will focus on identifying safety hazards.
- Asset Management visits: Stock Condition Surveys and Energy Assessments to cease (other than SCS's and EPC's in Voids).
- Voids repair works to continue (with updated RAMS in place); pre-void visits to pause.
- Capital Programme – Roofline, external painting, door replacement, roofing, and door entry systems to continue. All other planned capital works programmes to be put on hold.

Responsive Repairs and Void Repairs

- The hold placed on non-emergency internal responsive repairs will inevitably lead to an increasing backlog of works. This will be monitored closely and options for tackling this will be considered during the 'lockdown' period. Residents will be advised of the situation via communications on the Council's website and when they contact us with a repair request.
- Void repairs are likely to take longer due to updated COVID RAMS (for example, fewer trades working in the property at one time to reinforce social distancing).

Property Safety Compliance

We are maintaining ongoing progress on property safety compliance activities, including:

- A review of all common areas for blocks of flats to validate existing safety actions.
- Asbestos management surveys and re-inspections.
- Fire Risk Assessments (FRAs).
- Remedial actions from previous FRAs, and maintenance inspections.
- Gas Safety checks.
- Water Risk assessments and remedial actions.
- Electrical checks to both communal areas and dwellings.
- Passenger lift and stair-lift safety checks.

Capital Programmes

- Additional procurement for future capital programmes is being undertaken.
- Only the works as listed above are to continue for the present. We are contacting all residents affected by capital programmes placed on hold, and will closely monitor to see when it is possible to recommence some, or all, of these programmes when it is considered safe to do so.
- We will not now be able to complete all planned capital works programmes by the end of March 2021. We are evaluating the financial and service delivery implications of this situation and the impact on next year's budgets.

Housing and Communities Teams

Extra Care Housing

- SWT continue to work with Way Ahead Care (commissioned by SCC) in our Extra Care Housing sites. We have revisited the lockdown arrangements to ensure we keep residents safe, whilst still allowing support to be delivered safely. This has necessitated the cessation of visitors to the schemes to minimise the risk of COVID infection.

Sheltered Housing

- The Sheltered Housing Team have been working across the whole of sheltered housing, making welfare calls to tenants, updating their personal and health information and making home visits where necessary, to complete aids and adaptations assessments, tenancy sign ups, install Lifelines and support tenants who find using the phone challenging due to hearing impairment for example.
- Due to lockdown we will be ensuring that face-to-face visits are only done by exception when a telephone call cannot resolve the issue. During any visits, staff will wear PPE and are required to follow the relevant risk assessment guidance for these visits.
- We are aware that many tenants have less contact with family and friends. In some cases, this has left them feeling lonely and isolated. Where appropriate and helpful, we have continued to encourage tenants to have regular welfare calls from Deane Helpline, to check on their welfare and have a brief chat. Deane Helpline report any concerns for a tenants welfare or health back to the team, and a member of staff calls the tenant, to find out more and complete relevant referrals etc. In many

cases, this includes liaising with family members and next of kin, who have also been appreciative of the follow up we have provided.

- We had planned to have a partial reopening of the meeting halls within the sheltered schemes; however the continuing evolving picture with COVID means that this remains on hold.

Lettings

- Property advertising and lettings that were suspended at the beginning of the first lockdown have now resumed and we plan to continue these as we re-enter lockdown again. Properties will continue to be advertised on Home Finder Somerset on the weekly cycles.
- The Lettings team are still working to COVID-19 risk assessments and procedures, ensuring they are in line with the SWT safe working practices. Verifications continue to be carried out remotely, and COVID compliant viewings are taking place by the prospective tenant independently.
- The Home Moves Plus officer (HMP) started in November. The officer has already commenced working with both internal and external partners to collect data on those SWT tenants that fall within the downsizing remit for the role. This post will provide invaluable support to help people downsize which will reduce the burden of those struggling with 'bedroom tax' as well as releasing larger accommodation for households in housing need
- Laxton Road Flats: The Lettings team advertised the eight new properties on Home Finder Somerset (HFS), shortlisted applicants in line with the agreed local lettings plan, verified and will sign up all tenants on the week commencing 11th January with a planned tenancy start date of 18th January.

Somerset Independence Plus (SIP)

- Only essential and outdoor work continues and all other construction has ceased due to the return of lockdown. The team have revisited the various risk assessments and updated them accordingly.
- The SIP partnership held an introduction session with Homeless Managers and staff to introduce their new hoarding service, outlining the support they and partners can bring to those tenants who struggle with hoarding, particularly where this becomes a significant issue in terms of tenant welfare, quality of life and fire hazards. We have now started to make referrals into this service for support.

Homefinder

- We have taken on an additional temporary member of staff to reduce the backlog of outstanding Homefinder enquiries and the backlog is now reducing. Furthermore we have sent a bulk email to 1100 applicants needing a 1, 2 or 3 bed property who had not accessed their application or bid in over a year. Only 61 responded and so the remainder have been closed down. This effectively cleanses the data to include only applicants that currently need accommodation and are bidding and we can then continue to run renewals in smaller batches for the rest of the register.
- The most recent changes to Homefinder policy have been approved and have gone live on the Homefinder Somerset website from 5th January 2021.

- The contract for the procurement of the new system for Homefinder Somerset is progressing and interviews are currently taking place of shortlisted bidders, with the intention of agreeing the new (or incumbent) provider by the end of January

Income

- The Rent Recovery team continue to work to help and support those tenants who are effected by a reduction in income due to COVID-19. Rent arrears have reduced to 571k (as at 04/12/20), a further £15k reduction on the previous month and £220k below the level at the start of the Lean Review in September 2019. This is a fantastic result for the team and shows the hard work and dedication they have all committed through the pandemic.
- The team rolled out a Christmas Rent Campaign which included text messages, providing information on paying rent on the website and also taking part in the Talking Café held by the Village Agents to promote priority payments over the Christmas period.
- We have recruited a second Debt and Benefit Officer who has started and this enables us to help a larger number of tenants quicker. We want to ensure that our tenants are claiming all the benefits they are entitled to and are maximising their income.

Anti-Social Behaviour

- Serious ASB/neighbour nuisance is still high on the team's agenda and we have a small number of serious cases that we are escalating. These cases will need to have enforcement action taken against them and this in turn is extremely work intensive.
- The previous lockdown led to minor nuisance cases coming to our attention and it is likely that this trend will continue with the new lockdown. We will utilise our COVID-19 nuisance letters from the last lockdown to try to deal with this. If these do not settle down then we will work with the Police to carry out joint visits if necessary and take any necessary action to get the perpetrators to amend their behaviour.
- We are still exploring the option of using a mobile noise app to deal with low level complaints that we receive. We will review this at the end of a trial period to decide whether we are going to be buying into this service.

Tenancy/Estate Team

- The team has restarted Estate Walkabouts and been continuing with block inspections and our programme of these is published on our website. We have a process and pro-forma monitoring forms and managers work closely with officers to ensure that we have consistency in all areas across the district. During a recent inspection of the area within North Taunton we have picked up that a number of pathways need to be made safe; moss to be cleared from some pathways; trees need cutting back from flats; new street signage is needed; pot holes in garage areas need to be repaired. Once the orders have been raised we will be providing feedback to residents of our findings. We intend to continue to do Estate

Walkabouts during the new lockdown, although we will primarily be focussing on hazards and health and safety.

- The estates team and open spaces team have been working together to help improve the areas where our tenants live. These photos show a before and after of some work carried out to the front gardens at Style Flats in Wiveliscombe:



- We have started proactive Annual Tenancy Checks with an officer visiting households to assess the condition of the tenancy and property, however these will need to be put on hold during the new lockdown.

Housing Performance Team

Since our last report in November we have completed the following key pieces of work:

- The team produced a 16 page Christmas newsletter which was posted to tenants and leaseholders. It was also made available on the website and to 222 email subscribers.
- The Tenants' Annual Report covering the period 2019-20 has been published to our website (this was delayed due to COVID lockdown but has now been completed and published).
- A STAR survey of our tenants and leaseholders has concluded and draft reports have been received (see summary below). The STAR survey is a comprehensive satisfaction survey completed every two years by an independent company (Acuity). We will now work on our response to these survey results, communicate them to our tenants, staff and provide information on our planned actions.
- Produced a summary of the government white paper "new deal for social housing" and shared that with our staff and tenant groups.
- Linked to the white paper, we have completed a self-assessment of our complaints process against the new Housing Ombudsman code and are putting into place any actions to address any gaps.
- We have ensured that our business areas have prepared business continuity plans.
- We have supported our managers to consult our Tenants' Strategic Group on over 10 policy documents (since September 2020).
- The team have agreed terms of reference for our Tenants' Action Group, including independent assessment of the terms of reference from TPAS.
- We have developed new webpages to enable our tenants to access information including information on programme maintenance, walkabouts and block inspections.
- Internally we have ensured that regular governance meetings are held to oversee and manage the activities of the housing directorate e.g. programme management meetings, finance and performance and risk meetings.
- Reviewed how our internal customer contact software routes enquiries to our staff.

During the next two months we will:

- Formally invite candidates for the Tenants' Strategic Group election.
- Create a response and action plan to share the final results of the STAR survey.
- Continue to support online meetings of our tenants' groups.
- Continue to develop webpages.
- Continue to consult on our housing policy documents.
- Continue to strengthen our internal governance through our meetings and reporting.
- Self-assess against the government white paper.

STAR Survey Summary

Whilst we await the final STAR tenant satisfaction report our draft report indicates the following highlights:

The results from the survey are very positive, and generally a little up on the results from the previous survey in 2018. The survey recorded many high ratings including satisfaction with the gas servicing arrangements (95%), having a home that is safe and secure (91%), the rent providing value for money (88%), the neighbourhood (85%), and its appearance (84%) – all of which are reflected in the finding that 83% of tenants are satisfied with the services provided by Somerset West and Taunton.

Key Findings are:

- Over eight out of ten tenants are satisfied with the services provided by SWT (83%), the overall quality of their home (81%) its condition (80%) and the repair service (82%). 78% are satisfied that SWT keeps them informed about things that might affect them as a resident.
- Slightly fewer are satisfied that SWT listens to their views and acts upon them (62%). Satisfaction with most aspects of contacting the council are also a little lower. 67% found it easy to contact the right person, 65% feel the staff keep their promises and 69% were satisfied with the final outcome of their contact.

Suggestions for improvements:

- There are 574 comments giving suggestions on possible improvements to the service, however, 17% of these said they are happy with things as they are. Customer contact accounts for 12% of the comments for possible improvements, with tenants wanting better customer care and for staff to answer the phones more readily and to return calls when promised. The repairs service concerns 9% of comments with tenants wanting a better, quicker service and to be kept informed of progress. Other issues mentioned include communications, grounds maintenance and dealing with neighbourhood issues.

Day-to-day repairs and maintenance service:

- There are 82% of tenants satisfied with the repairs and maintenance service, and this has increased by 7% since the previous survey. Overall satisfaction with the last completed repair is 86%, and 95% are satisfied with gas servicing arrangements.

Communication and information:

- Nearly eight out of ten tenants (78%) are satisfied that SWT keeps them informed about things that might affect them. However, fewer are satisfied that SWT listens to their views and acts upon them (62%) with 17% dissatisfied.

Further analysis:

Throughout the survey some very good levels of satisfaction have been found, and the findings are an endorsement of the commitment of Somerset West and Taunton and its staff. However, slightly lower levels of satisfaction are also found particularly related to communication issues with the final outcome of the query, listening to views and acting upon them amongst the lower ratings.

Overall, having come through major organisational change and to also be in the midst of COVID-19, it is an achievement for many areas to have increased their levels of satisfaction. Upon receipt of the final report we will communicate results with our tenants, our staff and start the process of responding to the findings to improve our tenants' satisfaction with our services.

Somerset West and Taunton Council

Landlord Health and Safety Property Compliance Update Report

This matter is the responsibility of Executive Councillor Member Francesca Smith

Report Author: Adam Evans, Compliance Manager Housing Property

Report Date: 11th January 2021

1 Executive Summary / Purpose of the Report

1.1 This report has been updated as of the 11th January 2021 and placed into context specifically for the Tenants Strategic Group, providing an updated position for the main landlord health and safety property compliance disciplines, focusing on item 4.3 Fire Safety. Understandably, the Covid-19 pandemic has significantly impacted our ability to progress with a number of the required actions since the last update provided to the Audit, Governance and Standards Committee on 7th December 2020. In particular, limitations within resource (both internally, and for contractors) has led to challenges in undertaking the necessary works. Obtaining access from some vulnerable tenants who are shielding or are anxious about allowing people into their homes during all three lock downs to date, which continues to create difficulties in maintaining compliance in some areas. However, we are continuing with all compliance activities.

1.2 The information within this report summarises the current compliance of Somerset West and Taunton Council in relation to the following six key areas:

- Asbestos management
- Electrical safety
- Fire safety
- Gas safety
- Lift and Stair-lift management
- Water management (Legionella)

Each compliance area is monitored separately as defined by properties contained within either the Council's Housing Revenue Account (HRA) or General Fund (GF) accounts. HRA Blocks refer to all communal area(s) within the block (including any meeting halls), HRA Commercial refers to non-residential properties (e.g. shops or offices), HRA Dwellings refers to the individual property (e.g. house, bungalow, flat, etc.) and GF Property refers to the entire building.

1.3 The report identifies:

- Somerset West and Taunton Councils current compliance status (as at 11th January 2021)
- Comparative performance from the previous report submitted to the Audit, Governance and Standards Committee on 7th December 2020 wherever possible. This is shown on each dataset on the relevant table.

Table properties have changed since the last report following a validation process of required compliance activities, and the separation of properties for ease of servicing and reporting.

- Achievements and successes since the last report.
- Alignment of audit categories to revised work streams / programmes of work.
- Issues adversely affecting compliance and action being taken.
- Regulations / legislation which affects the way Somerset West and Taunton Council manages its compliance.

1.4 Risk ratings and timescales:

- Somerset West and Taunton Council will review and where suitable use the ratings and timescales suggested by its approved contractors when receiving an inspection report.
- Where no timescales are given by the contractor, Somerset West and Taunton Council timescales as set out in its relevant policies will be adopted, currently a number of policies and their procedures have been reviewed, redrafted and circulated for comment and consultation.
- Hazards deemed as urgent or as emergency works will be actioned as soon as reasonably practicable. This may include restricting access to areas immediately until the hazard can be removed.
- Somerset West and Taunton Council may at times review hazards and change their priority if the original priority does not reflect the current use of the building or if there has been additional measures put in place that reduces the overall risk.

1.5 The information presented within this report has been compiled from data supplied by the Housing Property team, persons responsible for compliance works, the facilities team and external contractors.

1.6 A rolling review of all compliance areas against every property for which Somerset West and Taunton Council has property compliance responsibility has been undertaken since the last report to the audit committee. This review has improved data, resulting in an updated property compliance database which provides an improved monitoring capability for this activity, and thus will lead to an increased level of assurance on performance. As a result of this work, it should be noted that some of the original property numbers have changed.

1.7 Following on from this review, we are continuing to pursue an approach that all potential compliance activities require checking. This task is considerable – there are over 18,000 property compliance checks required over the Council's overall stock portfolio, ranging from weekly checks to 5 yearly inspections. If there is any doubt about the validity of a previous survey or inspection we will re-inspect, or if best practice, or a change in regulations has occurred, we will programme in the necessary action/works.

1.8 A summary of key activities and successes since the last report include:

- A continuation of review and validation of all compliance areas against every property for which Somerset West and Taunton Council has property compliance responsibility
- Reassessment of suitable Risk Assessment and Method Statements (RAMS) to mitigate against Covid-19 risks to residents, staff and contractors

- Procurement of contracts to deliver programmes of work to ensure 100 % compliance, including fire risk assessments, flat entrance door replacement programme, Water hygiene servicing/testing and additional electrical certification.
- Production of a new compliance policy and associated procedures for Water Safety Management, Electrical Safety, Gas Safety and Lifts and Lifting Equipment
- Contact with residents on fire safety
- Continuing with the works programme to carry out Fire Risk Assessment recommended remedial actions and maintenance inspections
- Continuing with Gas Safety checks
- Continuation of a programme of Water Risk Assessments

1.9 Whilst the works outlined in this report are undertaken to ensure safety, a number of them have a consequential effect of mitigating negative impacts on the environment and climate change. For example, regular servicing of gas boilers to maximise their efficiency, and fire safety measures to reduce the likelihood of fires occurring (such as fire safety housekeeping) both minimise the release of harmful emissions.

2 Recommendation

2.1 The contents of the report and progress being made in relation to landlord property safety compliance be noted.

3 Risk Assessment

3.1 Somerset West and Taunton Council has an obligation to comply with landlord statutory health and safety responsibilities. The required arrangements for managing these responsibilities are in place and activities are carried out in accordance with the relevant regulations, approved codes of practice and associated HSE guidance. These provide the default position of the organisation whether or not internal procedures, policies and practices exist.

4 Background and Full Details of the Report

4.1 Asbestos Management

4.1.1 A number of positive activities have been undertaken to progress asbestos management. These include undertaking further asbestos management surveys by specialist external contractors, and providing an in-house re-inspection programme, to further facilitate our compliance in the monitoring of asbestos containing materials within our communal areas.

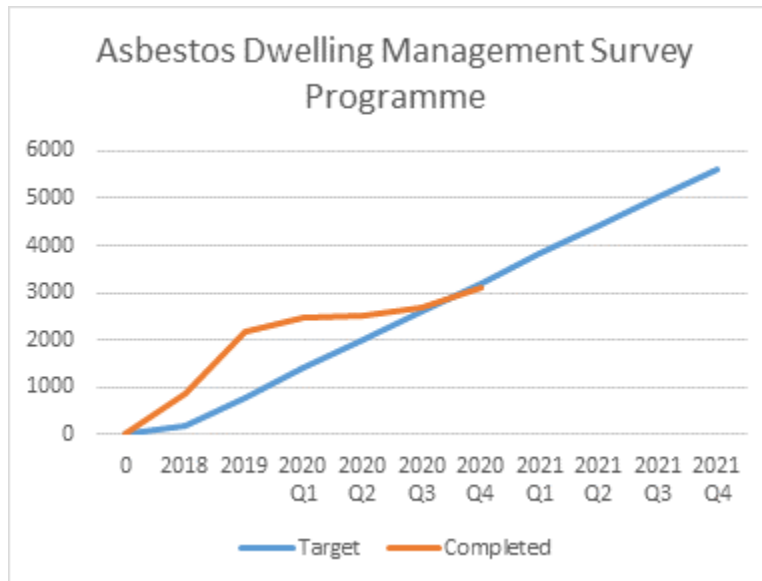
4.1.2 Somerset West and Taunton Council has a legal duty to manage asbestos containing materials within areas deemed as non-domestic, as outlined in Regulation 4 of the Control of Asbestos Regulations 2012 (CAR2012). It should be noted that any domestic property where works are to be undertaken is deemed as a workplace under the Health and Safety at Work Act 1974, and therefore will require asbestos information to be supplied as part of the pre-construction information. This is a requirement of the Construction (Design and Management) Regulations 2015 (CDM 2015).

- 4.1.3 Somerset West and Taunton Council holds an Asbestos Register containing relevant asbestos information to keep its staff, contractors and visitors safe during normal activities. This information is held within a cloud based server and as a hard copy (commercial properties only) in the building compliance folder.
- 4.1.4 Somerset West and Taunton Council holds basic information on both its housing stock and GF Property, using data from a range of asbestos management surveys previously undertaken. However, following a review of the data held, it has been decided that only surveys undertaken after August 2018 (which follow a more robust methodology) will be used to manage asbestos containing materials and supplied to contractors as pre-construction information. This will ensure that a detailed asbestos register of SWT's stock portfolio is maintained and surveys are suitable for works being carried out. Asbestos surveys to communal areas of flat blocks where required by Regulation 4 of CAR2012 have been undertaken, and a programme of updated domestic surveys to validate those currently held by the Council and surveys to General Fund (GF) properties is progressing. The approved Asbestos Procedures document allows for safe management of asbestos pending completion of these surveys, e.g. prior to undertaking construction work when asbestos-containing materials are most likely to be disturbed a 'refurbishment and demolition survey' is undertaken, and all void properties have an asbestos management survey undertaken prior to re-letting.
- 4.1.5 The following table provides an update of the current position in relation to asbestos surveys undertaken post-August 2018. **Where properties are found to contain asbestos (except for dwellings) they will be subject to future re-inspection.** Note: table properties aligned with validation process and review of data.

Property Account Type	Number of Properties	Number Surveyed	Future Re-inspection	Percentage Surveyed
HRA - Blocks	528	528	437	100%
HRA – Meeting Halls	18	18	9	100%
HRA – Guest Rooms	10	10	6	100%
HRA – Dwellings	5616	3104	N/A	55% (52%)
HRA - Commercial	3	3	1	100%
GF – All Properties	50	50	31	100% (96%)

Note: The programme of asbestos management surveys for HRA Dwellings is currently programmed for completion by December 2021, and the GF properties have all been completed by their target date December 2020.

4.1.6 The following graph shows progress of the HRA Dwellings asbestos management survey programme:



Note: There have been an increasing number of refusals during the current and previous lockdown periods, due to difficulty obtaining access from some vulnerable tenants who are shielding or are anxious about allowing people into their homes.

4.1.7 Following the asbestos surveys undertaken, where we have found asbestos present we have established a re-inspection programme. The following table provides an update of the current position in relation to asbestos re-inspections:

Property Account Type	Number of Properties	Number Surveyed	Percentage Surveyed
HRA - Blocks	4376	437	100%
HRA – Meeting Halls	10	10	100%
HRA – Guest Rooms	6	6	100%
HRA - Commercial	1	1	100%
GF – All Properties	31	31	100%

4.2 Electrical Safety

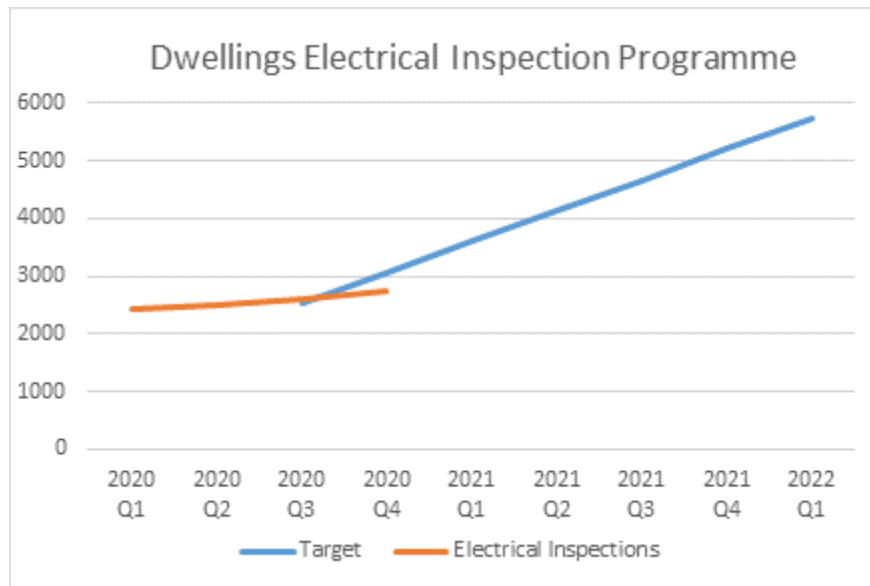
4.2.1 Completion of electrical safety checks has also been challenging during the Covid-19 pandemic. Non-availability of external contractors during the lockdown periods, in-house electricians being required to focus on emergency electrical repairs, and difficulties in recruitment of additional suitably qualified electricians continue to make effective progress problematic. However, the recent recruitment of an Electrical and Mechanical Manager in the Compliance team, and the procurement of external contractors will facilitate undertaking the necessary electrical safety checks.

- 4.2.2 Somerset West and Taunton Council have a duty to periodically inspect and test electrical installations within its stock. All void properties have an electrical inspection undertaken prior to re-letting.
- 4.2.3 Somerset West and Taunton Council have an Electrical Safety Policy and associated procedures in place, which have been reviewed and drafted for circulation/consultation.
- 4.2.4 Somerset West and Taunton Council have adopted the following periodic inspections:
- Domestic Properties – 5 year cycle
 - Common Parts of domestic buildings – 5 year cycle
 - Commercial buildings owned and operated by SWT – As recommended from previous test certificate between - 1-5 year cycle.
- 4.2.5 Inspections are actively monitored by both the Housing Property team and the Property Compliance team to ensure that the periodic inspection regime is suitable from the amount and type of remedial works that are identified following inspection.
- 4.2.6 All electrical inspections are currently undertaken by external contractors (with the exception of void properties), project managed by the Housing Property team.
- 4.2.7 All Code 1 hazards ('Danger present - Risk of injury') which are identified during the inspection are rectified on site, and if they cannot be rectified the areas are made safe until works can be completed. Code 2 hazards ('Potentially dangerous') are programmed to be undertaken urgently. Any Code 3 hazards ('Improvement recommended') are reviewed and, if required, are included in future planned programmes.
- 4.2.8 The following table provides an update of the current position in relation to electrical inspections. Note: table properties aligned with validation process and review of data:

Property Account Type	Number of Properties	Number Inspected	Percentage Compliant
HRA - Blocks	342	320	94% (87%)
HRA – Meeting Halls	18	17	94% (94%)
HRA – Guest Rooms	10	9	90% (90%)
HRA - Dwellings	5745	2736	48% (47%)
HRA - Commercial	3	2	67% (67%)
GF - Properties	50	47	94% (92%)

Note: Electrical tests to HRA Blocks and HRA Commercial are now due for completion by mid-January 2021 following delay due to the pandemic, additional remedial works required, and HRA Dwellings are due for completion by end March 2022. Also, the HRA Meeting Hall and Guest Room inspection were due for completion by end December 2020 and has been revised to complete, due to delay in material supply by mid-January.

4.2.9 The following graph shows the new HRA Dwellings programme for electrical inspections:



Note: This programme commenced on 9th November 2020 and is anticipated to meet the target programme by the end of Q1 2022. In addition, it should be noted that during the course of this programme 732 electrical inspection certificates will expire – these will be included in this programme.

4.2.10 Portable Appliance Testing (PAT) is a statutory requirement under the Health and Safety at Work Act 1974, Electricity at Work Regulations 1989, Provision and Use of Work Equipment Regulations 1988, and the Management of Health and Safety Regulations 1999 to ensure electrical safety of portable electrical appliances.

The following table provides an update of the current position in relation to electrical portable appliances. Note: table properties have been aligned with the recent validation process and review of data:

Property Account Type	Number of Properties	Number Inspected	Percentage Compliant
HRA - Blocks	0	0	N/A
HRA – Meeting Halls	18	16	89% (100%)
HRA – Guest Rooms	9	9	100%
HRA - Commercial	2	2	100%
GF - Properties	12	12	100%

Two meeting halls portable appliances have dropped out of compliance inspection programme, whilst out of use during current lock down and will be tested as resources/restrictions permit and/or prior to opening.

4.3 Fire Safety

- 4.3.1 Progress on fire safety continues to be challenging during the current lock down of the Covid-19 pandemic. However, some positive work has been possible to the common parts of our residential blocks. Commencement of another programme of Fire Risk Assessments (FRA's), programmed visits by the Housing team to advise residents on fire safety (and where necessary enforce clearance of communal areas), continuing with our works programme to carry out Fire Risk Assessment recommended remedial actions wherever possible, commencement of a flat entrance fire door replacement programme, and further validation and inspection of existing fire doors within the housing stock continue.**
- 4.3.2 The Chief Executive is Somerset West and Taunton Council's responsible person – as defined in Article 3 of the Regulatory Reform (Fire Safety) Order 2005 (RRFSO2005). Article 9 of the RRFSO2005 requires that the responsible person must make a suitable and sufficient assessment of the risks to which relevant persons are exposed for the purpose of identifying the measures they need to take. To satisfy this requirement, Somerset West and Taunton Council undertake fire risk assessments to all properties deemed as non-domestic, including the communal areas of domestic buildings.
- 4.3.3 The duty to ensure that Article 9 of the RRFSO2005 is met is the responsibility of the Assistant Director Housing Property.
- 4.3.4 Somerset West and Taunton Council have a Fire Safety Policy and associated Procedures to ensure it manages this compliance activity in its property portfolio safely and in line with relevant legislation. This policy will be reviewed to accommodate anticipated legislative changes following Government review and consultation.
- 4.3.5 Current legislation states that Fire Risk Assessments should be reviewed regularly or when circumstances change relating to the property and / or its occupants.
- 4.3.6 Somerset West and Taunton Council have adopted the following timescales for fire risk assessment based on a risk rating:
- Communal areas to domestic blocks (excluding sheltered blocks) – Biennial with a review annually
 - Communal areas to sheltered blocks - Annually
 - Commercial Properties – Annually
 - Any high-risk properties identified via FRA's – Annually
- 4.3.7 Fire risk assessments have previously been undertaken to all of Somerset West and Taunton Council's HRA Blocks and twenty-two of the GF properties. In addition, all of the HRA blocks FRA's have been reviewed within the last 12 months.** Ongoing validation has established a need for further new FRA's to be undertaken, and a specialist consultant has been procured and a new programme commenced.

All HRA blocks are 'low rise' (the majority of which are two storey), are mainly of traditional construction, and do not have any aluminium composite material (ACM) type cladding.

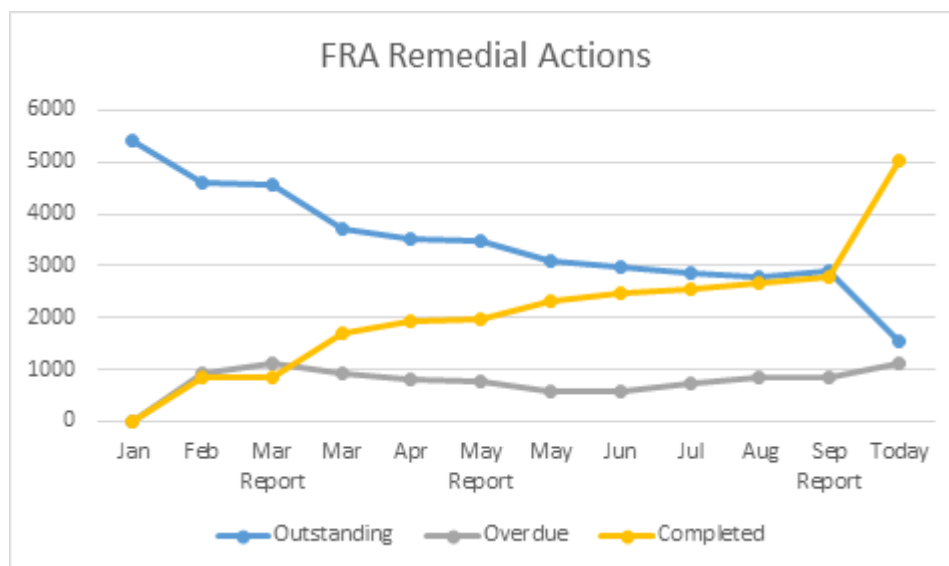
The following table provides an update of the current position in relation to new fire risk assessments. Note: table properties aligned with validation process and review of data:

Property Account Type	Number of Properties	Number Inspected	Percentage Compliant
HRA - Blocks	347	162	47% (45%)
HRA – Meeting Halls	18	3	17% (28%)
HRA – Guest Rooms	10	1	10% (30%)
HRA - Commercial	4	4	100%
GF - Properties	28	18	64% (71%)

Note: Whilst the Third lockdown continues to impede the delivery of the new tranche of outstanding FRA's, an accelerated programme has now started with the new specialist consultant and these are now programmed for completion by end March 2021.

4.3.8 All remedial actions raised from FRA's are being validated and the required works are being programmed/actioned by the Property Compliance team, Housing Property team and the Housing team. A number of improvement works which provide additional fire safety measures to existing properties which met building regulations current at the time of their original construction are to be undertaken (e.g. emergency lighting). These actions, together with other packages of work (e.g. fire safety signage, replacement flat entrance doors) have been added to a programme of works which are being actively progressed, which also include meeting halls and guest rooms.

The below chart demonstrates the last year's progression on FRA remedial actions:



The following table shows the outstanding remedial actions and includes over 600 previously added fire risk remedial actions generated at the last report to the audit committee:

Remedial Action Type	Number of Outstanding Actions	Number of Overdue Actions
Bin Store	10	10
Communal Fire Doors	264	214
Compartmentalisation	71	34
Compliance Management	133	102
Detection and Alarm	25	12
Electrical Improvement	282	189
Emergency lighting	16	16
Fire Signage	121	113
Flat Entrance Fire Doors	313	220
Flat Store Fire Doors	9	3
Flooring	97	64
Housekeeping	39	36
Means of Escape	31	15
Repairs, Testing and Maintenance	104	71
Tenancy Management	44	34
Total	1559 (1674)	1133 (733)

Note: the number of outstanding actions changes as the recommended remedial actions from the ongoing programme of Fire Risk Assessments currently being undertaken by a specialist consultant are received, as these will supersede previous FRA's. As works are undertaken to resolve existing remedial actions, and potentially additional recommended remedial actions are added from new FRA's (e.g. due to changes in legislation or best practice), then this becomes, in effect, a moving target.

Since the report to the Audit, Governance and Standards Committee on 7th December 2020 the level of overdue remedial actions have increased. This is primarily due to Fire doors and electrical improvements. We are currently working with our fire door supplier to address the overdue items required, Electrical improvement works are currently being procured.

A review of all of these outstanding actions continues, and programmes of work and how these are best undertaken as quickly as possible are being implemented.

4.3.9 The following table provides an update of the current position in relation to fire detection and emergency lighting inspections. Note: table properties are aligned with current validation process and review of data information in brackets indicate previous totals:

Property Account Type	Inspection Type	Number of Properties	Number Inspected	Percentage Compliant
GF – Properties	Fire Alarm: weekly test	20	19	95% (75%)
	Fire Alarm: 6 monthly service and test	21	20	95% (100%)
	Emergency Lighting: monthly service and test	27	27	100%
	Emergency Lighting: annual service and test	27	26	96% (93%)
HRA - Blocks	Fire Alarm: weekly test	8 (6)	8	100% (83%)
	Fire Alarm: 6 monthly service and test	8 (6)	6	75% (100%)
	Emergency Lighting: monthly service and test	82 (53)	78	95% (100%)
	Emergency Lighting: annual service and test	82 (53)	79	96% (100%)
HRA – Meeting Halls	Fire Alarm: weekly test	9	9	100%
	Fire Alarm: 6 monthly service and test	9	9	100%
	Emergency Lighting: monthly service and test	13	13	100%
	Emergency Lighting: annual service and test	13	13	100%
HRA - Guest Rooms	Fire Alarm: weekly test	0	0	N/A
	Fire Alarm: 6 monthly service and test	0	0	N/A
	Emergency Lighting: monthly service and test	1	1	100% (0%)
	Emergency Lighting: annual service and test	1	1	100% (0%)
HRA - Commercial	Fire Alarm: weekly test	1	1	100% (67%)
	Fire Alarm: 6 monthly service and test	1	1	100% (67%)
	Emergency Lighting: monthly service and test	2	2	100% (100%)
	Emergency Lighting: annual service and test	2	1	50% (100%)

Note 1: HRA Guest Room emergency lighting had been identified during the current validation process and has now been completed as programmed to be tested by end November 2020. Also, the GF properties fire alarm weekly tests showing as non-

compliant relate to properties closed during the current lockdown and these will recommence prior to re-opening.

Note 2: Twenty nine new installations of emergency lighting provision have been completed since 7th December 2020, another 22 are currently being installed and a further 260 sites are being procured under electrical improvements.

4.4 Gas Safety

- 4.4.1 Gas Safety checks continue to be required by the Health and Safety Executive (HSE) during the current Covid-19 lockdown period. Gas safety checks, servicing and repairs to 'Domestic' type boilers are undertaken by the Housing Property team, and works to Commercial boilers are carried out by external contractors.
- 4.4.2 Somerset West and Taunton Council has a duty under Regulation 36 of the Gas Safety (Installation and Use) Regulations 1988 to carry out annual safety checks on gas appliances / flues and implement an on-going maintenance regime to ensure the safe operation of gas appliances and associated pipework where gas is present.
- 4.4.3 Somerset West and Taunton Council have a Gas Policy and associated procedures to ensure that they meet their statutory requirements, Policies and Procedures have been reviewed and redrafted for comment/consultation.
- 4.4.4 As noted above, gas safety checks to 'Domestic' type boilers are carried out by the Housing Property team who issue the Landlord Gas Safety Record (LGSR) certificates. Monitoring of gas safety compliance to these properties is facilitated by the use of a dedicated software package, XTag-gas, which enables qualified engineers to sign in by touching their mobile device against a 'Tag' and an immediate geo-tagged, time-stamped and photo-verified account of all work carried out is then captured.
- 4.4.5 Somerset West and Taunton Council also undertake responsive repairs on gas appliances and systems owned by the Council, either following annual checks or breakdowns, together with a programme of planned replacements.
- 4.4.6 The following table provides an update of the current position in relation to gas safety:

Property Account Type	Number of Properties with Gas	Number Inspected	Percentage Compliant
HRA – Dwellings	4483	4483	100%
HRA – Blocks	3	3	100%
HRA – Meeting Halls	13	13	100%
HRA - Guest Rooms	0	0	N/A
HRA – Commercial	2	2	100%
GF – Properties	20	20	100%

We remain at 100% compliant despite current restrictions.

4.5 Lift and Stair-lift Maintenance

- 4.5.1 Maintaining compliancy for lift service and inspections during the current Covid lockdown period has been challenging due to difficulty obtaining access from some vulnerable tenants who are shielding or are anxious about allowing people into their homes. We continue to engage with residents to provide reassurance on how these works can be safely undertaken to encourage them to provide access wherever possible within government guidelines.
- 4.5.2 We have recently procured a new contractor for stair-lift servicing and repairs, and are working with them to ensure they provide an effective service, including implementing all necessary processes to remain Covid safe.
- 4.5.3 Regulation 9 of the Lifting Operations and Lifting Equipment Regulations 1998 (LOLER), requires Somerset West and Taunton Council to ensure all lifting equipment that is provided for use in work activities are inspected by a competent person at regular intervals.
- 4.5.4 Somerset West and Taunton Council have a Lift and Lifting Equipment Policy and associated procedures to ensure that they meet their statutory requirements, these have also been reviewed and updated for comment/consultation.
- 4.5.5 Somerset West and Taunton Council have currently adopted the following intervals for service and inspection:
- Stair-lifts – Annual service and inspection
 - Passenger Lifts and Through floor Lifts – 6 Monthly service and inspection
- 4.5.6 The following table provides an update of the current position in relation to lift maintenance. Note: table properties aligned with validation process and review of data:

Property Account Type	Inspection Type	Number of Properties	Number Inspected	Percentage Compliant
HRA - Dwellings	Stair-lifts: Annual service and inspection	75 (74)	72	96% (97%)
HRA - Dwellings	Through floor lifts: 6 monthly service and inspection	3	2	67% (100%)
HRA - Blocks	Stair-lifts: Annual service and inspection	5	5	100%
HRA - Blocks	Passenger lifts: 6 monthly service and inspection	3	1	33% (100%)
GF - Properties	Passenger lifts: 6 monthly service and inspection	4	3	75% (75%)

Note: The HRA Dwellings stair-lifts showing as non-compliant are due to a tenant shielding from Covid and awaiting confirmation service reports from our contractor, The GF property showing as non-compliant is passenger lifts at West Somerset House, which is currently closed during the current lockdown, these will be tested prior to opening.

4.6 Water Safety Management (Legionella)

- 4.6.1 Compliance to GF properties for water safety management is currently undertaken by external contractors who undertake water risk assessments (WRA's), identify any potential hazards relating to legionella bacteria and carry out water temperature checks.
- 4.6.2 All HRA properties also require consideration in regard to water safety and we have therefore carried out a comprehensive review and survey by the compliance team to identify through our validation process all HRA properties where there may be a potential water safety hazard. This identified dwellings, blocks and HRA commercial properties where undertaking an initial water risk assessment was felt to be beneficial in order to provide reassurance that any hazards identified could be remedied. We have now commenced a programme with a specialist consultant to undertake a programme of WRA's to these HRA blocks and commercial properties, together with any GF properties requiring an updated WRA. This includes obtaining water samples and having them analysed by a laboratory to check for legionella bacteria where required.
- 4.6.3 The Control of Substances Hazardous to Health Regulations 2002 and the HSE Approved Code of Practice (L8) The Control of Legionella Bacteria in Water Systems identifies Somerset West and Taunton Council's requirement to minimise the potential of legionella growth within its stock, including communal areas.
- 4.6.4 Somerset West and Taunton Council have a Water Safety Policy and associated Procedures to ensure that they meet their statutory requirements.
- 4.6.5 Somerset West and Taunton Council have adopted the following inspection regime:
- Risk assessments – interval period for re-inspection based upon recommendation in accordance within L8
 - Tank inspections (Communal stored water only) – Annual
 - Domestic properties inspections within a block where there is communal stored water – 100% inspection over 5 years (minimum of 20% per year)
 - Void Properties – Inspected at the time of being vacant (including undertaking any remedial works and flushing prior to re-letting)
 - Domestic Properties (no communal stored water) – Programme being developed
- 4.6.6 Remedial actions are carried out by external contractors and the Housing Property team.
- 4.6.7 The following tables provide an update of the current position in relation to water safety for GF properties. Note: table properties aligned with current validation process and review of data:

Water Risk Assessments

Property Account Type	Properties Requiring a Water Risk Assessment	Properties with a Water Risk Assessment	Percentage Compliant
GF - Properties	56	44	79% (61%)

The current programme of WRA's being undertaken by the newly appointed specialist consultant is planned to complete all outstanding WRA's for the GF properties by the end of November 2020, this has been now revised due to additional properties being identified and will be included in the current programme.

Monthly Temperature Checks

Property Account Type	Properties with Stored Communal Water	Properties with a monthly temperature check	Percentage Compliant
GF - Properties	40	38	95% (95%)

5 Links to Corporate Strategy

No direct links.

6 Finance / Resource Implications

As noted in 1.6 above, a rolling review of all compliance areas against every property for which Somerset West and Taunton Council has property compliance responsibility continues to be undertaken and budget requirements for inspections and associated programmes of work have been developed. These have been used during the 2021/22 budget setting process.

7 Legal Implications

As noted in Section 3 of this report, Somerset West and Taunton Council has an obligation to comply with landlord statutory health and safety responsibilities. All of the specific legislative requirements are outlined under the relevant activity areas in Section 4 of this report.

8 Asset Management Implications

The property stock portfolio owned by Somerset West and Taunton Council is a substantial asset. This report outlines how health and safety compliance of this asset base is being managed.

Report Version No:	1/2/3/4/5 etc.
REPORT SIGNED OFF BY?	Date:
1) Service Manager – James Barrah	YES/NO/TBC – 11/01/2021
2) Legal - Name	YES/NO/TBC – dd/mm/yyyy
3) Finance/s151 – Kerry Prisco	YES/NO/TBC – 12/01/2021
4) Governance Team - Name	YES/NO/TBC – dd/mm/yyyy
5) SMT	YES/NO/TBC – dd/mm/yyyy
6) Informal Executive	YES/NO/TBC – dd/mm/yyyy
7) Governance Team - Name	YES/NO/TBC – dd/mm/yyyy

Somerset West and Taunton Council

Tenants Strategic Group – 25 January 2021

HRA Revenue and Capital Budget Setting 2021/22 including Dwelling Rent Setting 21/22 and 30-Year Business Plan Review

This matter is the responsibility of Executive Councillor Francesca Smith

Report Author: Kerry Prisco, Finance Business Partner (Housing & Communities)

1 Executive Summary

- 1.1 This report updates Members on the proposed Housing Revenue Account (HRA) Annual Revenue Budget and Capital Programme for 2021/22, the proposed Rent Setting for 2021/22 and an update on the 30-Year Business Plan Review.
- 1.2 The proposals included in this report would enable the Council to set a balanced budget for the HRA for 2021/22.

2 Recommendations

- 2.1 Full Council are asked to approve the following recommendations:
 - 2.1.1 To approve the HRA Annual Revenue Budget for 2021/22.
 - 2.1.2 To approve the increase of 1.5% (CPI+1%) to Dwelling Rents for 2021/22.
 - 2.1.3 To approve the HRA Capital Programme for 2021/22.

- 2.1.4 To note the reviewed and updated assumptions in the 2021 HRA 30-Year Business Plan.
- 2.1.5 To approve the minimum operational balance on HRA general reserves at £2m.

3 Risk and Issues

- 3.1 Since 2012 the HRA has operated on a 'self-financing' basis with the Council funding council housing from the income generated from rents and other charges. Although 'self-financing' has provided the Council with more flexibility, it has also brought additional risk. Those risks are primarily concerned with threats to income and expenditure that could compromise the viability of the HRA Business Plan. The Council regularly monitors its risks via a risk register and below are a number of the key risks for 2021/22:
- 3.2 **Welfare Reform and Universal Credit (UC):** The impacts of Welfare Reform and UC on the HRA Business Plan are significant with the number and value of rent arrears expected to increase considerably. A number of mitigations are already in place to help support tenants affected by Welfare Reform and UC such as debt advice, access to discretionary housing payments and a new arrears management team with redesigned workflow processes. Welfare Reform and UC may require the Council to revise future income projections as our experience with Welfare Reform and UC develops.
- 3.3 **Movement in Business Plan Assumptions:** The HRA Business Plan incorporates many assumptions that contribute to the financial assessment of strategic and operational aspirations over the 30-year period. These include rates in inflation on income and expenditure, rates for new borrowing, minimum reserves levels, projected revenue and capital spend, etc. The direct influence officers have on some of these that could have a big impact is minimal (e.g. rates of inflation and borrowing) and we are at risk of having to react to whatever external political and economic market influences occur.
- 3.4 **Responding to increased stock quality standards:** Changes to the Regulator of Social Housing's decent home standard as well as higher thermal efficiency standards which are unsupported by additional external grant funding would place an additional burden on HRA resources available for elemental investment in homes. Once the detail is known, we will need to adapt to ensure we continue to maintain stock at the Decent Homes Standard and prepare to meet all the evolving expectations, incorporating the financial impacts into the Business Plan.
- 3.5 **Building Regulation and Fire Safety:** The Grenfell Tower fire and subsequent Review of Building Regulation and Fire Safety bring a number of operational and financial risks. These risk have been mitigated with the increases in revenue and capital budgets proposed for 2021/22 for compliance related work. However the exact costs are currently unclear and will require some degree of re-prioritisation within the 30-Year Business Plan. There are likely to be other impacts as a result, such as impacts on the repairs budget due to additional work to communal areas, more intensive management of flat blocks and further resilience within teams to respond to the volume and breath of enquiries. We will need ensure continued compliance with these statutory requirements.
- 3.6 **Housing White Paper:** In November the Government published the Housing White Paper which sets out the changes to how social landlords will operate. It will require a number of changes to home safety, tenant satisfaction measures, complaints handling, a new inspection regime for social landlords and a strengthened role for the Regulator of Social Housing. Many of the new changes in the white paper have already been mitigated in Housing by strengthening our compliance activities, setting up the new

Housing Performance Team to be responsible for communications, performance data and engagement but this will need to be kept under review and self-assessment has begun.

- 3.7 **New Housing Supply:** The provision of new affordable housing is a key objective for the HRA Business Plan. Such development carries significant risks that we will need to continue to manage and monitor.
- 3.8 **Borrowing:** The Treasury announcement in the 2020 Spending Review that local authorities with plans to incur capital expenditure acquiring assets primarily for yield will not be permitted to access new PWLB loans for long term borrowing. In response to this, the authority will continue to manage borrowing requirements as a whole through our ongoing treasury management arrangements and will look to other sources for long-term capital finance. The risk is that it may take longer to arrange long term finance and that the rates will be determined by the market. We will continue to explore alternative sources of debt with advice from Arlingclose, our Treasury Advisors. The outcome of this may require further adjustments within the business plan relating to the assumed rate for new borrowing over the 30-year period.
- 3.9 **Unitary Authority:** the Secretary of State is due to make a decision before the summer recess in 2021. Whichever decision is made by Secretary of State our local government model will change and the HRA will be impacted by this. The risk for the HRA is the possible share of implementation costs, which are currently unknown, and whether these costs will need to be funded using revenue or capital budgets. From a capital perspective the business plan does provide some headroom to allow non-right to buy (RTB) receipts to be used as flexible capital receipts to fund transformation costs. However this direction ends on the 31 March 2022 and it is unknown if the government will approve an extension on this directive. If the costs can only be treated as revenue then we may need to review other expenditure to make this affordable and or consider the use of reserves.
- 3.10 **COVID-19:** The unknown future impact of the pandemic presents a risk to the Housing Service, particularly in terms of revenue collection as well as impact on tenant mental health and wellbeing. We have already seen a drop in inflation rates impacting our future income and expenditure, however another significant risk relates to financial hardship that will result from the impact of COVID, particularly following the ending of government support such as furlough and the current uplift in Universal Credit. The net result is likely to be higher unemployment and much tighter finances for many households which will impact on their ability to pay rent. Furthermore, there may be an increasing need to invest more in support services for tenant households affected by the impact of COVID. This could present across a range of service demands including increased debt and benefits advice; unemployment support, mental health support; anti-social behaviour intervention, safeguarding and domestic abuse support.
- 3.11 **Exiting the EU:** The reality of exiting the European Union remains in a state of uncertainty about what the impact will be now the government has negotiated a trade deal. This could affect the cost of goods/materials, services, development and funding.
- 3.12 **Inflation on Staffing Costs:** Staffing costs have not been inflated for 2021/22 following the government's announcement in respect of public sector pay. It is assumed for budget purposes that local government pay negotiations will follow suit. However if a 1% pay award was given this would cost the HRA an additional £65k (or an additional £152k at

2%) in direct staff costs.

- 3.13 **Government Rent Policy Change:** It is not inconceivable that we could see a further change in rent policy from government as we have seen before, to reduce rents, whilst this will support tenants financially it has a significant impact on our business plan, it also has the effect of a significant saving on the benefit bill for government so may be a current consideration for the treasury at the current time in light of impact of COVID.

4 Background and Full details of the Report

- 4.1 The HRA is a ring fenced account used to manage the Council's housing stock of some 5,700 properties, with the Council acting as the Landlord.
- 4.2 In April 2012, under the Localism Act 2011, the HRA (under the administration of Taunton Deane Borough Council (TDBC)) moved away from a national subsidy system (which required an annual payment from the HRA to Central Government) to become 'self-financing'. This enabled the Council to retain all rental income to meet the costs of managing and maintaining the housing stock, as well as meeting the interest payments and repayment of debt. As part of the self-financing agreement, a one-off payment of £85.198m was made to Government.
- 4.3 In order to manage the freedoms gained by the HRA through self-financing, a new 30-Year Business Plan (2012-2042) was introduced. This set out the Council's overall aims and objectives for Housing Services, as well as laying out plans to manage the increased risks and opportunities.
- 4.4 The HRA Business Plan has been reviewed and updated annually since 2012, with a full review undertaken in 2016 and 2020 in response to the changes in national policies and local aspiration. The 30-Year Business Plan has again been reviewed as part of the 2021/22 budget setting cycle and the key changes / updates to the plan are described in section 5 below.
- 4.5 The HRA continues to face a number of risks and issues, many of which could be significant but the actual financial impact is not yet known. These risks and issues are more significant for us as we proactively drive forward substantial investment in social housing development, with both existing schemes and more schemes planned for the future. These risks and issues are discussed in section 3 above.
- 4.6 As part of the self-financing agreement, an individual housing revenue borrowing cap of £116m was implemented for TDBC. This meant that the HRA was unable to exceed a capital borrowing requirement of £116m within the HRA Business Plan. In October 2018 this borrowing cap was officially removed.
- 4.7 The HRA has benefited from these freedoms in particular the ability to develop new homes; with the addition of X homes to the housing stock since 2012.

5 The HRA 2021 30-Year Business Plan Review

- 5.1 Whilst the business plan is updated on a regular basis, a more thorough review was undertaken again this financial year as part of the budget setting process. This was as a direct result of the significant financial and economic impact caused by the COVID pandemic as well as the need to ensure a comprehensive financial investment appraisal

was undertaken for the significant social development schemes recently considered.

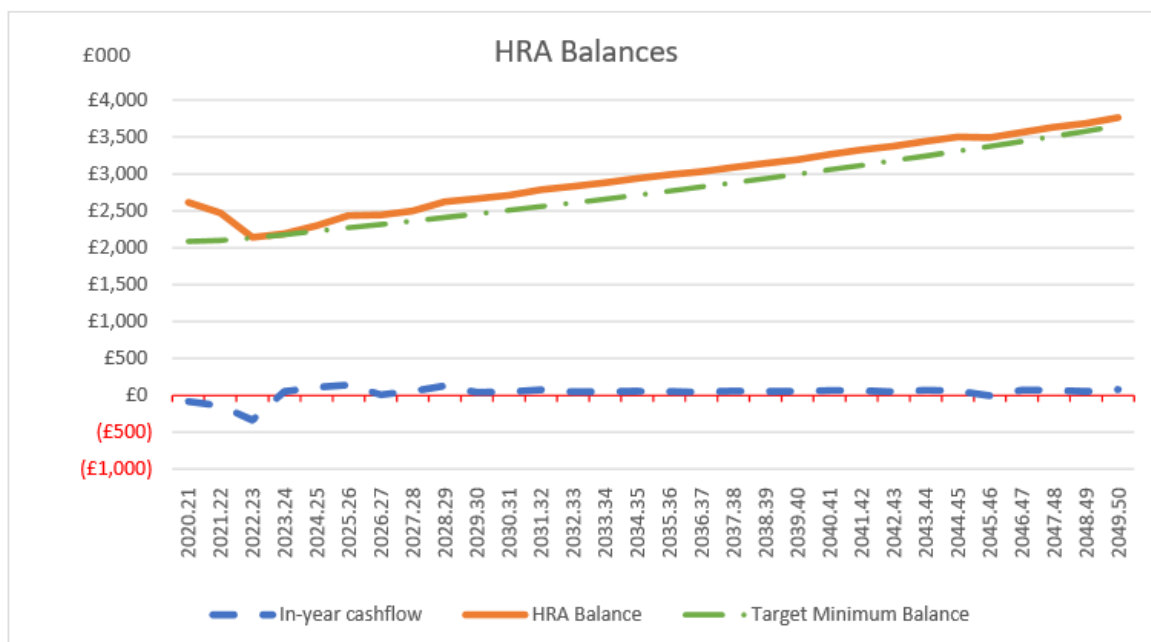
5.2 Independent financial housing advice was sought from Altair to support the business in undertaking this in-depth review; to provide challenge to our existing assumptions and provide assurance in the HRA's ability to deliver the new build aspirations. The outcome of this evaluation can be found in Altair's report found in Appendix A.

5.3 In summary, a new business appraisal model has been used and updated with the following key assumptions and projections:

- Revenue Budget Estimates for 2021/22
- Capital Programme for the next 10 years
- Dwelling Rent increase of 1.5% until 2024/25, reducing to just Consumer Price Index (CPI) thereafter
- Void loss at 2% of gross rental income
- Inflation projections that reflect the statistics published in October 2020 by the Office of National Statistic (ONS) (September CPI) and HM Land Registry (HMLR) (August House Price Index (HPI))
- Interest on new debt at 2% until 2024/25, rising to 2.5% thereafter
- Minimum reserves position of £2m
- Social housing development programme to include the recently approved Zero Carbon Pilot, Seaward Way, Oxford Inn and North Taunton Woolaway Project.

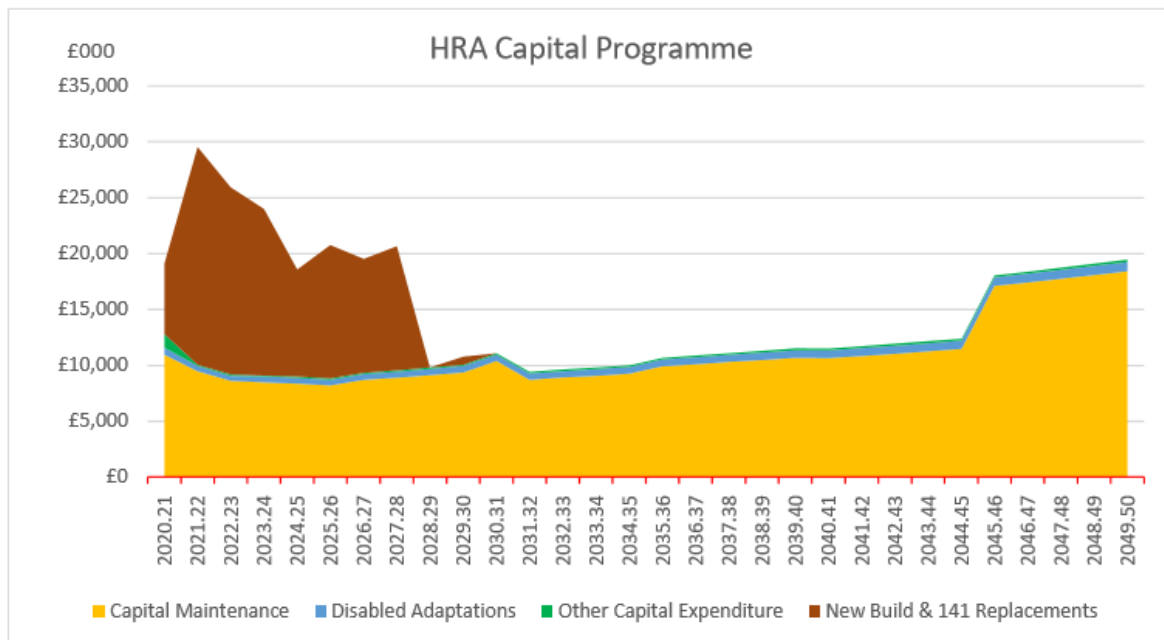
5.4 **Performance Measures:** The following measures have been used by Altair to assess affordability and financial sustainability of our operational aspirations, which have been summarised below as per Altair's report (see Appendix A Section 4).

5.4.1 **Minimum General Reserves Balance:** This is maintained at above the minimum proposed limit of £2m throughout the forecast. The business plan assumes that any "excess" rents generated are made available to repay debt.

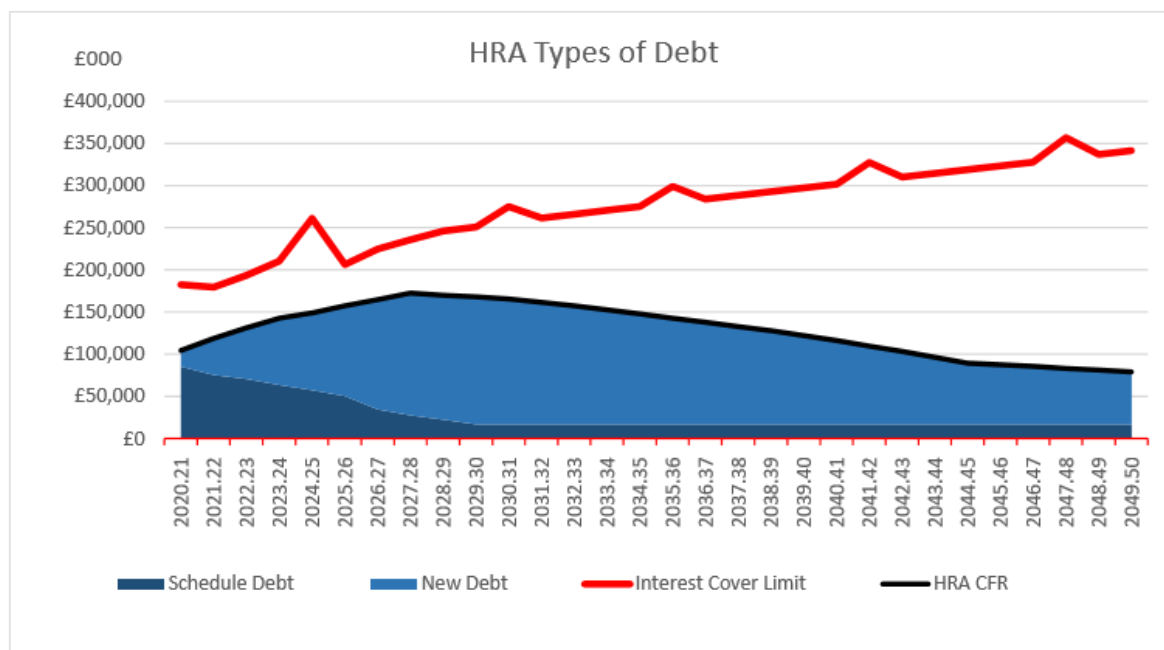


5.4.2 **Capital Programme:** The proposed capital programme enables the HRA to maintain its existing stock (amber area) and allows for the new build / purchase of an additional 374 units by 2027/28 (brown area). The investment requirement for the existing stock steps

up significantly in the last five years of the forecast as a result of component replacements that are expected to become due. This is affordable within the current baseline position.

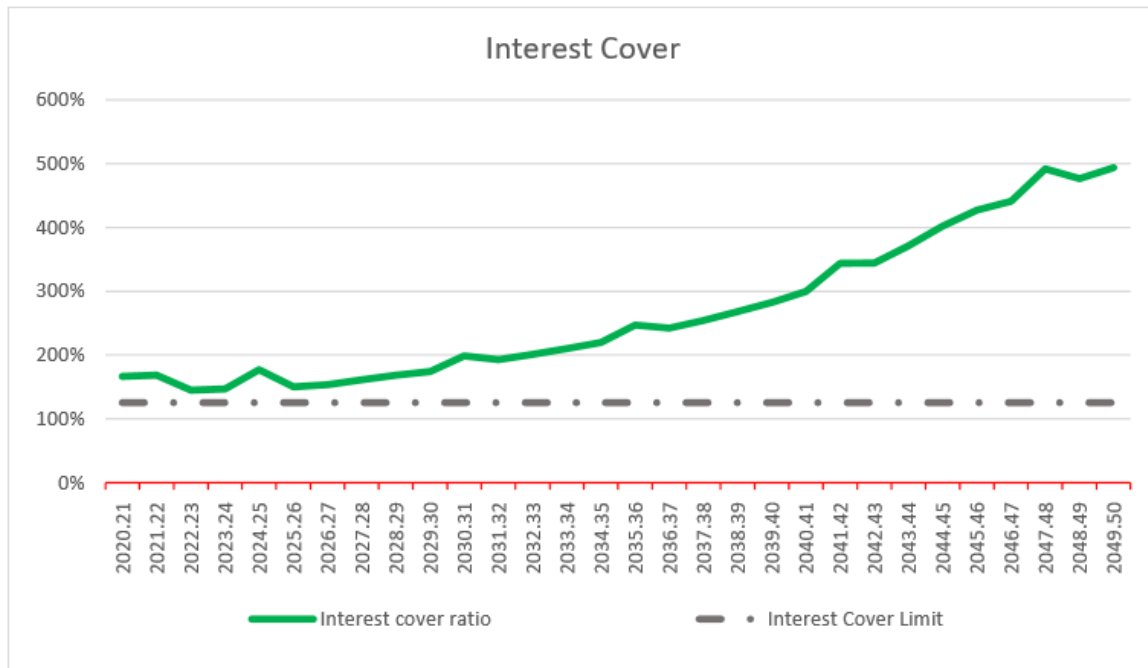


5.4.3 Capital Financing Requirement: There will be a need to take out additional (new) debt to pay for the capital programme and to refinance existing loans falling due. Therefore the borrowing requirement increases initially reaching a peak debt of £173m in 2027/28. The HRA is then able to reduce debt to a forecast residual balance of £79m at the end of the period.

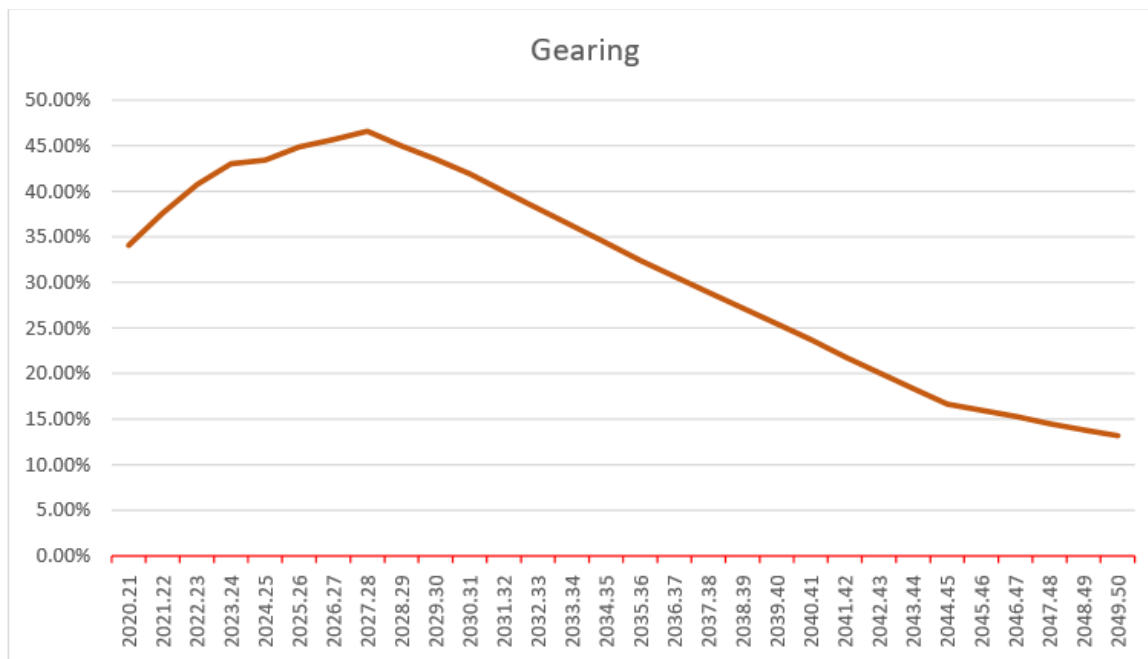


5.4.4 Interest Cover: This metric measures the ability of the HRA to be able to finance the interest payable on debt by 1.25 times or more. This measure is widely used by housing associations, and indicates the ability to pay for debt-related costs. The forecast shows that we meet and improve upon this minimum interest cover requirement during the 30-

year period.

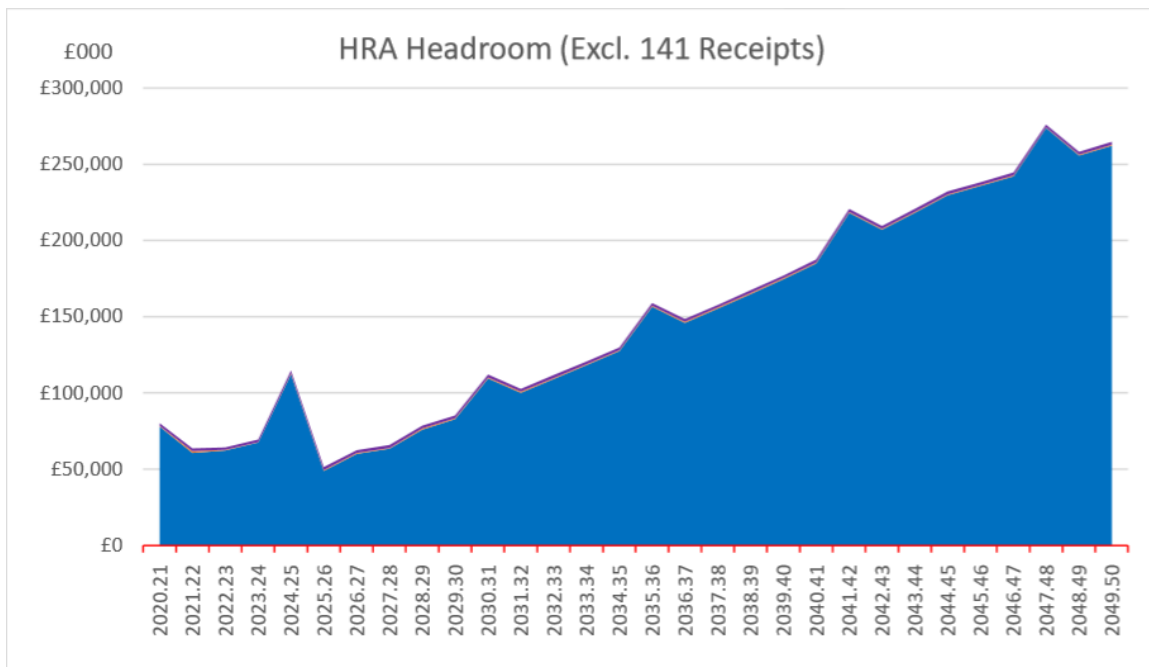


5.4.5 **Gearing:** This looks at the value of HRA assets and compares this to the level of debt. The baseline shows gearing peaking at 46.62% in 2027/28 and then reducing to 13.20% by the end of the forecast. To put this in context this is broadly equivalent to an owner occupier having a mortgage that comes to 46.62% of the value of their home.

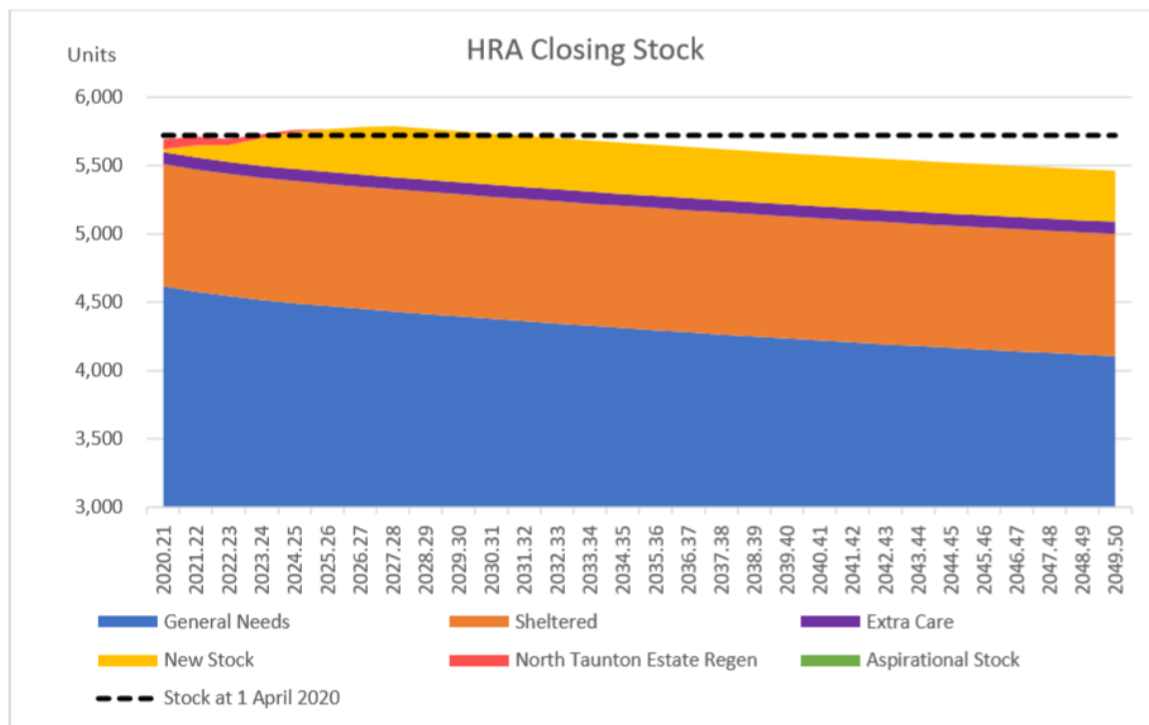


5.4.6 **Headroom:** This represents the additional borrowing capacity available to the HRA without exceeding the interest cover limit. The headroom drops to its lowest of £48m in 2025/26, but overall this represents a reasonable level of headroom over the 30-year period. It is important that the HRA always maintains sufficient headroom to be able to

react to emerging and / or unforeseen circumstances.



5.4.7 **Stock Levels:** There is an initial growth in stock numbers (374 units) from the new build social development schemes that are already approved reaching a peak of 5,834 units at the end of 2027/28. Thereafter assumed RTB Sales reduce stock levels to 5,515 units at the end of the period.



5.5 In summary, Altair have stated that the HRA’s baseline presents a strong starting position. The HRA is able to deliver a substantial medium term development programme, while maintaining its existing stock and being able to repay the additional debt required to finance the capital programme by the end of the forecast period.

5.6 Therefore the current approved programme of works is affordable and financially

sustainable based on current projections and the current economic climate. Throughout the Baseline forecast the HRA is able to operate well within its means, with further headroom available should it need to respond to unexpected changes in circumstances.

- 5.7 **Sensitivity Tests:** In essence this is still a high level business plan based upon on a number of assumptions which can easily change as seen with inflation and interest rates during the last year. Altair has undertaken a number of sensitivity tests (see Appendix A Section 7) on our baseline position to consider the impact this has on peak debt, debt at the end of the period and borrowing headroom. This will enable the business to manage those risks alongside the short and medium term activities of the business.
- 5.7.1 **One Year Rent Freeze:** The assumption that rents were frozen in 2021/22 and remained at the same levels of 2020/21 was modelled. This would reduce income generated in 2021/22 by £363k and this would also reduce income by £5.6m over the 30-year period. This is partially offset through the estimated turnover of tenants, with new tenants signing up on rent flexibility levels. By generating less income the HRA has less money available to repay debt and has to borrow more for a longer period. The impact within the 30-year business plan is that peak debt goes up by £1.797m and debt at the end of the forecast increases by £8.121m. In addition to this, if the HRA generates less income it has less money available to cover its interest payments on borrowings and therefore reduces the amount of money the HRA can borrow. The impact within the 30-year business plan is that the borrowing headroom reduces by £10.141m.
- 5.7.2 **Cost of Borrowing Increases:** Of the three sensitivity tests this had the greatest impact. A 1% increase in the cost of borrowing requires the HRA to use more rental income to pay for the debt interest payments instead of repaying the debt itself. Therefore the HRA has to borrow more for longer, resulting in peak debt rising by £2.8m a year later in 2028/29. The residual debt is also much higher increasing by £45m (to £115m).
- 5.7.3 **Increases in Cost:** A 0.5% increase in inflationary costs for five years to deliver services, investment and new homes (assuming the same level of income) was modelled. This means that there is less income available to finance and / or repay debt. Therefore the HRA has to borrow more for longer, resulting in peak debt rising by £2.3m 2027/28 and residual debt is £25m higher (to £95m).
- 5.8 **Target of 1,000 New Homes:** Altair have also extended the baseline position to model the affordability and financial sustainability of delivering further aspirational new build to meet the 1,000 new homes as per the 2020 Business Plan. The majority of the key measures look positive, however the overall debt position rises at the end of the 30-year period, which means that projected income from rents (and other sources) is unable to sustain the level of investment required to deliver these additional aspiration units without cost savings being delivered.
- 5.9 **Zero Carbon Retrofit:** The capacity to deliver a zero carbon retrofit (either within 10 years or 30 years) was also modelled but both placed significant pressure on the business plan with debt continuing to rise at the end of the period and leaving no headroom for unforeseen circumstances, which is not recommended. The business plan is currently unable to deliver both a development programme and a zero carbon retrofit programme. Unless there is significant government funding we will face future choices between our later years development plans versus retrofit as delivering both is not currently affordable, but this is a decision for a later time as the market and approach to

retrofit matures.

6 HRA Budget Estimates for 2021/22

- 6.1 The draft HRA Revenue Budget for 2020/21 and 5-year Medium Term Financial Plan (MTFP), as a result of planned changes within the HRA 2021 Business Plan review and other changes, is included in Appendix B.
- 6.2 Table 1 below provides a summary of the main proposed changes to the annual revenue budget estimates from 2020/21 to 2021/22.

Table 1: HRA Budget Setting 2020/21 to 2021/22 Changes

	Reference Paragraph	£'000
Original Budget 2020/21 - balanced budget		
<u>Income</u>	6.4	(895)
<u>Service Expenditure</u>		
Growth:		
Growth for Salaries: Apprentices	6.7	100
Growth for Salaries: Systems Case Manager	6.8	48
Growth for Pension Deficit	6.9	43
Growth for Compliance Costs	6.10	455
Growth for Voids	6.11	94
Growth for New Mechanic Contract	6.12	20
Growth for Housing Partnership	6.13	23
Growth for Compliance Software	6.10	41
Inflation for Grounds Maintenance Contract	6.14	15
Removal of Efficiency Savings	6.15	100
Removal of Funding From Earmarked Reserve 20/21	6.16	183
Savings:		
Reduction in Shared Staff Costs	6.17	(457)
Reduction in Case Manager Post	6.18	(36)
Reduction in Staffing Costs	6.18	(48)
Capitalisation of Development and Construction Staff Costs	6.19	(200)
One-Off Saving on CCTV Contract	6.20	(15)
Other Adjustments	6.21	(57)
<u>Central Costs / Movement in Reserves</u>		
Inflation on Depreciation	6.21	662
Reduction in Interest Payments	6.23	(76)
Proposed Original Net Budget for 2021/22		0

- 6.3 The main changes include:
- 6.4 **Income:** as per section 7 and 8 below, we are proposing to increase rents and services charges (where applicable) by CPI+1%. We have also assumed a 2% void loss on dwelling rents which is an increase of 0.75% in light of the current climate (from 1.25% in 2020/21). For dwelling rents the increase in void rate has reduced income by £186k and the inflation generates £363k more income.
- 6.5 For temporary accommodation we have increased the void rate to 20% (from 10% in 2020/21) on standard stock reducing income by £15k. However this has been offset in part by the one-off addition of temporary accommodation in the North Taunton area adding a further £138k income in 2021/22.
- 6.6 Other changes include an increase in estimate RTB sales and service charges increased by inflation. The total changes in income equates to an additional £895k of income for next year.
- 6.7 **Apprentices:** an additional £100k has been included for 2021/22 to provide capacity to fund a number of apprentice positions to support the delivery of an excellent, customer focussed responsive and void repairs service. There is a shortage of skilled trade workers in the construction sector, both nationally and locally, and this has led to difficulty in our recruiting and retaining in this area. We would seek to 'grow our own' future skilled and dedicated trades persons, support their education and develop them through our existing trade services. We are looking for budget funding to enable four apprentice positions, over a range of trade areas, and give our existing team a real opportunity to demonstrate and pass on their skills to a future group of crafts people.
- 6.8 **Systems Case Manager:** this new post is being added to the staffing structure at an ongoing annual cost of £48k. This role will be fundamental to the Housing Directorate in providing a more cohesive housing systems application maintenance and support, and delivering efficiency improvements in the use of all housing system applications.
- 6.9 **Pension Deficit:** the contribution towards the pension deficit will increase in 2021/22 as determined by the Pension Fund actuary. This increase of £43k is the HRA's share of this cost inflation.
- 6.10 **Compliance:** the increase of £455k relates to the property safety compliance works required to ensure we meet relevant legislative standards, regulatory requirements and keep our customers safe are key activities for the Housing team. These works include ongoing inspections, safety checks and servicing in relation to fire safety, water safety management, electrical testing, passenger lifts and stair-lifts, and Air Source Heat Pump servicing. We have undertaken validation surveys throughout our property stock to ascertain the necessary checks needed, and also carried out Risk Assessments where required. This work has established a need for an ongoing programme of enhanced checks, delivered by both in-house and external resources, and the required funding to deliver this critical area of activity.
- 6.11 **Voids:** the increase of £94k relates to anticipated cost pressures from additional void repairs being required due to properties being returned with a higher level of outstanding repairs (either due to the previous tenant not requesting these be undertaken following anxiety about the work being done during the COVID pandemic, or due to a backlog of outstanding repairs generally), and also as a result of more properties becoming void as projects to deal with property under-occupation progress (generating more work required

due to both the size of the void properties coming through, and proportionately more properties having higher levels of repairs required due to older tenants either refusing upgrade works in the past and / or not reporting responsive repairs).

- 6.12 **Mechanic Contract:** Our operational services are moving to a contracted Mechanic service provided by a third party rather than employing mechanics in our staff in order to provide a more flexible service, this budget provision of £20k is the HRA contribution to this service.
- 6.13 **Private Sector Housing Partnership (Somerset Independence Plus):** SWT contract services from Sedgemoor District Council to deliver disabled facilities and adaptations to housing property and other services to tenants, alongside the work of this service to support private sector residents. In order to realign the budgets there is a one-off ongoing growth of £23k required for the HRA share of this contract.
- 6.14 **Inflation on Grounds Maintenance Contract:** as a direct result of increasing the grounds maintenance service charge by CPI+1% this provides extra budget availability to support this area of service delivery.
- 6.15 **Efficiency Savings:** the original target of £100k has been removed to rebase the budget for 2021/22. In light of the COVID pandemic the aspiration to find these efficiency savings during the year has not been fulfilled. The service will continue to strive to achieve and maintain efficiency savings wherever possible. We are currently re-establishing our Lean reviews of the three main housing processes of repairs, voids and income, with the income review already containing and reducing the level of arrears and the number of tenants in debt.
- 6.16 **Funding from Earmarked Reserves:** the one-off funding of £183k from earmarked reserves has been removed to rebase the budget for 2021/22.
- 6.17 **Reduction in Shared Staff Costs:** As part of the budget setting process for 2020/21, the HRA needed to take on a share of transition and service resilience cost pressures as well as a share of the temporary staff delivering the corporate change programme. This saving of £457k is the removal of these one-off cost pressures.
- 6.18 **Reduction In Staffing Costs:** this relates to the removal of a vacant post that is no longer required along with other full time equivalent (fte), scale point and off-scale adjustments.
- 6.19 **Capitalisation of Development and Construction Staff Costs:** as part of the Right To Buy (RTB) scheme eligible staffing costs are able to be capitalised and part funded using RTB Receipts. In light of the recently approved social housing development schemes a number of positions will be fundamental in the successful delivery of these schemes and therefore an approximate £200k of staffing costs will be able to be capitalised.
- 6.20 **CCTV Contract:** one-off savings of £15k have been identified from the under-utilisation of the camera maintenance sinking fund held by Sedgemoor as part of this contractual arrangement.
- 6.21 **Other Adjustments:** various budgets have been reviewed with many minor budget savings being offered up to an amount of £57k. This includes a reduction in the recruitment budget now that the majority of positions have been filled, a reduction in the training budget that has historically been underutilised and a reduction in the tenant

forum budget which was used for small estates projects based on a new capital provision for Environmental Improvements. These adjustments can be made without impacting service delivery.

- 6.22 **Inflation on Depreciation:** Depreciation is transferred to the Major Repairs Reserve (MRR) and is used to fund the capital programme and/or repay debt. From 2017/18 depreciation has been required to be included within the HRA accounts on a component accounting basis. This means depreciation will need to be calculated on each of the major components of each house e.g. kitchen, bathroom, rather than being based on the Major Repairs Allowance (MRA), an estimation of the works needed to maintain the stock in good condition.
- 6.23 Depreciation is a year-end accounting adjustment that cannot be forecast with certainty prior to closing the final accounts. The estimated depreciation for 2021/22 is based on those calculations made for 2019/20 plus an allowance for sales and purchases during the year. This increase of £662k is in part a one-off catch up on inflation budgetary requirements as well as estimate for inflationary increases for next year's depreciation charges.
- 6.24 **Interest Payable:** The majority of existing external borrowing is based on fixed interest rates for the term of the loan, with only two loans based on variable rates of interest. Therefore we are able to predict the interest payment for these elements with a high degree of certainty. The HRA has since taken out a new loan of £10m reducing the amount of internal borrowing from the General Fund, which is charged at the average borrowing rate across the authority. The estimated budget for 2021/22 is £2,668,800 which is a decrease of £76k.
- 6.25 **Minimum general reserve balance:** under the Council's wider Financial Strategy the current minimum Operational Target is £2.4m and the Financial Resilience Target is £1.8m, for the HRA general reserve balance. We are now considering consolidating the two minimum reserve levels into one new one at a level of £2m; the amount is a balance between the risk of holding too much cash and therefore borrowing more than we need to and the ability to respond to unforeseen issues. Whilst also noting that we also have borrowing headroom in the business plan to allow us to increase borrowing should we need to.

7 Dwelling Rental Income

- 7.1.1 The Government introduced the Welfare Reform and Work Act 2016 Social Rent Reduction, which required all social housing landlords to reduce the rent payable by tenants by 1% each year for 4 years between April 2016 and April 2019 (excluding shared ownership homes and temporary accommodation). This superseded the Government's previous 10 year rent increase policy implemented in April 2015.
- 7.1.2 On 26 February 2019 the Ministry of Housing, Communities and Local Government confirmed that increases to social housing rents will be limited to the Consumer Price Index (CPI) plus 1% for 5 years from 2020. The September 2020 CPI figure is 0.5% as published by the Office for National Statistics on the 21 October 2020.
- 7.1.3 The Regulator of Social Housing issued a new Rent Standard for 2020 under the direction of the Government. This new Rent Standard will now apply to all housing

associations, whereas previously Local Authorities were excluded from such standards.

- 7.1.4 A separate Rent Setting Policy, covering the content and those elements proposed to be adopted by the Council from within the Regulator of Social Housing's Rent Standard 2020, was approved by Full Council in February 2020.
- 7.1.5 The Rent Setting Policy recommends that social rents for existing tenancies will be reviewed annually and any increases will not exceed the limit of Consumer Price Index (CPI) plus 1% for 5 years from April 2020.
- 7.1.6 Therefore in accordance with the Regulator of Social Housing's new Rent Standard from April 2020, Dwelling Rents for 2021/22 will increase by CPI+1%. Table 2 below shows the average weekly rent for existing and new tenants.

Table 2: Average Weekly Rents

Tenancy Type		Average Weekly Rent 2020/21 (£)	Average Weekly Rent 2021/22 (£)	Average Change Per Week (£)
General Needs	Existing Tenants	84.28	85.54	1.26
	New Tenants	88.49	89.82	1.33
Sheltered/ Supported Housing	Existing Tenants	77.40	78.56	1.16
	New Tenants	85.14	86.42	1.28
Extra Care	Existing Tenants	77.49	78.65	1.16
	New Tenants	85.24	86.52	1.28

- 7.1.7 For comparison, table 3 shows the average weekly general needs social rent for SWT in comparison with other housing (association) providers in the Taunton Deane area. Please note that this data has been sourced from the Magna website¹ and we have inflated the data based on that applied to SWT rents since 31 March 2018 for comparison purposes. The data suggests that SWT is providing the lowest average weekly general needs social rents in the Taunton Deane area.

Table 3: Average Weekly Social Rents in the Taunton Deane Area

Taunton Deane	Average Weekly Rent (£) - 2020/21	Average Weekly Rent (£) - 2021/22
Aster Communities	107.72	109.34
Yarlington Housing Group	107.61	109.22
Curo Places Limited	106.62	108.22
Sanctuary Housing Association	95.40	96.83
Stonewater (3) Limited	95.10	96.53

¹ <https://www.magna.org.uk/your-home/rent/how-our-rents-compare>

Stonewater (5) Limited	94.56	95.97
Liverty Limited	93.57	94.97
Magna Housing Limited	92.61	94.00
Stonewater Limited	92.43	93.82
Places for People Living+ Limited	84.80	86.07
SWT	84.28	85.54

- 7.1.8 The increase in rental income generated year on year is vital to enable the HRA to deliver its aspirations and maintain business continuity over the long term. The HRA has an ambitious new build social development programme to add zero carbon homes to its housing stock. This will require significant investment and the need to use rental income to fund interest payments on borrowing and the repayment of debt. Income is also required to finance the continued investment in maintaining our existing homes, other assets and neighbourhoods to a high standard with a comprehensive planned programme of expenditure, adaptations and routine repairs in place. The rental income will also enable the HRA to continue providing and improve upon the strong community support offered to tenants providing them with additional support to sustain individual tenancies as well as investing in a range of community based projects and groups.
- 7.1.9 The decision to inflate rents each year is difficult, even more so this year as our communities continue to respond to the challenges placed upon them as our economy moves back into a recession due to the impacts of COVID and Brexit. With 62% of our tenants having their rents funded through benefits, it is the 38% of self-funders we need to consider and the long term impact on the HRA business plan.
- 7.1.10 In terms of supporting our self-funders we have a range of options to help these tenants including debt and benefit advisers to enable tenants to manage their finances and to maximise the income available to them e.g. access to welfare benefits. We also have a dedicated team of officers who monitor arrears and engage frequently with this group of tenants to ensure early intervention if the tenants is experiencing financial difficulties. In addition to this the HRA make grant payments to external agencies such as Citizens Advice Bureau and also Inspire to Achieve who help tenants in our communities improve their employment opportunities. Further information can be found in the Equality Impact Assessment form in Appendix D.
- 7.1.11 The consequences of freezing rents will impact both the income generated in that financial year but also income generated in future years. As mentioned above in section 5.7, a sensitivity test was undertaken to assume that rents were frozen in 2021/22 and remained at the same levels of 2020/21. This increased peak debt as well as increasing debt at the end of the period. It also reduced the amount of money the HRA could borrow.

8 Non-Dwelling Rental Income and Service Charges Income

- 8.1 This incorporates income from non-dwelling rents (mainly garages but also shops, land access and meeting halls), charges for services and facilities, and contributions to HRA costs from leaseholders and council tenants. This accounts for approximately 8% (c£2.3m) of total HRA income.
- 8.2 These fees and charges can be approved by the S151 Officer under delegated powers set out in the Constitution. The exception is the setting of Dwelling Rents which will still be submitted for Full Council for approval as per section 7 above.
- 8.3 The HRA fees and charges have been approved by the Section 151 Officer for 2021/22.

This has generated £97k of additional service charge income for 2021/22.

9 Housing Revenue Account Capital Programme for 2021/22

- 9.1 The draft HRA Capital Programme for 2021/22, that will deliver the capital investment proposed within the Business Plan, is £13.8m and is shown in table 4 below. This does not include social housing development schemes that have been previously approved.
- 9.2 The draft 10-Year HRA Capital Programme from 2021/22 to 2031/32, that will deliver the capital investment proposed within the Business Plan, is shown in Appendix C.

Table 4: HRA Capital Programme for 2021/22

Capital Investment	Total Cost £000
Major Works	8,884
Fire Safety	202
Related Assets	100
Exceptional & Extensive	294
Vehicles	121
Aids & Adaptations & DFGs	370
Social Housing Development	3,830
Total Proposed HRA Capital Programme 2021/22	13,800

- 9.3 The estimated capital investment per scheme and the scheme itself is explained in more detail below. Whilst Officers have estimated the planned spend based on information currently available to them, these estimates are subject to change depending on contract negotiations, contractor availability, demand on the business, the condition of voids returned to the council and changing business priorities. Therefore any changes to the profile of spend between schemes will be subject to approval by the Housing Director and the Housing Portfolio Holder, and reported through the quarterly budget monitoring reports.
- 9.4 It is proposed that the HRA Capital Programme for 2021/22 shown above in table 4 will be funded from an appropriate combination of Major Repairs Reserves (from depreciation), revenue contributions, capital receipts, capital grants and borrowing.
- 9.5 A summary of the estimated funding profile for the 2021/22 capital programme is shown in the table 5 below. The final funding profile will be agreed by the Section 151 Officer as per the financial procedure rules.

Table 5: Capital Investment Funding Estimates

Capital Investment	Total Funding £000
Major Repairs Reserve	7,538
Revenue (RCCO)	-
Capital (RTB) Receipts	1,149
Capital (Non-RTB) Receipts	1,356
Capital Grants Receipts	244
Borrowing	3,514
Total Funding	13,800

9.6 Major Works

- 9.6.1 These schemes will be focusing on ensuring that a decent homes standard is maintained and that the housing stock major components are replaced periodically as per our capital works programme for 2021/22. This will also include unplanned major works on voids where the property is returned in a poor condition and requires a full re-work ahead of the capital works programme.
- 9.6.2 The Major Works capital programme will be broken down into component schemes, with table 6 below showing the estimated amount to be spent on each scheme.

Table 6: Major Works

Capital Scheme	Total Cost £000
Kitchens	2,095
Bathrooms	1,020
Roofing	432
Windows	640
Heating (Open Vented)	878
Doors	100
Fasciae and Soffits	309
Ventilation	40
Door Entry Systems	400
Voids Kitchens and Bathrooms	329
Sewerage and Drainage	100
Water	169
Scaffolding	50
Heating for Warmer Homes	1,037
Environmental Improvements	100
Unadopted Areas	50
Electrical Works	466
Insulation	495
Other	175
Total	8,884

9.7 Fire Safety

- 9.7.1 The Fire Safety capital programme will be focusing on ongoing fire safety works and ensuring all housing stock continues to adhere to the fire safety regulations. The proposed capital investment will be £202k.

9.8 Related Assets

- 9.8.1 The Council also owns a number of related assets in addition to the housing stock. These include garages, meeting / community halls and shops. The proposed capital investment

of £100k will ensure that these assets are maintained as required.

9.9 **Exceptional Extensive Works**

9.9.1 The proposed capital investment of £294k will be used for asbestos removal.

9.10 **Disabled Facilities and Aids and Adaptations**

9.10.1 This is an annual recurring budget for small and large scale home aids and adaptations in tenants' homes where there are mobility issues. This budget is demand led by requests from tenants or through recommendations by occupational therapists or other healthcare professionals. Applications are made through the Somerset West Private Sector Housing Partnership. The capital investment for 2021/22 will be £370k.

9.11 **Vehicles**

9.11.1 The service uses a combination of both owned and leased vehicles depending on the complex nature of the vehicle requirements, to deliver services to our tenants. The proposed capital investment of £121k per year is to cover the replacement cost of owned vehicles on a cyclical basis.

9.12 **Social Housing Development**

9.12.1 The HRA has four pre-approved social housing development schemes (Zero Carbon Pilot, Seaward Way, Oxford Inn and North Taunton Regeneration Project) which should meet our total spend requirements for 2021/22 under the RTB "1-4-1 Agreement" (explained in section 9 below).

9.12.2 However a proposed budget of £3.83m has been included within the capital programme to represent the 2021/22 RTB spend requirement. This will provide the service flexibility to ensure this is achieved through alternative means in case the delivery of any of the schemes are delayed through any unforeseen circumstances. This would be funded 30% from retained RTB capital receipts and the remainder from borrowing.

10 **HRA Borrowing**

10.1 In 2012 the Council took out additional external borrowing of £85.198m as part of the self-financing settlement with the Government. This meant that the total debt owed by the HRA at the start of self-financing was £99.649m (which included £9m of pre self-financing loans and £5.451m of internal borrowing).

10.2 As part of the self-financing agreement, an individual housing revenue borrowing cap of £116m was implemented for TDBC. This meant that the HRA was unable to exceed capital borrowing of £116m within the HRA Business Plan. Although the Government abolished the HRA Debt Cap in October 2018, it is proposed to set a prudent debt cap for the HRA.

10.3 The total capital borrowing requirement (debt balance) owed by the HRA at the start of 2020/21 was £108m. This was financed by £79m of existing external loans, with the balance funded through internal borrowing. During the year the HRA has taken out a new external loan of £10m for 50 years secured at 1.64%.

10.4 The HRA 2020 Business Plan assumes that there will be a significant increase in new borrowing over the next 10 years to meet the increased ambitions for capital investment. This will result in additional cost pressures to cover the financing of this new investment

and refinancing of existing loans.

- 10.5 The budgeted annual provision of £1.821m for the repayment of debt will be used to repay existing debt, finance any new external borrowings as required or to reduce the year-on-year capital financing requirement. Any surplus funds from the revenue account will be used to protect reserves in the first instance but will then be used to reduce future capital financing requirements.
- 10.6 As mentioned in section 3, the issue that the HRA is currently facing, following the announcement in the 2020 Spending Review 2020, is that the HRA is unable to access borrowing from PWLB during periods when the Council is also undertaking capital investment in assets primarily for yield.
- 10.7 The Section 151 Officer is working with Arlingclose, the Council's Treasury advisors, to explore alternative sources of borrowing and ensure that the HRA is able to refinance the existing loans as they fall due over the next 10 years and take out new borrowing to fund approved social housing development schemes in a way that minimises debt costs and risk. The risk is that this may take longer to arrange long term finance and that the rates will be uncertain as they will be determined by the market.
- 10.8 The funding and cash flow implications of the HRA 2020 Business Plan will be managed in line with the Council's Capital, Investment and Treasury Strategies which is approved before the start of each year.

11 Right to Buy (RTB) Receipts

- 11.1 The RTB scheme is a Government scheme that enables tenants to purchase their homes at a discount, subject to meeting qualifying criteria. The scheme saw the maximum discount increase significantly in 2012 to up to £75,000 followed by a steady increase year on year to up to £84,200 in April 2020.
- 11.2 Taunton Deane Borough Council signed up to a "1-4-1 Agreement" with the Treasury/MHCLG to retain a higher proportion of RTB the additional receipts on the proviso, and agreed that these receipts would be used to fund new social housing. This agreement continues now under SWT until such time as the Council decides to opt out. Only a small percentage of receipts from RTB sales are retained by the Council. These additional RTB receipts can only account for 30% of spend on new social housing costs, with the remaining 70% coming from other funds such as revenue funding or borrowing.
- 11.3 The RTB receipts cannot be used in the same scheme as other Government funding such as grants from Homes England. They must also be spent within three years of the capital receipt, or must be returned to Government with interest at 4% over base rate from the date of the original receipt. Receipts can be returned to Government in the quarter in which they are received with no interest payable.
- 11.4 Alternatively, the 30% RTB funding could be granted to and used by Housing Associations in the area, providing they meet the same match funding requirements. The new housing doesn't need to be provided by the Council.
- 11.5 To date, the Council has successfully spent all of their retained 1-4-1 receipts resulting in no returns being made to the Treasury/MHCLG.
- 11.6 **RTB Receipts Year to Date:** Table 7 below shows the number of RTB sales, the total (capital) receipts received under the Page 157 discount scheme, the Council retained 1-

4-1 receipts to be used for new social housing, and the total amount that would need to be spent by the Council in order to fully retain them.

Table 7: Right to Buy Receipts

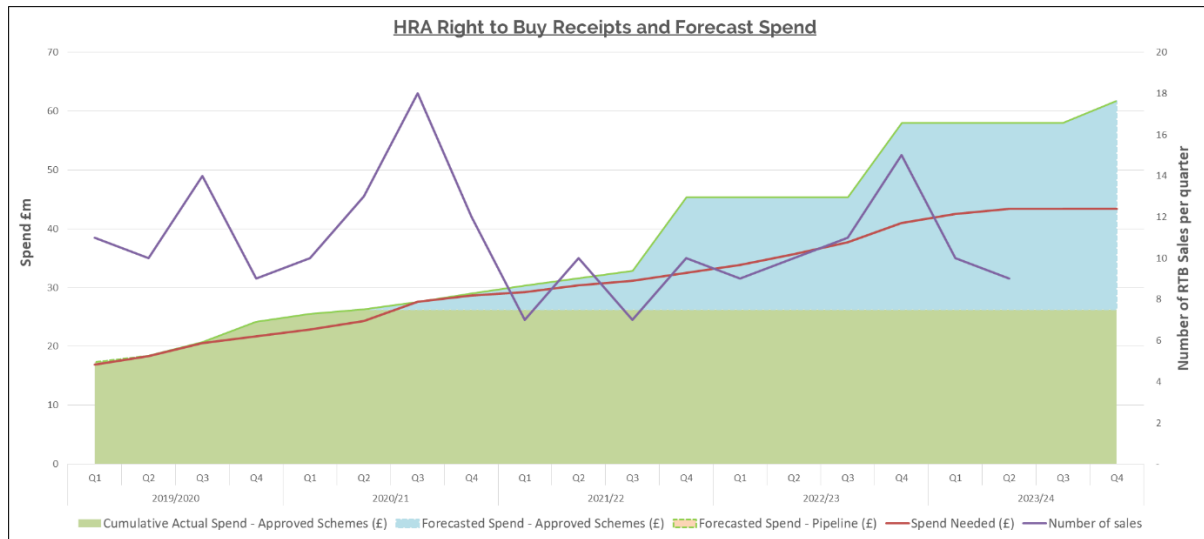
	Total 2012/13	Total 2013/14	Total 2014/15	Total 2015/16	Total 2016/17	Total 2017/18	Total 2018/19	Total 2019/20
Sales	37	47	35	38	44	53	34	45
Total Receipts (£k)	2,330	2,705	2,317	2,666	3,568	3,971	2,576	4,286
1-4-1 Receipts (£k)	1,234	1,230	1,005	1,193	1,864	2,069	1,149	2,547
1-4-1 Receipts Spend - Per Year (£k)				1,234	1,230	1,005	1,193	1,864
Match Funding Spend - Per Year (£k)				2,879	2,871	2,345	2,783	4,349
Total Spend Required - Per Year (£k)	-	-	-	4,112	4,102	3,350	3,976	6,213
Total Spend Required - Cumulative (£k)	-	-	-	4,112	8,214	11,563	15,539	21,752

	Total 2019/20	Total 2020/21	Total 2021/22	Total 2022/23
Sales	45	40	40	32
Total Receipts (£k)	4,286	2,918	2,918	2,300
1-4-1 Receipts (£k)	2,547	1,458	1,458	1,200
1-4-1 Receipts Spend - Per Year (£k)	1,864	2,069	1,149	2,547
Match Funding Spend - Per Year (£k)	4,349	4,829	2,681	5,943
Total Spend Required - Per Year (£k)	6,213	6,898	3,830	8,490
Total Spend Required - Cumulative (£k)	21,752	28,650	32,480	40,970

[Note that the grey data is estimated.]

- 11.7 **Forecast Spend of RTB Receipts:** The spend year to date and the current forecast spend can be shown in graph 1 below. The COVID-19 pandemic has significantly impacted the ability to meet our 1-4-1 spend requirement this year, especially in the latter two quarters. The government has provided a temporary extension to retention agreement allowing us to the 31 March 2021 to spend our annual spend requirement. The estimated spend on approved schemes and additional open market buybacks, will just be sufficient to meet the RTB match funding requirements to quarter 4 of 2020/21.
- 11.8 Looking forwards over the next three years, there are a sufficient approved new build schemes that, if delivered on time, will see our RTB match funding requirements achieved for the next three years.
- 11.9 This will support the aspiration for an additional 1000 homes in the next 30 years, being able to achieve this with 30% match funding from RTB Receipts, whilst ensuring we do not have to return our RTB receipts (plus interest) back to the Government.
- 11.10 However this will require significant borrowing, which is now possible since the removal of the debt cap, and will have to be managed carefully within the overall 2021 Business Plan to ensure that the revenue account can fund the interest payments and principal loan repayment.

Graph 1: Right to Buy Receipts and Forecast Spend



12 Links to Corporate Strategy

12.1 The budget proposals for 2021/22 have been prepared in line with the HRA 2021 Business Plan and Corporate Strategy².

13 Finance / Resource Implications

13.1 This is a finance report and therefore no further finance comments are required.

14 Legal Implications

14.1 The HRA is governed by the following legislations:

- Housing Act 1985 (Part II)
- Housing Act 1988
- Local Government and Housing Act 1989 (section 74)
- Local Government Act 2003
- Localism Act 2011

14.2 The introduction of the Local Government and Housing Act 1989 meant that the HRA was now required to become a 'ring-fenced' account, completely separated from the GF. As a consequence local authorities can only include items in the HRA for which there is statutory provision, and transfers of income and expenditure between the HRA and the General Fund are only allowed in very specific circumstances. In essence, rents cannot be subsidised by transfers from the General Fund, and Council Tax cannot be subsidised by transfers from the HRA.

14.3 The introduction of the Localism Act 2011 reformed local authority housing financing with the abolition of the national subsidy system and a move to 'self-financing' from April 2012. This meant that local authority housing revenue accounts are able to retain all rental income to meet the costs of managing and maintaining their housing stock.

15 Climate and Sustainability Implications

- 15.1 As part of the HRA 2020 Business Plan review a “Strategic Asset Investment Proposal For Housing In Relation to Achieving Affordable Warmth & Carbon Neutrality (Retrofit Strategy)” report was commissioned. This report was produced to inform the Council on how they could achieve carbon neutrality within the housing stock by 2030 as recommended within the “SWT Carbon Neutrality and Climate Resilience Plan”.
- 15.2 As part of the Major Works capital programme, the HRA will be looking to replace components in a thermally efficient way where possible, for example installing air source heat pumps, external wall insulation and thermally efficient windows.

16 Safeguarding and/or Community Safety Implications

- 16.1 The HRA has an ongoing responsibility for the safeguarding of vulnerable people within its communities. There are no changes proposed within this report.

17 Equality and Diversity Implications

- 17.1 The Housing Specialist has assessed the proposals presented within this report as driven by the HRA 2020 Business Plan and Rent Policy. An equality impact assessment form can be found in Appendix D.

18 Social Value Implications

- 18.1 Our approach to social value will encompass the full procurement and commissioning cycles, service planning and review, decision making and policy development as described in the Council’s Social Value Statement (Social Value within Procurement - June 2018).

19 Partnership Implications

- 19.1 The HRA budget includes significant expenditure on services provided by MIND, citizen’s advice, Inspire to Achieve, Taunton East Development Trust, North Taunton and Wiveliscombe Area partnership.

20 Health and Wellbeing Implications

- 20.1 None for the purposes of this report. Any relevant information and decisions with regard to health and wellbeing will be reported as these emerge through the financial planning process.

21 Asset Management Implications (if any)

- 21.1 This report includes a section relating to the capital programme for 2021/22 and therefore no further comments are required.

22 Data Protection Implications

- 22.1 None for the purposes of this report.

23 Consultation Implications (if any)

- 23.1 Consultation will be undertaken with tenants through the Tenants Strategic Group.

24 Scrutiny/Executive Comments / Recommendation(s) (if any)

24.1

Democratic Path:

Committee / Board	Yes / No	Date
Tenants Strategic Group	Yes	25 Jan 2021
Scrutiny	Yes	27 Jan 2021
Executive	Yes	9 Feb 2021
Full Council	Yes	18 Feb 2021

Reporting Frequency: Annually

List of Appendices (delete if not applicable)

Appendix A	HRA Forecast Update Report by Altair
Appendix B	HRA Revenue Budget and Medium Term Financial Plan
Appendix C	HRA 10-Year Capital Programme From 2021/22
Appendix D	HRA Equality Impact Assessment Form

Contact Officers

Name	Kerry Prisco – Finance Business Partner
Direct Dial	01823 218758
Email	k.prisco@somersetwestandtaunton.gov.uk

Name	James Barrah – Director of Housing & Communities
Direct Dial	01823 217553
Email	j.barrah@somersetwestandtaunton.gov.uk

Name	Stephen Boland – Housing Landlord Specialist
Direct Dial	01823 219503
Email	s.boland@somersetwestandtaunton.gov.uk

APPENDIX A

HRA Forecast Update Report by Altair

[Please find included as a separate document.]

APPENDIX B

HRA Revenue Budget for 2021/22 and Medium Term Financial Plan

	2020.21	2021.22	2022.23	2023.24	2024.25	2025.26
	£000	£000	£000	£000	£000	£000
Income						
Dwelling Rents	- 24,225 -	24,951	- 25,682 -	26,533	- 28,315 -	28,712
Non Dwelling Rents	- 719 -	704	- 713 -	724	- 737 -	748
Service Charges	- 1,457 -	1,623	- 1,661 -	1,702	- 1,750 -	1,794
Other Income	- 371 -	389	- 396 -	404	- 413 -	422
Total Income	- 26,773 -	27,668	- 28,452 -	29,364	- 31,215 -	31,676
Expenditure						
Repairs and Maintenance	5,901	6,795	6,917	7,055	7,218	7,387
Supervision and Management	3,905	3,731	3,817	3,912	4,022	4,122
Rents, Rates, Taxes and Other Charges	311	305	311	317	324	331
Special Services	1,058	1,058	1,083	1,110	1,141	1,169
Bad Debt Provision	180	180	180	180	180	180
Contribution to CDC	229	229	233	238	243	248
Transfer to GF	3,622	3,216	3,274	3,340	3,416	3,485
Total Expenditure	15,206	15,515	15,815	16,152	16,544	16,922
Other Expenditure						
Depreciation - dwellings	6,511	7,342	7,474	7,624	7,799	7,955
Depreciation - non dwellings	490	321	327	333	341	348
Interest Payable	2,745	2,669	3,343	3,580	3,690	4,294
Investment Income	-	-	-	-	-	-
Provision for Repayment of Debt	1,821	1,821	1,821	1,624	2,733	2,018
Revenue Contribution to Capital	-	-	-	-	-	-
Movement in Reserves						
Total Other	11,566	12,153	12,965	13,161	14,564	14,615
Total - (surplus) / deficit	-	-	328	51	107	138

APPENDIX C

HRA 10-Year Capital Programme from 2021/22

HRA Capital Investment (£'000)										
Capital Investment	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2031/32
Major Works	8,884	8,116	7,987	7,785	7,573	7,573	7,573	7,573	7,573	7,573
Fire Safety	202	190	170	155	145	145	145	145	145	145
Related Assets	100	100	65	47	35	35	35	35	35	35
Exceptional & Extensive	294	159	144	124	89	89	89	89	89	89
Vehicles	121	121	121	121	121	121	121	121	121	121
IT Programme	-	-	-	-	-	-	-	-	-	-
Aids & Adaptations & DFGs	370	370	370	370	370	370	370	370	370	370
Social Housing Development	22,763	27,276	11,280	9,038	11,040	10,040	11,410	-	870	-
Total Investment	32,733	36,332	20,137	17,640	19,373	18,373	19,743	8,333	9,203	8,333

Funding	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2031/32
Major Repairs Reserve	7,342	7,642	7,942	8,242	8,542	8,842	9,142	8,333	9,124	8,333
Revenue (RCCO)	528	-	-	-	-	-	-	-	-	-
Capital (RTB) Receipts	5,580	6,240	1,076	1,002	1,095	864	1,031	-	79	-
Capital (Non-RTB) Receipts	1,356	-	-	-	-	-	-	-	-	-
Capital Grants Receipts	244	-	-	-	-	-	-	-	-	-
Borrowing	17,684	22,449	11,118	8,395	9,736	8,667	9,570	-	-	-
Total Funding	32,733	36,332	20,137	17,640	19,373	18,373	19,743	8,333	9,203	8,333

APPENDIX D

HRA Equality Impact Assessment Form

[to follow]

*Governance Team to populate Report number: Report Number: SWT */20*

Report Version No:	1.
REPORT SIGNED OFF BY?	Date: 11/01/2021
1) Service Manager – Shari Hallett	YES – 11/01/2021
2) Legal - Name	Not required – information only
3) Finance/s151 - Name	Not required – no financial implications
4) Governance Team - Name	Not required – information only
5) SMT	Not required – information only
6) Informal Executive	Not required – information only
7) Governance Team - Name	Not required – information only

Somerset West and Taunton Council

Tenants’ Strategic Group Meeting – 25th January 2021

Summary of Social Housing White Paper – “The Charter for Social Housing Residents”

This matter is the responsibility of Executive Councillor Member Cllr F Smith

Report Author: Shari Hallett

1. Executive Summary / Purpose of the Report

In November 2020, the Ministry of Housing, Communities & Local Government (MHCLG) published the Social Housing White Paper titled “The Charter for Social Housing Residents”. The white paper sets out a new charter for social housing residents and what will be done to ensure that landlords live up to the new charter. The full version of the charter is available on the gov.uk website but we have produced a summary of the report for members of the Tenants’ Strategic Group so that they can start to understand more about the changes it brings for social housing tenants and landlords.

2. Recommendations

It is recommended that the content of the summary (contained in the powerpoint report) is noted for information.

3. Links to Corporate Strategy

Somerset West and Taunton Council have a published corporate strategy for 2020-2024 which states that for our homes and communities success will look like “a district that offers a choice of good quality homes for our residents whatever their age and income, in communities where support is available for those who need it.” There are seven objectives underpinning this and these are supportive of the statements in the charter.

4. The Summary

Please review the attached powerpoint presentation entitled “white paper presentation” which summarises the seven measures proposed.



White Paper
Presentation.pptx

Democratic Path:

- **Scrutiny / Corporate Governance or Audit Committees – No** (delete as appropriate)
- **Cabinet/Executive – No** (delete as appropriate)
- **Full Council – No** (delete as appropriate)

Reporting Frequency: Ad-hoc

List of Appendices (delete if not applicable)

Appendix A	
Appendix B	
Appendix C	

Contact Officers

Name	Shari Hallett
Direct Dial	01823 219425
Email	s.hallett@somersetwestandtaunton.gov.uk

Report Version No:	1.
REPORT SIGNED OFF BY Shari Hallett	Date: 07/01/2021
1) Service Manager – Shari Hallett	YES – 07/11/2021
2) Legal	NOT REQUIRED-UPDATE ONLY
3) Finance - Kerry Prisco	NO- No financial implications
4) Governance Team	NOT REQUIRED-UPDATE ONLY
5) SMT	NO - Housing SMT 22/12/2020
6) Informal Executive	NOT REQUIRED-UPDATE ONLY
7) Governance Team	NOT REQUIRED-UPDATE ONLY

Somerset West and Taunton Council

Tenant's Strategic Group Meeting – 25th January 2021

Self –assessment against the Housing Ombudsman Code –*Please note for information purposes only*

Report Author: Sharon Yarde, Housing Customer Experience Lead

Background

The Housing White Paper was published at the end of last year and one of the measures identified was that landlords need to ensure that tenants have their complaints dealt with promptly and fairly.

In relation to this and to help ensure that landlords do deliver on this complaint measure, The Housing Ombudsman have issued a code that landlords should adhere to. As part of this The Housing Ombudsman asked all landlords to self-assess against their code by 31st December 2020 with a view to ensuring that they are compliant by 31st March 2021. The Housing Ombudsman do have the power to issue a non-compliance order.

Housing Ombudsman Complaint Handling Code: Self-assessment form

Shaded pink = requires more than Y/N

All comments and end of document

Compliance with the Complaint Handling Code			
1	Definition of a complaint	Yes	No
1. 1	Does the complaints process use the following definition of a complaint? <i>An expression of dissatisfaction, however made, about the standard of service, actions or lack of action by the organisation, its own staff, or those acting on its behalf, affecting an individual resident or group of residents. –see comments 1.1</i>	Yes	
1. 2	Does the policy have exclusions where a complaint will not be considered?- <i>see comments 1.2</i>	Yes	
1. 3	Are these exclusions reasonable and fair to residents? Evidence relied upon- <i>used best practice amongst the sector 1.3</i>	Yes	
2	Accessibility		
2. 1	Are multiple accessibility routes available for residents to make a complaint?- <i>see comments 2.1</i>	Yes	
2. 2	Is the complaints policy and procedure available online? <i>See comments 2.2</i>	Y & N	
2. 3	Do we have a reasonable adjustments policy? <i>See comments 2.3</i>	Y	
2. 4	Do we regularly advise residents about our complaints process? <i>See comments 2.4</i>	N	
3	Complaints team and process		
	Is there a complaint officer or equivalent in post? <i>Customer Experience Manager and HP team</i>	Y	
	Does the complaint officer have autonomy to resolve complaints?	Y	
	Does the complaint officer have authority to compel engagement from other departments to resolve disputes?	Y	
	If there is a third stage to the complaints procedure are residents involved in the decision making?- <i>This is not mandatory</i>		N
	Is any third stage optional for residents? <i>This is not mandatory</i>		N
	Does the final stage response set out residents' right to refer the matter to the Housing Ombudsman Service?	Y	
	Do we keep a record of complaint correspondence including correspondence from the resident?	Y	
	At what stage are most complaints resolved?	Stage 1	
4	Communication		
4	Are residents kept informed and updated during the complaints process?	Y	

4.1	Are residents informed of the landlord's position and given a chance to respond and challenge any area of dispute before the final decision? See comments 4.1	N	
4.2	Are all complaints acknowledged and logged within five days? Currently our standard is 3 moving to 2 in new policy	Y	
4.3	Are residents advised of how to escalate at the end of each stage?	Y	
4.4	What proportion of complaints are resolved at stage one?	97%	
4.5	What proportion of complaints are resolved at stage two? -Only have stage 1 at present, stage 2 will be ready in February 2021	N/A	
4.6	What proportion of complaint responses are sent within Code timescales? In the last year, 315 complaints, 115 dealt within standard, 200 out of standard <ul style="list-style-type: none"> • Stage one Stage one (with extension) • Stage two-N/A Stage two (with extension) 	37%	
4.7	Where timescales have been extended did we have good reason?	Y	
4.8	Where timescales have been extended did we keep the resident informed?	Y	
4.9	What proportion of complaints do we resolve to residents' satisfaction- In the last year, 315 Housing complaints, 9 went to an ombudsman	97%	
5	Cooperation with Housing Ombudsman Service		
	Were all requests for evidence responded to within 15 days? Only 5 requests, all but 1 responded to within 15 days	N-80%	
	Where the timescale was extended did we keep the Ombudsman informed?	Y	
6	Fairness in complaint handling		
	Are residents able to complain via a representative throughout?	Y	
	If advice was given, was this accurate and easy to understand?	Y	
	How many cases did we refuse to escalate? Currently no escalation route, closed at stage 1. Stage 2 will be implemented February 2021 What was the reason for the refusal? -No further escalation route within organisation	N/A	
	Did we explain our decision to the resident?	Y	
7	Outcomes and remedies		
	Where something has gone wrong are we taking appropriate steps to put things right?	Y	
8	Continuous learning and improvement		
	What improvements have we made as a result of learning from complaints? Not documented at present-will be in February 2021	N	

8.1	How do we share these lessons with: a) residents?- Newsletter b) the board/governing body? TSG meetings c) In the Annual Report? – To be included in the next A/R See comments 8.1	Y	
8.2	Has the Code made a difference to how we respond to complaints?– New complaints policy and procedure to launch Feb 2021	Y	
8.3	What changes have we made? See comments 8.3	Y	

COMMENTS:

1.1

Definition of a complaint:

We are not just a social housing landlord and therefore our complaint definition does not specifically mention residents.

Extract from our new Complaint policy:

We define a complaint as 'an expression of dissatisfaction with our service (whether justified or not) which requires a response'.

A complaint could be in relation to any of the following examples:

- *we have made a mistake in the way we have provided a service*
- *there has been a delay in providing a service*
- *we have failed to deliver a service – this could relate to quality, standard or service level*
- *our processes or policy have not been followed*
- *our legal or regulatory requirements have not been met*
- *we have not delivered to a commitment or promise*
- *our staff have been rude and unhelpful or not conducted themselves correctly*

1.2

Extract from the new complaint procedure:

What is not a complaint?

An initial service request will not be classed as a complaint. We encourage all our staff to work with customers and to try to find a resolution to any expressions of dissatisfaction without the need to use the formal complaints process.

In many cases we can resolve an issue very quickly – by putting the problem right straight away. We consider these types of cases as initial service requests. For example, where a refuse team has not picked up a customer's bin, but once the team is made aware of this the bin is picked up within the set SLA.

However, when a customer is unhappy about the way that a service request was handled, this should be dealt with under the council's complaints procedure.

Details of who to signpost complaints to if it doesn't relate to a Council

2.0

Extract from the new complaint procedure
How to make a complaint

*Customers can make a complaint by visiting the Council website
www.somersetwestandtaunton.gov.uk and completing the online form.*

*If you are unable to access the form please telephone our customer services team on
0300 304 8000*

A complaint can also be made by:

- a representative acting on behalf of someone who is unable to make the complaint themselves because of physical or mental incapacity*
- a representative where they have been asked to act on behalf of a customer*
- a representative acting on behalf of someone who has died*

2.2

Procedure is currently online, our current policy is not online but new version will be in February 2021.

2.3

Not a separate policy, a reasonable adjustment statement will be added to the website. The equalities Act 2010 does not state that a policy is required. Waiting confirmation from the Housing Ombudsman as to whether a separate policy is actually required.

2.4

This will be added to the Housing Newsletter each quarter

4.1

Currently only have a stage 1 policy, therefore no route for response and challenge. In our new policy there will be a stage 2, this will give residents the opportunity to respond and challenge before a "final decision" letter is issued in stage 2. Stage 1 will be closed with a "decision" letter and an option to refer to stage 2 to respond and challenge before the "final decision" letter is sent.

8.1

When the new policy and procedure is introduced in February 2021, Jess McVie will no longer be dealing with stage 1 complaints (other than allocating them) this will free her up to work on the learning from complaints.

The H/P team need to add another column to the complaints spreadsheet to document learning.

Learning will be included in the Housing Newsletter

Extract from the new policy:

We are committed to learning from complaints and using complaints information to drive service improvements.

We will keep records on each complaint received including:

- type of complaint*
- complaint outcome*
- timescales agreed*
- whether timescales were met*

Our complaints page on our website we will give details of any changes that have been made as a result of complaints – You said, we did.

We will also publish our annual report from the Local Government Ombudsman on our website.

We will report on complaints and lessons learnt on a quarterly basis to Council's Senior Leadership Team. We will also report annually to the Executive on the numbers and types of complaints received, together with information on the complaint outcomes.

8.3

As an organisation we have realised that our complaints handling is not where it should be. Therefore, a new policy and procedure has been designed and will be implemented in February 2021, the main feature of this will be a stage 2 procedure. Complaints being prioritised within the Housing Directorate and since October 2020 the Housing Performance Team have acted as "gatekeepers" for complaints. In September 2020 only 7 out of 30 complaints were dealt with in standard. -23% In October 9 out of 19 complaints were dealt with within standard- 47% In November 2020, 16 out of 28 complaints were dealt with within standard.-57%. All outstanding complaints were cleared by 24th December 2020. In December 2020, we received 22 housing complaints. So far 85% were dealt with within standard. The remaining 7 are still outstanding but are still in standard.

This shows that we have already made huge steps to improve our complaint handling process.

SUMMARY

This document is for self-assessment purposes only. It is a tool so that we can gauge our compliance with the code. All changes identified in this assessment must be in place by 31st March 2021.

- Currently, we do not comply with the code for the following reasons:
- We only have a stage 1 complaints procedure
- Our complaints policy is not on line
- We do not regularly advise our residents about our complaints process
- Our residents are not informed of the landlord's position and given a chance to respond and challenge any area of dispute before the final decision.
- We do not do enough continued learning and improvement

To address this we are doing the following:

- Launching a new organisation wide complaints policy and procedure. This will be launched in February 2021 (in plenty of time for 31st March deadline). It will include a 2 stage approach.
- The complaints policy will be put online.
- We will include complaints information / process in the Housing Newsletter
- Stage 2 will give our residents the opportunity to respond and challenge before a "final decision" letter is sent.
- In the new process, the Customer Experience Manager will be freed up to do continued learning and improvement. The Housing Performance Team will document lessons learnt and action taken on their complaints spreadsheet.

Current update

The new Complaint Procedure is currently waiting to be signed off by the Senior Management team. The new policy and procedure is due to go live in February providing sign off is agreed and testing of the new process has been satisfied.

Currently waiting for clarification from the Housing Ombudsman as to whether a separate Housing complaint procedure is required and whether we need to write a reasonable adjustment policy or a reasonable adjustment statement will be enough.

Recommendations

To keep Tenant Strategic Group members up to date with progress at the next meeting in March 2021.

Going Forward

Open for questions from the group during the meeting on 25th January 2021

Democratic Path:

- **Scrutiny / Corporate Governance or Audit Committees – No**
- **Cabinet/Executive – No**
- **Full Council – No**

Reporting Frequency: Once only Ad-hoc Quarterly
 Twice-yearly Annually

Contact Officers

Name:	Sharon Yarde
Direct Dial:	07818529194
Email:	s.yarde@somersetwestandtaunton.gov.uk

Governance Team to populate Report for Tenant's Strategic Group meeting on 25th January 2020.

Report Version No:	1.
REPORT SIGNED OFF BY Shari Hallett	Date: 07/01/2021
1) Service Manager – Shari Hallett	YES – 07/01/2021
2) Legal	NOT REQUIRED-UPDATE ONLY
3) Finance - Kerry Prisco	YES –Housing Performance Budget
4) Governance Team	NOT REQUIRED-UPDATE ONLY
5) SMT	NO - Housing SMT 11/12/2020
6) Informal Executive	NOT REQUIRED-UPDATE ONLY
7) Governance Team	NOT REQUIRED-UPDATE ONLY

Somerset West and Taunton Council

Tenant's Strategic Group Meeting – 25th January 2021

Tenant's Strategic Group Election Update –*Please note for information purposes only*

Report Author: Sharon Yarde, Housing Customer Experience Lead

Background

The Terms of Reference for the Tenant's Strategic Group state that elections should be held every 3 years. Therefore, an election is due. In the previous meeting I gave a timeline for the election as taking place in January 2021. This timeline has changed and has now been scheduled so that the newly elected members can start in April 2021.

Project Timeline

Letter, Information pack & application form sent to tenants	11th January 2021
Completed application forms to be returned	8th February 2021 (1 month)
Housing Performance Team to check eligibility of applicants	11/01 until 08/02/2021
If 10 or less applications, the election will not go ahead	
Candidate statement & ballot paper sent to all tenants	1st March 2021
Election open for voting	01/03 until 30/03/2021
Election closes	30 th March 2021
Election to be held on 31st March 2021	
Results announced	1 st April 2021

Current update

- We decided to use Civica for the ballot, this decision was based on their extensive experience and competitive quote.
- The information pack and application form sent to all tenants on 11th January 2021.
- An online application form available on the website.
- The Housing Performance Team will assess the applications against the eligibility criteria.
- All applications must be received by 7th February 2021.
- Sharon Yarde will update Civica as soon as over 10 applications have been received.
- If under 10 applications received, an election will not be required.

Recommendations

To keep Tenant Strategic Group members up to date with progress at the next meeting in March 2021.

Going Forward

Open for questions from the group during the meeting on 25th January 2021

Democratic Path:

- **Scrutiny / Corporate Governance or Audit Committees – No**
- **Cabinet/Executive – No**
- **Full Council – No**

Reporting Frequency: Once only Ad-hoc Quarterly
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Contact Officers

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