



Tuesday, 10 September 2019

Dear Sir/Madam

A meeting of the Housing Committee will be held on Wednesday, 18 September 2019 in the New Council Chamber, Town Hall, Foster Avenue, Beeston NG9 1AB, commencing at 7.00 pm.

Should you require advice on declaring an interest in any item on the agenda, please contact the Monitoring Officer at your earliest convenience.

Yours faithfully

Chief Executive

|                 |                       |              |
|-----------------|-----------------------|--------------|
| To Councillors: | L A Ball BEM          | H E Skinner  |
|                 | B C Carr (Vice-Chair) | E Williamson |
|                 | T A Cullen (Chair)    | J C Goold    |
|                 | E Kerry               | J P T Parker |
|                 | H G Khaled MBE        | S A Bagshaw  |
|                 | J W McGrath           | T Hallam     |
|                 | J M Owen              |              |

## A G E N D A

### 1. APOLOGIES

To receive any apologies and notification of substitutes.

### 2. DECLARATIONS OF INTEREST

Members are requested to declare the existence and nature of any disclosable pecuniary interest and/or other interest in any item on the agenda.

- |    |  |               |
|----|--|---------------|
| 3. | <u>MINUTES</u>   | PAGES 1 - 4   |
|    | <p>The Committee is asked to confirm as a correct record the minutes of the meeting held on 5 June 2019.</p>   |               |
| 4. | <u>ANNUAL REPORT</u>   | PAGES 5 - 12  |
|    | <p>To seek approval for the Housing Service Annual Report. This is a regulatory requirement of the Regulator of Social Housing's Tenant Involvement &amp; Empowerment Standard.</p>  |               |
| 5. | <u>ACQUISITIONS POLICY</u>   | PAGES 13 - 26 |
|    | <p>To seek approval for a new Acquisitions Policy</p>  |               |
| 6. | <u>FIXED TERM TENANCIES</u>  | PAGES 27 - 36 |
|    | <p>To seek Committee approval to cease using fixed term tenancies.</p>   |               |
| 7. | <u>INCOME MANAGEMENT POLICIES</u>  | PAGES 37 - 58 |
|    | <p>To seek approval for a suite of income management policies.</p>   |               |
| 8. | <u>GRENFELL RESPONSE UPDATE</u>  | PAGES 59 - 64 |
|    | <p>To update the Committee on actions which have been taken since the last report in September 2018 and highlight work currently in progress.</p>  |               |
| 9. | <u>PERFORMANCE MANAGEMENT - REVIEW OF BUSINESS PLAN PROGRESS - HOUSING</u>   | PAGES 65 - 74 |
|    | <p>To report progress against outcome targets identified in the Housing Business Plan, linked to Corporate Plan priorities and objectives, and to provide an update as to the latest key performance indicators therein.</p> |               |

- |     |   |                 |
|-----|---|-----------------|
| 10. | <u>HOUSING REVENUE ACCOUNT - UPDATE TO<br/>BUSINESS PLAN FINANCIAL MODEL</u>  | PAGES 75 - 88   |
|     | <p>To recommend an updated Housing Revenue Account financial model to Council for approval reflecting the 2019/20 budget and other recent changes and to note the capacity within the financial model for the provision of new housing.</p>   |                 |
| 11. | <u>WORK PROGRAMME</u>   | PAGES 89 - 90   |
|     | <p>To consider items for inclusion in the Work Programme for future meeting</p>   |                 |
| 12. | <u>EXCLUSION OF PUBLIC AND PRESS</u>  |                 |
|     | <p><b>The Committee is asked to RESOLVE that, under Section 100A of the Local Government Act, 1972, the public and press be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraphs 1, 2, and 3 of Schedule 12A of the Act.</b></p> |                 |
| 13. | <u>AIDS AND ADAPTATIONS CASE</u>  | PAGES 91 - 94   |
| 14. | <u>CONTRACT FOR CONDITION SURVEY</u>  | PAGES 95 - 98   |
| 15. | <u>HOUSING OPTIONS RESTRUCTURE</u>  | PAGES 99 - 104  |
| 16. | <u>RENTSENSE SOFTWARE - CONTRACT EXTENSION</u>  | PAGES 105 - 108 |

This page is intentionally left blank

## **HOUSING COMMITTEE**

**WEDNESDAY, 5 JUNE 2019**

Present: Councillor T A Cullen, Chair

Councillors: L A Ball BEM  
B C Carr (Vice-Chair)  
E Kerry  
J W McGrath  
J M Owen  
P D Simpson  
H E Skinner  
E Williamson  
J C Goold

An apology for absence was received from Councillor H G Khaled MBE.

1 **DECLARATIONS OF INTEREST**

Councillor E Kerry declared a non-pecuniary interest in item number 10 as he rents a garage in the Borough, minute number 9 refers.

2 **MINUTES**

The minutes of the meeting held on 5 March 2019 were confirmed and signed as a correct record.

3 **CAPITA OPEN HOUSING PROJECT UPDATE**

The Committee received an update on the Capita Housing Project and was informed that phase 1 went live in December 2018 and phase 2 had a target completion date of June 2019.

4 **FINANCIAL INCLUSION POLICY**

This item was withdrawn for consideration at the next meeting of the Committee.

5 **LIFELINE POLICY**

The aim of the Policy was to provide an overview of the Lifeline telecare services offered by the Council. The services were designed to increase, maintain and improve the independence of customers to remain living within their own home. It was requested that the Committee be updated on plans for the development of the service.

**RESOLVED that the new Lifeline Policy be approved.**

6 HOUSING ENGAGEMENT STRATEGY 2019 - 2022

In January 2019 the Housing Committee approved the proposed key themes of the new Strategy which outlined the changes to resident engagement considering both the social housing green paper: A New Deal for Social Housing and 'Change at the Council' an Independent Review of Governance for the Royal Borough of Kensington and Chelsea following the Grenfell Tower fire. The Strategy also reflects the increased focus on informal methods of engagement.

It was queried whether the Housing Performance Group would have a role to play in the engagement. The Committee was informed that the role of the Group was valued but the engagement would require wide ranging participation.

**RESOLVED that the Housing Engagement Strategy be approved and that a pilot of Housing Surgeries be commenced.**

7 PETS POLICY

The Pets Policy was previously considered at the Housing Committee of 5 March 2019 where it was resolved to refer the document to the Resident Involvement Group for consultation. The Policy was well received by the group in terms of the clarity it provides residents and officers surrounding the keeping of animals at Council properties. Members queried whether the Policy was retrospective in the case of owners whose pets had become deceased. Officers responded that that Policy was intended for new pets and clarity would be provided for owners through the relevant information.

**RESOLVED that the Pets Policy be approved.**

8 PERFORMANCE MANAGEMENT REVIEW OF BUSINESS PLAN - HOUSING - OUTTURN REPORT

The Committee noted a report on the progress against outcome targets identified in the Housing Business Plan.

9 HOUSING DELIVERY PLAN

In December 2018 Housing Committee approved the recommendations of the Social and Affordable Housing Need report. It was agreed that a phased delivery plan would be brought to a future meeting.

Members considered a phased potential delivery plan for the next ten years, a potential new build delivery plan for phase 1 and the process by which this could be achieved, and were informed that any relevant decisions would be reported to the Committee.

**RESOLVED that:**

- 1) The approach to development outlined in the phased Housing Delivery Plan to deliver 230 homes over 10 years be approved.**
- 2) The embarkation on the process as set out in appendix 3 of the report through which the land identified in the Phase 1 Delivery Plan may in future be used for development of housing be approved.**

**RECOMMENDED to the Finance and Resources Committee to include £1,000,000 in the 2019/20 Capital Programme for the acquisition of properties for the Housing Revenue Account**

**RECOMMENDED to Council that the Chief Executive be delegated the power to approve property acquisitions within the budget identified and land acquisitions up to £500,000 in consultation with the Chair of the Housing Committee.**

**10 WORK PROGRAMME**

The Committee considered the Work Programme. It was agreed that the item withdrawn from the agenda earlier in the meeting which concerned the Financial Inclusion Policy be submitted to the next meeting in addition to report a regarding the Development of the Lifeline Service. An update on the Housing Engagement Strategy was requested for the meeting in November.

**RESOLVED that the Work Programme, as amended, be approved.**

**11 EXCLUSION OF PUBLIC AND PRESS**

**RESOLVED that, under Section 100A of the Local Government Act, 1972, the public and press be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraphs 1, 2 and 3 of Schedule 12A of the Act.**

**12 HOUSING DELIVERY PLAN - APPENDIX 2**

Members noted the appendix to the report.

**13 URGENT ITEM - ALLOCATIONS POLICY CASE EXCEPTION**

The Chair had agreed that under S100B(4) of the Local Government Act 1972 the following report be considered on the grounds that the matter needed to be determined urgently for the benefit of a local resident.

**RESOLVED that accommodation be provided for the applicant as an exception to the approved allocation scheme.**

This page is intentionally left blank



## Report of the Chief Executive

### HOUSING SERVICE ANNUAL REPORT 2018/19

#### 1. Purpose of report

To seek approval for the Housing Service Annual Report. This is a regulatory requirement of the Regulator of Social Housing's Tenant Involvement & Empowerment Standard.

#### 2. Detail

The Regulator of Social Housing sets out the regulatory framework for social housing in England. The framework is a number of standards that registered providers are expected to meet. The consumer standards apply to all registered providers, including local authorities.

A specific expectation of the Tenant Involvement and Empowerment consumer standard is the provision of timely and relevant performance information to support effective scrutiny by tenants of their landlord's performance in a form which registered providers seek to agree with their tenants.

An annual report must include information on repairs and maintenance budgets and complaints, including number, nature and the outcome. Apart from these two specific expectations there is no guidance on what should be included in the report.

Following approval, the Annual Report will be designed into a variety of formats including for the Council website and as a booklet for customers.

#### Recommendation

**The Committee is asked to RESOLVE that the Housing Service Annual Report 2018/2019 be approved.**

#### Background papers

Nil

This page is intentionally left blank

# Welcome to Your Housing Annual Report

## 1<sup>st</sup> April 2018 – 31<sup>st</sup> March 2019

**This year has seen excellent improvements take place within the Housing Department, with the launch of our NEW Independent Living Service and the Income Team moving into the Department.**

### **Key Achievements**

We launched our new Independent Living Service, following an independent review, which brought about some exciting changes, including the introduction of personalised independence plans (I-Plans) to ensure customers are supported to live as independently as possible. Existing staff have received extensive training to support their transition into the new Independent Living Co-ordinator role and are in regular contact with customers to ensure support is flexible and tailored to individual needs. A new Facilities Co-ordinator is working with the wider team to ensure our Independent Living Schemes continue to be safe places to live.

The Income Collection Team is now based within the Housing Department, which enables closer working across the teams to help customers sustain their tenancies. As part of their transition to the Department, the team was restructured, creating five additional positions including an enhanced Financial Inclusion Service. The team are focused on providing greater support to customers with the roll out of Universal Credit across the Borough.

Following consultation with all tenants, our Tenancy Agreement has been revised and updated to reflect recent changes in government policy and legislation. We have also introduced Introductory Tenancies for all new tenants. Introductory tenancies last for 12 months and allow new tenants the opportunity to be provided with extra support so they are able to transition to a full or Secure Tenancy after the initial introductory period.

The Housing computer system has been upgraded and will allow us to provide a more efficient and effective service for our customers. Housing and Income Collection Officers have been provided with tablets so they have access to real time information when they are out and about in the Borough.

### **Activities Co-ordinators** *(with pictures)*

We have recruited two Activities Co-ordinators as part of the Independent Living Service review. They have been busy developing an exciting programme of social activities alongside key partner organisations to support customers to keep active, maintain their independence and reduce feelings of social isolation.

The Activities Co-ordinators work with customers to ensure the programme meets their interests and needs and have arranged a range of activities, including:

- Cooking demonstrations
- Memory lane discussions
- Craft classes
- Poetry workshops
- Fun fitness classes
- Gardening activities
- Sing-a-longs
- Games sessions
- Walking groups

The activity programmes are designed to help those living in Independent Living to lead full and active lives.

The Activities Co-ordinators deliver activities directly and in partnership with others including; LLeisure; Crime Stoppers and Inspire Libraries. This partnership approach ensures that we can maximise opportunities for tenants to get involved in activities both in schemes and within the local area.

We have received some really positive feedback about the Activity Programme:

“The food was delicious and healthy; I am definitely going to have a go at cooking this at home”

Tenant, The Willows, following a cooking demonstration and tasting activity

“It’s great to see Mum playing Boccia, as she has really missed playing carpet bowls at the club. She had to stop when her health declined”

Son of tenant, Venn Court

“We really enjoyed walking the Blue Line and we are trying to increase the amount of steps we are doing every day. We are keen to carry on with the walking group and will try and meet every Friday morning.

Tenant, Hopkins Court

“We really enjoyed the [gardening] activity, as we have not done any gardening for a long time. It was lovely to make some arrangements to take away for our flats.”

Tenant, Southfields Court

## **Key Facts - as at 31<sup>st</sup> March 2019**

### **Housing Department**

|       |  |
|-------|--|
| 4420  | Number of properties the Council owns              |
| 1,768 | Number of households on the Council’s waiting list |
| 37    | Properties sold under the Right to Buy             |

|       |  |
|-------|--|
| 145   | Households where homelessness was prevented as a result of housing advice  |
| 180   | Homeless interviews completed  |
| 1,151 | Customers signed up to Your Voice, Your Views – <a href="http://www.broxtowe.gov.uk/getinvolved">www.broxtowe.gov.uk/getinvolved</a> |

## **Housing Revenue Account (HRA)**

In 2018/19 Broxtowe Borough Council received £16.1 million in income to the Housing Revenue Account. £15.0 million came from housing rents; the remainder was from garage rents, Independent Living management charges and leaseholder service charges.

£71.26      Average weekly rent

## **Where the money was spent**

|              |  |
|--------------|--|
| £6.3 million | Charges for capital<br>(Includes depreciation, gains/losses on disposal of properties and interest payable on borrowing) |
| £4.6 million | Supervision and management<br>(Includes staffing costs)  |
| £3.2 million | Repairs and maintenance<br>(Includes repairs costs, contractor costs, void work, electrical testing etc)                 |
| £1.8 million | Capital expenditure financed by HRA<br>(Includes a direct contribution from the HRA towards capital expenditure costs)   |

Total = £15.9 million

## **Repairs and Maintenance Budget Relating to Day-to-Day Repairs**

|       |   |
|-------|---|
| £692k | Employee costs  |
| £298k | Sub-contractors and specialist contractors  |
| £581k | Other expenditure<br>(includes vehicles, tools, materials, administration, premises, clothing etc.) |

## **Your Homes**

|     |                                   |
|-----|-----------------------------------|
| 187 | Kitchens and bathrooms modernised |
|-----|-----------------------------------|

|     |  |
|-----|--|
| 24  | Gas central heating replacements                   |
| 22  | Electric heating and hot water replacements        |
| 182 | External wall insulations                          |
| 125 | Replacement roof coverings                         |
| 537 | Homes repainted, including new soffits and fascias |
| 36  | UPVC window replacements                           |
| 110 | External door replacements                         |
| 27  | Communal door replacements                         |

### **Aids and Adaptations Case Study** *(with pictures)*

During 2018-19, we have undertaken work to assist tenants to live independently and remain in their homes, with 61 major adaptations and 296 minor adaptations completed.

These adaptations have improved access in people's homes and range from big projects such as installing wet rooms and stair lifts through to smaller works, such as setting up half-steps and handrails.

These works have significantly improved the lives of our tenants.

One major project we undertook involved a ground floor extension including the installation of a bathroom to ensure the property was more suitable for the tenant's needs.

The family was grateful for the support they had received from the Council, with the tenant's husband saying:

*"The difference it has made to the whole family is huge. My wife can now escape when she needs to and have some much needed time alone. The children still have their own space and with the extension we now have space for a dining table so we can all eat together as a family."*

### **Complaints**

We value all feedback about the services we deliver to customers and understand that at times we do not always get things right. We want to hear from you if you do not feel you have received the level of service you expect from us, so that we can learn and make improvement to our services.

| Service Area             | Complaints Received |
|--------------------------|---------------------|
| Housing Options          | 19                  |
| Housing Repairs          | 45                  |
| Neighbourhood Services   | 26                  |
| Strategy and Performance | 5                   |
| <b>Total</b>             | <b>95</b>           |

*15 complaints were not resolved under Stage One of the Complaints Process and were investigated under Stage Two.*

*34 complaints were upheld*

Out of the complaints investigated under Stage Two, three were upheld and three partially upheld. Every complaint we receive is reviewed to identify any learning we can undertake to improve services for the future. For example, we have looked at how messages regarding new policies are communicated effectively to tenants.

The main reason for Complaints received in 2018/19 was that customers did not feel they had received a service within the time scales they expected. We have reviewed processes and procedures to ensure they are as robust as possible and provided staff with further training to prevent similar issues arising again.

**You Said:** "I am not happy about the contact I have had with a member of staff."  
**We Did:** Staff concerned have attended training to ensure excellent customer service is always provided.

**You Said:** "I didn't know when my repairs were going to be completed following an emergency call out."  
**We Did:** Senior Maintenance Officers will inform tenants of likely timescales for follow on repairs.

**You Said:** "Officer didn't attend appointment at time stated"  
**We Did:** Reviewed how appointments are booked in and how customers are advised of delays.

**You Said:** "I don't know who to contact regarding my lease."  
**We Did:** All teams have been advised that queries received from leaseholders will be dealt with by the Leasehold Officer.

### **Compliments and Comments**

We also like to hear from you when we get things right, or go beyond your expectations. If you would like to compliment us for a job well done, or have suggestions about how we can improve, please let us know.

"The Repairs Operatives did a brilliant, brilliant job. Very pleased with everyone."

"I wanted to thank the Housing Officer for all the help and support they gave me. You made going through a rough time easier, so thank you. Things are much nicer and I can enjoy my home again."

"The Income Collection Officer has been amazing when dealing with my rent queries, particularly during the time I found myself out of work."

"The Lettings Officer has been very kind and patient and explained the process at every step."

"I would just like to say how well impressed we are with the Cleaner at my Independent Living Scheme. The whole place is fresh and sparkling."

"Thank you to the Independent Living Co-ordinator for coming out to check my lifeline unit, after I identified a fault with it. I am grateful for the quick, efficient service."

"The Homeless Prevention Officer has been an amazing support and has worked very hard with regards to my case."



## Report of the Chief Executive

### ACQUISITIONS POLICY

#### 1. Purpose of report

To seek approval for a new Acquisitions Policy

#### 2. Background

On 5 June 2019 Housing Committee approved a Housing Delivery Plan, which included the use of property acquisitions within phase 1 of the plan.

#### 3. Detail

A draft Acquisitions policy is set out in appendix 1 to this report.

The policy sets out the Council's approach to acquiring property and land. It will ensure that the Council fulfils its objectives set out in the Housing Delivery Plan to increase Council owned social housing in Broxtowe.

Through implementation of the policy the Council will ensure that all acquisitions are considered fairly and consistently and that the budget is spent in the most effective way to meet the housing need identified in the Social and Affordable Housing Needs Report commissioned in 2018.

#### 4. Financial Implications

£1,133,000 has been included in the 2019/20 Capital Programme for the acquisition of properties from the Housing Revenue Account. The Chief Executive has delegated power to approve property acquisitions within the budget identified and land acquisitions up to £500,000 in consultation with the Chair of the Housing Committee.

#### 5. Equality Impact Assessment

As this is a new policy an equality impact assessment is included in appendix 2 to this report.

### Recommendation

**The Committee is asked to RESOLVE that the Acquisitions Policy be approved.**

### Background papers

None

This page is intentionally left blank

# **ACQUISITIONS POLICY**

## Contents

|   |   |
|---|---|
| 1.0 Scope .....                                       | 3 |
| 2.0 Purpose .....                                     | 3 |
| 3.0 Aims and Objectives.....                          | 3 |
| 4.0 Regulatory Code and Legal Framework.....          | 3 |
| 5.1 Identification of opportunity .....               | 3 |
| 5.2 Assessment Criteria .....                         | 4 |
| 5.3 Marketing .....                                   | 4 |
| 5.4 Property Inspection .....                         | 5 |
| 5.5 Management Opinion .....                          | 5 |
| 5.6 Property Valuation.....                           | 5 |
| 5.7 Funding .....                                     | 6 |
| 5.8 Decision .....                                    | 6 |
| 5.9 Appeals .....                                     | 6 |
| 5.10 Rent Setting .....                               | 6 |
| 5.11 Allocation of property.....                      | 6 |
| 5.12 Performance Monitoring.....                      | 7 |
| 6.0 Related Policies, Procedures and Guidelines ..... | 7 |
| 7.0 Review .....                                      | 7 |
| 8.0 Document History and Approval.....                | 7 |

## **1.0 Scope**

This policy sets out the Council's approach to acquiring property and land. It applies to both freehold and leasehold properties, where the Council is the freeholder if the lease is for less than seven years.

The policy does not cover purchase of properties under right to buy right of first refusal, the policy for this is set out in the Right to Buy – Right of Refusal and Discount Repayment Policy. The policy also does not cover the use of compulsory purchase orders.

The internal process for progressing the sale and the timescales involved are set out in the Acquisition procedure.

## **2.0 Purpose**

The policy will ensure that the Council fulfils its objectives set out in the Housing Delivery Plan to increase Council owned social housing in Broxtowe. Through implementation of the policy the Council will ensure that all acquisitions are considered fairly and consistently.

## **3.0 Aims and Objectives**

The aims and objectives of the policy are to:

- Provide a framework to assess the viability and value for money of acquiring property and land
- Confirm the Council's approach to valuation
- Identify the funds available to acquire property and land
- Outline responsibilities of each of the teams involved

## **4.0 Regulatory Code and Legal Framework**

The relevant legislation is:

- s120 Local Government Act
- Housing (Right to Buy) (Limit on Discount) (England) Order 2012
- Local Government Act 2000

## **5.0 Identification of opportunity**

An opportunity may be identified in a variety of ways. This will include direct approaches from individuals wishing to sell their property and properties identified by officers and members. The Council will consider an acquisition opportunity from any owner, including staff members and councillors. All properties will be assessed using the same process and methodology irrespective of how the property was identified or who it is currently owned by. If a property is brought to the Council's attention by an external agency, such as an estate agent no payment will be made in return for the information.

## 5.1 Assessment Criteria

Each potential property acquisition will be assessed on an individual basis, in line with the criteria set out in this policy and considering the financial implications of the acquisition and the relative merits in terms of value for money. The property must meet a need identified in the Council's Social and Affordable Housing Need Study. It is unlikely that the Council will seek to purchase a property not within the area of its current housing stock.

The following property acquisitions will be prioritised:

- A former Council owned property, or a similar property within the Council's management areas – these properties will be the most efficient to manage and maintain
- Leasehold flats where the Council is the freeholder – particularly where it results in the Council having direct control over an entire block of flats
- A property that is causing concerns in the locality – in addition to adding to the housing stock, this would also improve the area

Occasionally properties may be acquired outside of the priority acquisitions, including

- A property which has had adaptations or is suitable for adaptations, which would meet the needs of an individual identified on the housing register – in this circumstance approval for a direct let of the property, as defined in the Allocations Policy, will be approved by the Chief Executive in consultation with the Chair of Housing Committee at the point of final approval to purchase.
- An existing market unit on a new build development site where this could increase or introduce affordable housing on the site to create a balanced community
- A property in a specific location that could free up land or access to land or otherwise facilitate affordable housing development

Land may be acquired where it can be demonstrated that the purchase of the land will help achieve the outcomes identified in the Housing Delivery Plan. The Chief Executive in consultation with the Chair of the Housing Committee will review any offers of land made to the Council and instruct officers to investigate the purchase any of land identified.

Priority will be given to land that will supplement the development of Council owned land, for example an area of land next to land already owned by the Council.

## 5.2 Marketing

A marketing campaign will be undertaken to encourage sellers to directly approach the Council with offers of properties and land to sell. This will include promotion in a variety of formats, including social media.

In some circumstances a seller may wish to sell their property and move into one of our Independent Living schemes. This is acceptable in accordance with the Allocations Policy. The Council will market this as an opportunity for sellers.

Depending on the level of interest, the Council may promote particular campaigns to encourage sellers to sell their property. This could include paying for removal costs if they were to move into one of the Council's Independent Living Schemes. The Council will not pay any legal costs or estate agent fees for the seller. These remain the responsibility of the seller.

### **5.3 Property Inspection**

A full property inspection will be completed by an officer in the Capital Works team. This inspection will identify the work that is required for the property to meet the Council's Lettable Standard. The Energy Efficiency of the property will also be considered. An Energy Performance Certificate (EPC) will be commissioned. It will also identify if additional work has been completed at the property which may make it unsuitable, this could include work that would be expensive for the Council to maintain.

As a guide, the Council will not consider a property if they are required to spend more than 10% of the property value on additional works to bring the property up to the Council's Lettable Standard. If at initial inspection the property appears unsuitable, the information will be provided to the Chief Executive to make a decision regarding if a valuation should be completed.

### **5.4 Management Opinion**

The following officers will be asked for their opinion regarding whether a property is suitable for purchase:

- Tenancy and Estates Manager – to consider any housing management issues in the area, including anti-social behaviour
- Lettings Manager – to consult the housing register for current demand
- Repairs and Compliancy Manager – to assess the ongoing maintenance liability
- Housing Services and Strategy Manager – to ensure that the property meets the housing need identified in the Social and Affordable Housing Needs Study

If any concerns are raised the information will be provided to the Chief Executive to make a decision regarding if a valuation should be completed.

### **5.5 Property Valuation**

The price will be agreed between the seller and the Council. The Council will obtain an independent valuation of the property by a RICS valuer. Only in exceptional circumstances will the Council pay more for a property than it has been valued. The Council will pay the cost of the valuation.

## **5.6 Funding**

The budget for property acquisitions will be approved by Housing Committee and Finance and Resources Committee. All associated costs, including stamp duty and conveyance will be paid from this budget. The Chief Executive has delegated authority to approve property acquisitions within the budget identified and land acquisitions up to £500,000 in consultation with the Chair of the Housing Committee.

Properties acquisitions will be funded from the Housing Revenue Account, supplemented by funds from Right to Buy receipts. Under the Right to Buy retention agreement, the Council is required to reinvest Right to Buy receipts within three years. Receipts can be used to fund a maximum of 30% of either a new build affordable property or the purchase of an existing property offered for sale. This policy seeks to ensure that the authority is able to meet its obligations under the Right to Buy retention agreement, taking advantage of opportunities as they arise.

Right to Buy receipts cannot be used in conjunction with Homes England Grant or Planning Subsidy such as Commuted Sums.

The Housing (Right to Buy) (Limit on Discount) (England) Order 2012 extended the Cost Floor Rule from 10 years to 15 years in relation to dwellings built or acquired by the Council. The Cost Floor Rule as amended is significant in relation to this policy as it protects the Council's investment for a period of 15 years. It means that a tenant's discount under the Right to Buy would be nil if the cost floor value is higher than the value of the property.

## **5.7 Decision**

The final decision whether to acquire a property or land will be made by the Chief Executive in consultation with the Chair of Housing Committee.

## **5.8 Appeals**

Under legislation there is no onus on the Council to purchase a property or land following initial enquiries. Therefore the seller does not have the right to appeal the decision of the Council. No compensation will be offered to a seller if the Council chooses not to progress with a purchase.

## **5.9 Rent Setting**

The properties will be let at social rent. The rent will be set in accordance with the Rent Setting Policy.

## **5.10 Allocation of property**

The property will be allocated via HomeSearch, the Council's choice based lettings scheme in accordance with the Council's Allocations Policy. In exceptional circumstances a property may be acquired to meet the need of an applicant on the waiting list for whom the Council does not currently own a suitable property. In this circumstance approval for a direct let of the property, as defined in the Allocations



Policy, will be approved by the Chief Executive in consultation with the Chair of Housing Committee at the point of final approval to purchase.

## 5.11 Performance Monitoring

Property and land acquisitions will be reported to Housing Performance Group twice a year. The report will highlight the details of the property and land purchased and the impact. For example, an overview of the applicant who has moved into a property or how the land has facilitated development.

## 6.0 Related Policies, Procedures and Guidelines

This policy should be read in conjunction with the:

- Acquisitions Procedure
- Allocations Policy
- Anti-Money Laundering Policy
- Lettable Standard
- Right to Buy – Right of First Refusal and Discount Repayment Policy
- Rent Setting Policy

## 7.0 Review

The policy will be reviewed every three years, or sooner if there is a change in legislation

## 8.0 Document History and Approval

| Date | Version | Committee Name |
|------|---------|----------------|
|      |         |                |
|      |         |                |
|      |         |                |

This page is intentionally left blank

## EQUALITY IMPACT ASSESSMENT (EIA)

Directorate: **Chief Executives**

Lead officer responsible for EIA: **Rachel Shaw**

Name of the policy or function to be assessed: **Acquisitions Policy**

Names of the officers undertaking the assessment: **Rachel Shaw**

Is this a new or an existing policy or function? **New Policy**

### 1. What are the aims and objectives of the policy or function?

The policy sets out the Council's approach to acquiring property and land. Through implementation of the policy the Council will ensure that all acquisitions are considered fairly and consistently.

### 2. What outcomes do you want to achieve from the policy or function?

To ensure that the Council fulfils its objectives set out in the Housing Delivery Plan to increase Council owned social housing in Broxtowe.

### 3. Who is intended to benefit from the policy or function?

Applicants on the Council's housing register.

### 4. Who are the main stakeholders in relation to the policy or function?

Residents who wish to sell a property to the Council

Applicants on the Council's housing register

### 5. What baseline quantitative data do you have about the policy or function relating to the different equality strands?

Housing Register applications contain information regarding equality strands so can monitor who is benefiting from property acquisitions.

Limited information can be recorded regarding whom the property has been purchased from

---

**6. What baseline qualitative data do you have about the policy or function relating to the different equality strands?**

None

---

**7. What has stakeholder consultation, if carried out, revealed about the nature of the impact?**

No consultation has been completed.

---

**8. From the evidence available does the policy or function affect or have the potential to affect different equality groups in different ways?**

In assessing whether the policy or function adversely affects any particular group or presents an opportunity for promoting equality, consider the questions below in relation to each equality group:

**Does the policy or function target or exclude a specific equality group or community?**

Those under 18 are excluded on the basis of not being able to own a property or hold a tenancy – this can be justified

**Does it affect some equality groups or communities differently? If yes, can this be justified?**

All groups will have the same access

**Is the policy or function likely to be equally accessed by all equality groups or communities? If no, can this be justified?**

Assessment regarding if a property will be purchased will be based on criteria in the policy, and can be equally accessed by all equality groups

The policy allows for properties to be acquired to meet the requirements of an individual on the housing register for whom we do not have a suitable property, this is likely to benefit people with a disability – this can be justified

**Are there barriers that might make access difficult or stop different equality groups or communities accessing the policy or function?**

No

**Could the policy or function promote or contribute to equality and good relations between different groups? If so, how?**

The policy will provide more social housing in areas of need.

**What further evidence is needed to understand the impact on equality?**

Monitoring of households benefitting from the acquisition will be monitored, both in terms of those selling the property and those who are allocated the property

---

**9. On the basis of the analysis above, what actions, if any, will you need to take in respect of each of the equality strands?**

Age: Applicants over 60 could be supported to move into our Independent Living accommodation if we acquire their property

Disability: Review whether there are particular properties that need to be sought to meet the needs of applicants for whom we do not have properties to meet their needs

Gender: It is not anticipated that the Council will need to take any further action to enable access for this group

Gender Reassignment: It is not anticipated that the Council will need to take any further action to enable access for this group

Marriage and Civil Partnership: It is not anticipated that the Council will need to take any further action to enable access for this group

Pregnancy and Maternity: It is not anticipated that the Council will need to take any further action to enable access for this group

Race: It is not anticipated that the Council will need to take any further action to enable access for this group

Religion and Belief: It is not anticipated that the Council will need to take any further action to enable access for this group

Sexual Orientation: It is not anticipated that the Council will need to take any further action to enable access for this group

---

**10. Head of Service:**

I am satisfied with the results of this EIA. I undertake to review and monitor progress against the actions proposed in response to this impact assessment:

**Signature of Head of Service:**

This page is intentionally left blank

## Report of the Chief Executive

### FIXED TERM TENANCIES

#### 1. Purpose of report

To seek Committee approval to cease using fixed term tenancies.

#### 2. Background

The Council reviewed its tenancy arrangements in 2017-2018 and an independent legal options review was undertaken by Anthony Collins Solicitors.

In November 2017, the Housing Committee resolved to put the recommendations from the review to the Resident Involvement Group for consultation. Following consultation, in January 2018 the Housing Committee resolved a recommendation that included the introduction of introductory tenancies, which for general needs tenancies, became five year fixed term tenancies after the initial 12-month introductory tenancy period.

#### 3. Detail

Since the Housing Committee decision, there has been a change in emphasis from the Ministry of Housing, Communities and Local Government which was confirmed in the 2018 Housing Green Paper. Other social landlords have also decided to revoke or review their decision to introduce fixed term tenancies.

The decision to no longer offer fixed term tenancies will not affect the tenancy terms or security of tenure of any current tenant. Subject to approval, the tenants, who will be affected, are those in general needs who are existing Introductory Tenants. These tenants will be consulted on the proposed change and at the end of the 12-month introductory period will become secure tenants. An Equality Impact Assessment is available at appendix 1 to the report. A document which profiles the fixed term tenancy roll out across the Housing Sector is at appendix 2 of the report.

#### 4. Financial Implications

There will be some associated costs of printing and distributing the relevant consultation documents and amended agreements. This will be met by existing budgets.

#### Recommendation

**The Committee is asked to RESOLVE that the statutory process of consultation to end Fixed Term Tenancies be commenced with affected tenants and that Fixed Term Tenancies are no longer offered to new tenants of the Council.**

#### Background papers

Nil

This page is intentionally left blank



## Equality Impact Assessment

Public bodies are required in to have **due regard** to the need to:

- **eliminate unlawful discrimination**, harassment, victimisation and any other conduct prohibited under the Act
- **advance equality of opportunity** between people who share a protected characteristic and people who do not share it, and
- **foster good relations** between people who share a protected characteristic and people who do not share it.

The Equality Act 2010 replaces the previous anti-discrimination laws with a single Act. It simplifies the law, removing inconsistencies and making it easier for people to understand and comply with it. It also strengthens the law in important ways, to help tackle discrimination and equality. The majority of the Act came into force on 1 October 2010.

The **public sector Equality Duty** came into force on 5 April 2011. The duty ensures that all public bodies play their part in making society fairer by tackling discrimination and providing equality of opportunity for all. It ensures that public bodies consider the needs of all individuals in their day to day work – in shaping policy, delivering services and in relation to their own employees.

The Equality Duty encourages public bodies to understand how different people will be affected by their activities so that policies and services are appropriate and accessible to all and meet different people's needs. By understanding the effect of their activities on different people, and how inclusive public services can support and open up people's opportunities, public bodies are better placed to deliver policies and services that are efficient and effective.

The new equality duty replaces the three previous public sector equality duties, for race, disability and gender. The new equality duty covers the following **protected characteristics**:

- age
- disability
- gender reassignment
- pregnancy and maternity
- race – this includes ethnic or national origins, colour or nationality
- religion or belief – including lack of belief
- sex
- sexual orientation

It also applies to marriage and civil partnership, but only in respect of the requirement to have due regard to the need to eliminate discrimination.

Having **due regard** means consciously thinking about the three aims of the equality duty as part of the process of decision-making. This means that consideration of equality issues must influence the decisions reached by public bodies, including how they act as employers, how they develop, evaluate and review policies, how they

design, deliver and evaluate services, and how they commission and procure from others.

Having due regard to the need to **advance equality of opportunity** involves considering the need to:

- remove or minimise disadvantages suffered by people due to their protected characteristics
- meet the needs of people with protected characteristics, and
- encourage people with protected characteristics to participate in public life or in other activities where their participation is low

**Fostering good relations** involves tackling prejudice and promoting understanding between people who share a protected characteristic and others.

Complying with the equality duty may involve treating some people better than others, as far as this is allowed by discrimination law. For example, it may involve making use of an exception or the positive action provisions in order to provide a service in a way which is appropriate for people who share a protected characteristic.

The Equality Duty also explicitly recognises that disabled people's needs may be different from those of non-disabled people. Public bodies should therefore **take account of disabled people's impairments** when making decisions about policies or services. This might mean making reasonable adjustments or treating disabled people better than non-disabled people in order to meet their needs.

There is no explicit requirement to refer to the Equality Duty in recording the process of consideration but it is good practice to do so. Keeping a record of how decisions were reached will help public bodies demonstrate that they **considered the aims of the Equality Duty**. Keeping a record of how decisions were reached will help public bodies show how they considered the Equality Duty. Producing an Equality Impact Assessment after a decision has been reached will not achieve compliance with the Equality Duty.

It is recommended that assessments are carried out in respect of new or revised policies and that a copy of the assessment is included as an appendix to the report provided to the decision makers at the relevant Cabinet, Committee or Scrutiny meeting.

Where it is clear from initial consideration that a policy will not have any effect on equality for any of the protected characteristics, no further analysis or action is necessary.

Public bodies should take a proportionate approach when complying with the Equality Duty. In practice, this means giving greater consideration to the Equality Duty where a policy or function has the potential to have a discriminatory effect or impact on equality of opportunity, and less consideration where the potential effect on equality is slight. The Equality Duty requires public bodies to think about people's different needs and how these can be met.

## EQUALITY IMPACT ASSESSMENT (EIA)

|   |         |  |               |
|---|---------|--|---------------|
| Directorate:  | Housing | Lead officer responsible for EIA       | Richard Smith |
| Name of the policy or function to be assessed:  |         | To cease offering Fixed Term Tenancies |               |
| Names of the officers undertaking the assessment:   |         | Richard Smith                          |               |
| Is this a new or an existing policy or function?  |         | Existing function                      |               |
| <p><b>1. What are the aims and objectives of the policy or function?</b></p> <p>Fixed term tenancies currently apply to all new general housing tenants once they have completed their introductory tenancy period.</p>   |         |  |               |
| <p><b>2. What outcomes do you want to achieve from the policy or function?</b></p> <p>The reversal of the decision previously made by the Housing Committee to grant fixed term tenancies.</p>  |         |  |               |
| <p><b>3. Who is intended to benefit from the policy or function?</b></p> <p>Council tenants in general housing that are new tenants to social housing would benefit.</p>  |         |  |               |
| <p><b>4. Who are the main stakeholders in relation to the policy or function?</b></p> <ul style="list-style-type: none"> <li>• Tenants</li> <li>• Housing staff</li> </ul>  |         |  |               |
| <p><b>5. What baseline quantitative data do you have about the policy or function relating to the different equality strands?</b></p> <p>When applicants register for housing, equality data is collected. It is also kept on record following their housing.</p> |         |  |               |
| <p><b>6. What baseline qualitative data do you have about the policy or function relating to the different equality strands?</b></p> <p>Information provided on Council records</p>   |         |  |               |
| <p><b>7. What has stakeholder consultation, if carried out, revealed about the nature of the impact?</b></p>  |         |  |               |

None completed as no tenants are currently subject to a fixed term tenancy, it is something that would become effective next year.

**8. From the evidence available does the policy or function affect or have the potential to affect different equality groups in different ways?**

**In assessing whether the policy or function adversely affects any particular group or presents an opportunity for promoting equality, consider the questions below in relation to each equality group:**

- **Does the policy or function target or exclude a specific equality group or community? Does it affect some equality groups or communities differently? If yes, can this be justified?**

Applicants must be over the age of 18 to hold a tenancy with the Council, so those younger than that are excluded from holding a tenancy but may be part of the household. This can be justified.

- **Is the policy or function likely to be equally accessed by all equality groups or communities? If no, can this be justified?**

Yes it can be justified. General housing tenants are typically younger and currently they are not equally assessed as Fixed Term Tenancies do not apply to older people applying for Independent Living accommodation. The revoking of fixed term tenancies will create equal status.

- **Are there barriers that might make access difficult or stop different equality groups or communities accessing the policy or function?**

It only applies to general housing tenants.

- **Could the policy or function promote or contribute to equality and good relations between different groups? If so, how?**

The policy should not contribute positively or negatively in this area.

- **What further evidence is needed to understand the impact on equality?**

None

**9. On the basis of the analysis above what actions, if any, will you need to take in respect of each of the equality strands?**

**Age:** It is not anticipated that the Council will need to take any further action in order to enable access for this group.

**Disability:** It is not anticipated that the Council will need to take any further action in order to enable access for this group.

**Gender:** It is not anticipated that the Council will need to take any further action in order to enable access for this group.

|  |
|--|
| <b>Gender Reassignment:</b> It is not anticipated that the Council will need to take any further action in order to enable access for this group.            |
| <b>Marriage and Civil Partnership:</b> It is not anticipated that the Council will need to take any further action in order to enable access for this group. |
| <b>Pregnancy and Maternity:</b> It is not anticipated that the Council will need to take any further action in order to enable access for this group.        |
| <b>Race:</b> It is not anticipated that the Council will need to take any further action in order to enable access for this group.                           |
| <b>Religion and Belief:</b> It is not anticipated that the Council will need to take any further action in order to enable access for this group.            |
| <b>Sexual Orientation:</b> It is not anticipated that the Council will need to take any further action in order to enable access for this group.             |

**Head of Service:**

I am satisfied with the results of this EIA. I undertake to review and monitor progress against the actions proposed in response to this impact assessment.

**Signature of Head of Service:**

This page is intentionally left blank

## **Fixed Term Tenancies**

### **Background in Legislation**

Between 1980 and 1988, different pieces of Housing Act legislation created 'long-term' security of tenure for tenants in social housing. These Secure Tenancies or Assured Tenancies are often referred to as lifetime tenancies.

The Localism Act 2011 legislated to give local authorities and housing associations discretion of offer fixed term tenancies to social housing tenants in England. The Localism Act 2011 introduced the power for local authorities to offer flexible tenancies for a minimum period of two years.

Following limited take up in fixed term flexible tenancies from 2012 onwards, the government saw to legislate further through the Housing and Planning Act 2016 that sought to prevent local authorities or housing associations from offering the most secure forms of tenancy in most circumstances.

### **Rationale and Roll out Across Housing Providers**

The rationale from the government in introducing fixed term flexible tenancies was that a 'one size fits all' model was no longer appropriate and was seen to contribute to over or under occupation in social housing.

The then Housing Minister (2010) advised that;

*"The Government believes that it is no longer right to require that every social tenancy should be for life – regardless of the household's particular circumstances. The aim is to create a more flexible system so that scarce public resource can be focused on those who need it most".*

It was predicted that few local authorities and housing associations would utilise its new powers following the Localism Act 2011. By 2015, only 15% of tenancies offered in social housing were on a fixed term flexible basis. This brought about the change in legislation through the Housing Planning Act that sought to bring in fixed term flexible tenancies for local authorities, offering the same rights as a traditional secure tenant, but limited to a maximum period of five years, with certain exemptions.

### **What has been the Impact?**

A study carried out by the Economic and Social Research Council (May 2018) have concluded that;

- There has been little evidence that social tenants adjust their behaviour as a result of having a fixed term tenancy.
- It was the cause of considerable distress for a minority, especially older tenants, those with a disability or health problems and some families with children.

- The prospect that people's fixed-term tenancies could be terminated on the grounds of a rise in income was disapproved by most tenants.
- There was mixed views on the notion that, in a context of acute pressure on the housing stock, under occupation could be a legitimate reason for non-renewal where alternative suitable accommodation could be made available.

The Social Housing Green Paper 'A new deal for social housing' from August 2018 announced that the Government would not implement the provisions "at this time".

It stated

*"since the legislation, there has been a growing recognition of the importance of housing stability for those who rent".*

*"Many residents spoke about the benefits of security in their tenancies, saying that they created strong, supportive communities, and particularly enabled people with vulnerabilities to thrive. Some felt that residents were more likely to look after their property, their neighbours, and the community if they had a lifetime tenancy."*

### Situation at Broxtowe Borough Council

The January 2018 Housing Committee agreed to the introduction of five year fixed term tenancies offered to all new tenants following the completion of the 12 month introductory tenancy period.

Fixed Term Flexible Tenancies have been offered to all new Council tenants in general housing since April 2019. Those transferring between Council properties or from a housing association or those that have swapped with another tenant by Mutual Exchange are not affected.

There are 27 tenants that currently would be subject to a fixed term tenancy. (This number is correct as of August 2019) They are all currently in the 12 month Introductory Tenancy period and therefore no tenant of the Council currently is within the 5 year fixed term period.



## Report of the Chief Executive

### INCOME MANAGEMENT POLICIES

#### 1. Purpose of report

To seek approval for a suite of income management policies.

#### 2. Detail

The Rent Setting Policy outlines how the Council will calculate rent for the housing stock that it owns and manages within the Housing Revenue Account. The purpose of the policy is to ensure the rents will be set in accordance with the relevant statutory and regulatory obligations.

The Income Collection Policy outlines the approach to be adopted by officers of the council in the management and collection of rent for properties and garages. It aims to minimise rent arrears.

The Financial Inclusion Policy outlines the service the Council will provide in respect of financial inclusion, who can access the service and how the service will be monitored.

#### 3. Financial Implications

The 2019/20 budget for rental income from the Council's housing stock is £14,924,730 whilst the 2019/20 budget for garage rental income is £314,800.

The Council maintains provisions for doubtful debts that may subsequently need to be written off. The balance of the doubtful debt provision for rent arrears at 31 March 2019 was £130,750.

#### 4. Equality Impact Assessment

As these are new policies an equality impact assessment is included in the appendix to this report.

### Recommendation

**The Committee is asked to RESOLVE that the Rent Setting Policy, Income Collection Policy and Financial Inclusion Policy be approved.**

### Background papers

Nil

This page is intentionally left blank

# **INCOME COLLECTION POLICY**

## Contents

|     |  |   |
|-----|--|---|
| 1.0 | Scope .....                                      | 3 |
| 2.0 | Purpose .....                                    | 3 |
| 3.0 | Aims and Objectives.....                         | 3 |
| 4.0 | Regulatory Code and Legal Framework.....         | 3 |
| 5.0 | Policy.....                                      | 4 |
| 5.1 | Pre-tenancy support.....                         | 4 |
| 5.2 | Income Collection.....                           | 4 |
| 5.3 | Introductory Tenancies.....                      | 5 |
| 5.4 | Arrears Prevention and Support.....              | 5 |
| 5.5 | Welfare Benefits .....                           | 5 |
| 5.6 | Payment Options.....                             | 6 |
| 5.7 | Rent Free Weeks .....                            | 6 |
| 5.8 | Garage Arrears.....                              | 6 |
| 5.9 | Former Tenancy Arrears .....                     | 7 |
| 6.0 | Performance monitoring .....                     | 7 |
| 7.0 | Related Policies, Procedures and Guidelines..... | 7 |
| 8.0 | Review .....                                     | 7 |
| 9.0 | Document History and Approval.....               | 7 |

## **1.0 Scope**

This Policy sets out the approach to be adopted by officers of the Council in the management and collection of rent for properties and garages. This policy does not cover leasehold service charges, which are covered by a separate policy.

## **2.0 Purpose**

Broxtowe Borough Council recognises the importance of managing an income collection service, which ensures that the Housing Revenue Account can provide a range of quality services to tenants and enable the delivery of the Housing Business Plan. Broxtowe Borough Council aims to minimise the amount of arrears owed by its tenants.

We will apply this policy consistently and fairly and will ensure that at all times we act in a reasonable manner, and that our actions are proportionate.

We recognise the economic and social impact of being in arrears and will focus on taking a preventative approach to managing rent arrears. We will ensure that our approach is compliant with legal and regulatory requirements and meets good practice requirements. We will regularly monitor our performance to ensure that we meet the policy requirements.

## **3.0 Aims and Objectives**

The Income Collection Policy aims to minimise rent arrears by:

- Working proactively with tenants to prevent arrears accruing
- Promoting a payment culture through the “Rent Matters” campaign
- Ensuring tenants are fully aware of their obligations in regards to paying their rent
- Providing a range of options for tenants to pay their rent
- Utilising early intervention including phone calls and personal visits to support tenants to sustain their tenancies
- Supporting tenants through the in-house Financial Inclusion Service to maximise their income and sustain their tenancies
- Working in partnership with other agencies to provide services that will support tenants to maintain their tenancy
- Utilising appropriate legal remedies, where necessary, and proportionate, including seeking legal possession of a property.

## **4.0 Regulatory Code and Legal Framework**

This Policy is set within the context of relevant legislation such as:

- Housing Act 1985
- Housing Act 1989
- Equality Act 2010

- Local Government Act 2000
- Human Rights Act 1998
- Pre-Action Protocol for Possession Claims by Social Landlords 2015
- Pre-Action Protocol for Debt Claims
- Protection from Eviction Act 1977

## **5.0 Policy**

### **5.1 Pre-tenancy support**

At provisional tenancy offer stage, we will seek landlord references to confirm previous tenancy conduct and any former rent arrears. We will also review the housing application which may highlight any potential issues regarding tenancy sustainability. If issues are identified the allocations team will discuss this with the applicant in consultation with the Income Collection Team and where appropriate, support will be offered.

We will ensure that tenants are aware of their rental obligations before they sign for a new tenancy. Support and advice will be provided to help prospective tenants understand which benefits they may be entitled to. Where appropriate an Income and Expenditure form will be completed.

### **5.2 Income Collection**

Officers will take a proactive approach to income collection by making early personal contact with all tenants whose accounts fall into arrears or experience a change in circumstances. Contact will be via telephone, text, letter or home/office appointment. The emphasis of the contact will be to understand the tenant's personal circumstances. Where accounts fall into arrears we will seek to make an arrangement to clear the outstanding debt as soon as possible in a sustainable way.

Income collection will follow a pre-set escalation process. The suggested action to be taken will be based on the level of arrears owed and the previous action taken. ICT systems will be used to support this work and ensure that income collection processes are applied consistently.

In determining the appropriate course of action, full account will be taken of a tenant's vulnerability including age or disability. Tenants with additional support needs will be referred to specialist agencies that may be able to assist.

Where all other means have failed, Broxtowe Borough Council will take legal action to recover rent owed. This will include seeking possession of a property through the County Court. We will ensure all legal action complies with the Pre-Action Protocol for Possession Claims by Social Landlords 2015.

We will ensure that a comprehensive record is kept of all action taken and ensure that all data is handled in accordance with the relevant Data Protection Legislation.

### **5.3 Introductory Tenancies**

Introductory tenancies provide a probationary period during which tenants can demonstrate their ability to sustain a tenancy. It is hoped the probationary period of the tenancy sets the tone for a long term relationship with a tenant therefore our approach to Income Collection needs to be particularly clear.

Given the 12 month length of an Introductory Tenancy, it will not usually be possible to agree an extended repayment plan and tenants will be expected to pay their rent in full. If, given the individual tenants circumstances, immediate repayment is impossible, a short repayment plan will be considered.

### **5.4 Arrears Prevention and Support**

We will promote the services available to support tenants who are in arrears or experiencing financial hardship. This will include Broxtowe Borough Council's own Financial Inclusion Service and Citizens Advice Bureau (CAB).

We will also promote initiatives which support the maximisation of tenants' income, through newsletters, websites and individually where appropriate. Information including arrears letters will be written, as far as possible, in plain English, and will be provided in other formats and languages where required.

Tenants are required under the condition of their tenancy agreement to pay their rent in advance. Tenants who are not paying in advance will be encouraged to pay an extra amount each week to ensure they are not in arrears between payments.

### **5.5 Welfare Benefits**

Broxtowe Borough Council recognises that many tenants will be in receipt of welfare benefits. This will include Housing Benefit (HB) and Universal Credit (UC).

- HB – claimants will receive HB directly to their rent account each week. If payments stop, we will liaise with colleagues in the Revenues and Benefits Team to support the reinstatement of the claim.
- UC – in most cases is paid directly to the tenant. In cases where there are eight weeks' gross arrears, or where the tenants has support needs, we will request that the housing costs are paid directly to us through the Alternative Payment Arrangement.

The Council will work proactively with partners to mitigate the impact of any welfare reforms and chair the Welfare Reform Working Group, attended by CAB and Department for Work and Pensions representatives.

We will assist tenants to make an application for a Discretionary Housing Payment which is short term, temporary financial assistance towards housing costs. This allows the recipient time, to make alternative longer term arrangements to meet their housing costs.

## **5.6 Payment Options**

We will offer a range of payment options to support tenants to pay their rent. This will include:

- Direct Debit
- Payment Card
- Online, telephone and mobile phone payment
- Standing Order
- Payment Kiosk

We will promote Direct Debit to be our preferred payment method whenever possible.

We will monitor the ways that tenants pay their rent and review the payment options which are available. We will consider the different transaction costs and utilise new technology to expand the options available.

## **5.7 Rent Free Weeks**

Rents will be calculated over 52 weeks and collected over 48 weeks. There are four non-debit weeks per year, two at Christmas and two at the end of March. Tenants will be advised of the dates of the forthcoming rent free weeks each year.

Rent free weeks provide tenants with a clear rent account the opportunity to pay no rent during rent free weeks. Rent free weeks do not apply to tenants in arrears or who have a court order which requires rent to be paid every week.

Where there are 53 Mondays in the financial year, the rent will be calculated over 53 weeks and collected over 49 weeks.

## **5.8 Garage Arrears**

Garage rents are debited monthly and payment is due in advance. Garage income collection follows a pre-set escalation process and the suggested action to be taken will be based on the level of arrears owed and previous action taken.



VAT is payable for garage tenants who are not also Council house tenants as the HMRC advises that the renting of a garage is a taxable supply.

## 5.9 Former Tenancy Arrears

Arrears which remain on the account, after the tenancy has ended are classed as former tenancy arrears. We will seek to collect former tenant arrears in a way that reflects best practice.

When an offer of accommodation is made to an applicant who has former tenant arrears they will be expected to clear the arrears prior to a firm offer being made. Where this is not possible an arrangement to clear the outstanding debt will be included as part of their new tenancy agreement.

## 6.0 Performance monitoring

The Council will monitor performance regarding income collection and rent arrears, and will report this to the relevant Council Committee.

## 7.0 Related Policies, Procedures and Guidelines

List of documents / associated policies / publications:

- Rent Setting Policy
- Financial Inclusion Policy
- Discretionary Housing Payment Policy
- Garage Management Policy
- Tenancy Policy
- Allocations Policy
- People with Additional Support Needs Policy
- Income Collection Procedure
- Risk Assessment Procedure

## 8.0 Review

The Income Collection Policy will be reviewed every three years or sooner if there is a change in guidance or legislation.

## 9.0 Document History and Approval

| Date | Version | Committee Name |
|------|---------|----------------|
|      |         |                |
|      |         |                |
|      |         |                |

This page is intentionally left blank

# **FINANCIAL INCLUSION POLICY**

**Contents**

1.0 Scope .....3

2.0 Purpose .....3

3.0 Aims and Objectives.....3

4.0 Regulatory Code and Legal Framework.....4

5.0 Policy.....4

5.1 Financial Inclusion Service .....4

5.2 Pre-tenancy support ..... 4

5.3 Post-tenancy commencement..... 5

5.4 Performance Monitoring ..... 5

6.0 Related Policies, Procedures and Guidelines .....5

7.0 Review of the Policy .....5

8.0 Document History and Approval.....5

## 1.0 Scope

This policy applies to all of the Council's social housing tenants and all applicants on the Council's Housing Register.

## 2.0 Purpose

The purpose of this policy is to improve the financial inclusion of social housing tenants and applicants to the Housing Register for social housing within the borough.

Financial inclusion is defined by the World Bank as follows:

*“Financial inclusion means that individuals and businesses have access to useful and affordable financial products and services that meet their needs – transactions, payments, savings, credit and insurance – delivered in a responsible and sustainable way.*

*Being able to have access to a transaction account is a first step toward broader financial inclusion since a transaction account allows people to store money, and send and receive payments.”*

Aspects of Financial Inclusion include:

- Access to bank accounts
- Identity verification issues
- Digital exclusion
- Recent trends in saving
- Access to credit
- Financial education and capability
- Self-exclusion

For the purposes of this policy, all references to “tenants” include tenants of Broxtowe Borough Council and applicants registered on the Homeseach Choice Based Lettings system for social housing with Broxtowe Borough Council.

## 3.0 Aims and Objectives

The aim of this policy is to help identify and provide support to social housing tenants who may be at risk of, or experiencing financial exclusion within wider society.

The objective of this policy is for the council to work with tenants to provide support and advice to improve the financial inclusion of tenants by providing debt advice, welfare benefits advice and financial capability education. The support to tenants may include, but is not limited to:

- Providing support and advice to help tenants maintain a tenancy;
- Assisting tenants to complete forms and act as an advocate for tenants requiring financial advice;

- Providing debt management advice and budgeting advice.
- Assisting in setting up bank accounts and sourcing cheaper fuel providers
- Providing access to affordable, accessible contents insurance
- Providing financial education
- Signposting and making referrals to partner agencies for specialist advice

## **4.0 Regulatory Code and Legal Framework**

This policy is set within the context of relevant legislation such as:

- The Housing Act 1985
- The Housing Act 1989
- The Equality Act 2010
- The Human Rights Act 1998
- The Pre-Action Protocol for possession Claims by social landlords 2015

## **5.0 Policy**

### **5.1 Financial Inclusion Service**

Broxtowe Borough Council offers a Financial Inclusion Service to applicants on the waiting list for housing and tenants.

The service will:

- Carry out home visits as required
- Offer budgeting advice and support
- Assist tenants to make applications for welfare benefits
- Give basic debt advice
- Signpost and make referrals to other agencies
- Access funding from voluntary organisations
- Provide information about bank accounts, credit unions and affordable energy

The following are out of scope of the service:

- Providing advice about bank accounts or any other financial products
- Insolvency
- Benefit appeals.

All Financial Inclusion Officers employed by the council will be affiliate members of the Institute of Money Advisers and work to the IMAs statement of Good Practice.

### **5.2 Pre-tenancy support**

The council will:

- Ensure all new tenants are aware of their rental obligations
- Ensure the offer of accommodation is affordable and sustainable in the long term

- Carry out an income and expenditure review where appropriate
- Offer referrals to the Financial Inclusion Service or Citizens Advice Bureau(CAB) where required
- Provide an Energy Performance Certificate to each prospective tenant so that they are aware of the potential energy costs for the property.

### **5.3 Post-tenancy commencement**

The council will:

- Promote the role of the Financial Inclusion Officer and other financial advice services to vulnerable
- Offer and promote the Council's Home Contents insurance scheme which may be paid for on a weekly basis
- Work in partnership with internal council departments and external agencies, such as CAB to help tenants sustain their tenancy
- Offer a wide range of payments options to support tenants to pay their rent
- Raise awareness of affordable credit and other financial products available via the local credit union
- Promote access to training and pre-employment courses when possible.

### **5.4 Performance Monitoring**

The Council will monitor performance regarding the Financial Inclusion Service, and will report this to the relevant Council Committee.

## **6.0 Related Policies, Procedures and Guidelines**

This policy should be read in conjunction with the following council documents:

- Income Collection Policy
- Discretionary Housing Payment Policy
- People with Additional Support Needs Policy

## **7.0 Review of the Policy**

This policy will be reviewed every three years. It is not expected that there will be changes to regulation or legislation which will have an impact on the need to review this policy sooner.

## **8.0 Document History and Approval**

| Date | Version | Committee Name |
|------|---------|----------------|
|      |         |                |
|      |         |                |

This page is intentionally left blank



# **RENT SETTING POLICY**

## Contents

|   |   |
|---|---|
| 1.0 Scope .....                                       | 3 |
| 2.0 Purpose .....                                     | 3 |
| 3.0 Aims and Objectives.....                          | 3 |
| 4.0 Regulatory Code and Legal Framework.....          | 3 |
| 5.0 Policy Outline .....                              | 3 |
| 5.1 Calculation of rent .....                         | 3 |
| 5.2 Rent free weeks .....                             | 4 |
| 5.3 Rent increases .....                              | 4 |
| 5.4 New build properties.....                         | 5 |
| 5.5 Shared Ownership.....                             | 5 |
| 6.0 Related Policies, Procedures and Guidelines ..... | 5 |
| 7.0 Review .....                                      | 5 |
| 8.0 Document History and Approval.....                | 5 |

## **1.0 Scope**

This policy outlines how the Council will calculate rent for the housing stock that it owns and manages within the Housing Revenue Account.

How rent will be collected is outlined in the Income Collection Policy; how service charges are calculated is outlined in the Leasehold Management Policy and information about garage rents is set out in the Garage Management Policy.

## **2.0 Purpose**

The purpose of this policy is to ensure the rents will be set in accordance with the relevant statutory and regulatory obligations.

The policy will set a clear framework for the setting and reviewing of rent levels for each property.

## **3.0 Aims and Objectives**

The policy will ensure:

- Rents are set at a level which ensures that the Council can meet its obligations to customers, including maintaining the stock at a high standard of repair
- Rent increases are applied consistently and fairly
- The Housing Revenue Account does not fall into a deficit position.
- Council tenants are protected from excess rent increases

## **4.0 Regulatory Code and Legal Framework**

- Housing Act 1985, Sections 24, 102 and 103
- Local Government and Housing Act 1989, Section 76
- Ministry of Housing, Communities and Local Government Rent Policy Statement
- Regulator of Social Housing Rent Setting Guidance
- Social Housing Rents (Exceptions and Miscellaneous Provisions) Regulations 2016
- Welfare Reform and Work Act 2016

## **5.0 Policy Outline**

### **5.1 Calculation of rent**

The Council will charge social rent for all properties, unless the charging of Affordable Rent is required as a condition of grant funding.

Rents will be set according to the formula set out in the in both the Ministry of Housing, Communities and Local Government Rent Policy Statement and Regulator

of Social Housing Rent Standard which has consideration for the location, size and value of a property in conjunction with the local earnings. This is called the Formula Rent.

The basis for calculation of formula rent is:

- 30% of a property's rent should be based on relative property values
- 70% of a property's rent should be based on relative local earnings
- A bedroom factor should be applied so that, other things being equal, smaller properties have lower rents

Formula rent (social rent) will be used to set rents for all new tenancies. Where there is a large differential between the previous rent charged and the new rent level the increase will be limited to 10%. This will retain the social rent principle but also protect the Council's income.

## **5.2 Rent free weeks**

Rents will be calculated over 52 weeks and collected over 48 weeks. There are four non-debit weeks per year, two at Christmas and two at the end of March. Tenants will be advised of the dates of the forthcoming rent free weeks each year.

Rent free weeks provide tenants with a clear rent account the opportunity to pay no rent during rent free weeks. Rent free weeks do not apply to tenants in arrears or who have a court order which requires rent to be paid every week.

Where there are 53 Mondays in the financial year, the rent will be calculated over 53 weeks and collected over 49 weeks.

## **5.3 Rent increases**

This policy seeks to strike a balance between the need to keep rents affordable whilst providing sufficient funds to support the Council's need to maintain its housing stock and provide a high standard of customer service. The Council is aware that many tenants have low incomes and aims to provide housing that remains affordable.

Rent will be increase annually in April by CPI + 1%. The CPI as at the September prior to the April of implementation will be used. This is to allow time for the new rents to be calculated and to obtain committee approval.

A report will be presented to Housing Performance Group for comment in November. The report for approval will be presented to Finance and Resources Committee in December to be recommended to Council for approval.

Tenants will be given four weeks notice in writing in accordance with the tenancy agreement. The Council is under no obligation to consult with tenants to vary the rent amount. The Council's decisions on rent levels are only challengeable by way of judicial review.

## 5.4 New build properties

Formula rents (social rents) will be charged new build properties wherever possible and all property acquisitions.

If the Council is in receipt of grant from Homes England to develop new Council housing for rent it is a requirement of the grant that Affordable Rents are used.

Affordable Rent is set at 80% of market rent. It is typically higher than social rent. The intention behind the introduction of Affordable Rent is to enable Council's to generate additional capacity for investment in new affordable housing.

## 5.5 Shared Ownership

The Council does not currently own any shared ownership properties, but may in the future. Shared Owners pay both a mortgage on the part they own and rent on the part owned by the Council.

The occupant of a shared ownership property will pay rent on the proportion that is still owned by the Council. For example, if the occupant owns 25%, they will pay 75% of the rent. This will be adjusted as the occupant staircases their percentage ownership. For example, if the occupant purchased an additional 25% they will then pay 50% of the rent.

## 6.0 Related Policies, Procedures and Guidelines

This policy should be read in conjunction with the:

- Financial Inclusion Policy
- Rent Collection Policy
- Tenancy Agreement

## 7.0 Review

This policy will be reviewed every three years or sooner if there is a change in regulation and legislation

## 8.0 Document History and Approval

| Date | Version | Committee Name |
|------|---------|----------------|
|      |         |                |
|      |         |                |
|      |         |                |

This page is intentionally left blank

## Report of the Chief Executive

### **GRENFELL RESPONSE UPDATE**

#### 1. Purpose of report

To update the Committee on actions which have been taken since the last report in September 2018 and highlight work currently in progress.

#### 2. Background

The Committee was last provided with an update relating to actions taken to improve fire safety in the light of the Grenfell fire tragedy in September 2018.

An internal officer working group has now progressed the actions identified in appendix 2 in anticipation of the likelihood that the Grenfell Inquiry will result in significant suggestions for improvement action on the part of all agencies, including local government.

The Inquiry has not yet reported. The length of time being taken before any national guidance is produced on, for example, future required fire safety standards of fire doors, is becoming a problem as councils risk incurring abortive expenditure in purchasing and installing doors which may then have to be replaced if the new standards change.

The Government has launched a consultation in relation to measures set out in appendix 1. This council (as it did with the recent legal requirement to ensure building materials are incombustible) is acting in advance of such measures becoming law.

#### 3. Financial implications

The council has increased its capital and revenue budgets in 2019/20 to accommodate additional safety measures for our housing stock including conducting more rigorous fire risk assessments and introducing a new “compliance officer” post to the Housing establishment during 2019/20.

It is expected that a further structure review later in 2019/20 may recommend that further resources be added to the establishment in order to ensure Broxtowe remains in the best possible position to lead on Fire safety matters.

### **Recommendation**

**The Committee is asked to:**

1. **NOTE** the actions already taken and work in progress listed in appendix 1.
2. **RESOLVE** to authorise the Chair of the Housing committee to write to the Secretary of State regarding the need for guidance on Fire door standards

Background papers:

Nil

## APPENDIX 1

## Government Consultation

**'Building a Safer Future: Proposals for reform in the building safety regulatory system**

This consultation builds on the recommendations from Dame Judith Hackitt's [Independent Review of Building Regulations and Fire Safety](#). It proposes fundamental reform of building safety requirements so that residents are safe, and feel safe, in their homes.

The proposals span 5 broad areas:

- the scope of the new regime
- the concept of duty holders who have clear responsibilities throughout a building's design, construction and occupation
- giving residents a stronger voice in the system and ensuring their concerns are never ignored
- plans for a new building safety regulator to provide oversight of the new building safety regulatory regime
- strengthened enforcement and sanctions to deter non-compliance with the new regime

The Home Office, alongside this document, has issued a [call for evidence](#) on the Regulatory Reform (Fire Safety Order) 2005 (the 'Fire Safety Order'). This seeks views from the fire safety sector, those it regulates and enforcing authorities on the current effectiveness and application of the Fire Safety Order to provide a regulatory framework for the ongoing management of fire safety in non-domestic premises and the common parts of multi-occupied residential buildings.



**APPENDIX 2****ACTION TAKEN**

1. Communication sent to all councillors on 20 June 2017.
2. Additional information sent to Leader, Deputy Leader and Committee on 20 June 2017.
3. The tenant's handbook has been re-written with revised information on fire safety.
4. Audit of all properties we own identified two sets of buildings in respect of which there was insufficient information recorded – leading to subsequent further actions in (a) and (b) below
  - (a) Inspections of older properties in Stapleford ascertained nature of materials used were mineral fibre and not considered to be a high fire risk.
  - (b) Further enquiries in relation to Beeston Square identified cladding used as not of concern.
5. External audit invited to review a number of our in-house fire safety risk assessments, and suggest further improvements.
6. Annual testing of smoke detectors integrated into annual gas safety inspections. If no smoke detector is found, one is installed
7. Test of all smoke detectors in retirement living properties confirmed all were in working order.
8. The specification on all building contracts was changed to stipulate that both cladding and composite panels to be used including constituent parts of materials should be fire resistant or incombustible. The matter will be kept continuously under review to take on board any recommendations from the Grenfell Inquiry.
9. Fire safety advice included in tenants' newsletter, reminding everyone about fire safety (cooking, candles, cigarettes, flammable items in storage, appropriate disposal of rubbish, no blocking of fire exits, mobility scooter storage, blockage of corridors, knowing escape routes, no propping open of fire door, explaining what the policy is in the event of a fire (stay put/evacuate as appropriate), notifying us if there are concerns etc).
10. Website updated with information on fire safety for tenants.
11. Assurance sought regarding active enforcement of building regulations from Erewash BC our partners. Erewash BC attended meeting of Jobs and Economy Committee at which the annual building control report was scrutinised.
12. A register established of all buildings with any form of cladding/composite panel construction and a five-year systematic rolling programme of inspections including random core sampling of products.

13. The regularity of fire risk assessments of non-communal scheme properties and general needs housing was established in accordance with the standard expected in the HHSRS, and documented and monitored.
14. Inventory undertaken of all electrical appliances in temporary accommodation.
15. Identification of privately owned buildings in Broxtowe which may contain aluminium cladding.

**Further work completed since January 2018**

16. General Housing blocks have had fire risk assessments re-done and all fire detection equipment checked.
17. A representative from Erewash BC which delivers our building control service attended planning committee and gave assurance that building regulations are being actively enforced in Broxtowe.
18. There has been a review of all electrical appliances within housing. Some old appliances were thrown out. There is now a register of all electrical appliances. This makes it much easier and quicker to identify and speedily respond to recall issues, and ensure better documentation and systematic testing of all electrical equipment.
19. An additional £350,000 to cover the cost of independent fire risk assessments and remedial works was included in budgets for 18/19. Work is continuing on a rolling programme basis. Lawrence Avenue and The Spinney have been first to be done. Grove Court and Bexhill Court are next.
20. A proposal is to be presented to next Policy and Performance Committee to increase resources for HMO inspection, licensing and enforcement.
21. A reminder was provided in an SMT briefing on the CDM regulations and the intranet updated with fresh guidance for responsible officers.
22. An internal audit on CDM regs was completed (a reasonable assurance verdict was reported to Governance and audit committee) and the recommendations implemented. As a result of this a new e-learning course was developed and is being rolled out across all relevant officers as a mandatory learning requirement.
23. Data has been provided to the government as requested on our housing stock and known private sector stock in our area.
24. The Chief Executive as the most senior manager responsible for Housing has spent days with front line officers listening to ideas and concerns and interacting with tenants through this experience.

**Work undertaken since September 2018**

- Following an increase in resources for Leaseholder work as a result of the Oct 17 Housing restructure, work was undertaken and is still in progress to identify any areas of risk where leaseholders may have, for example, replaced front doors with doors which are not providing a high enough fire resistance limit.
- A thorough audit of existing doors was conducted. From that we have an established list of the current stock – stated fire resistance -of existing doors This is a significant issue for the whole sector as the fire resistant qualities of most doors supplied by the industry have been shown to be inadequate or wrongly specified. Central government guidance is awaited.
- Increased resources dedicated to compliance in Housing. Housing Committee agreed to appoint an additional “compliance officer”.
- The tenant engagement strategy newly approved gives greater potential for informal feedback from tenants on safety issues and a wider range of new communication and engagement methods
- Fire shutters ordered for 12 schemes of communal kitchen areas to automatically prevent a fire starting in this location from spreading.
- Installation of free swing door closers to residents’ flats continuing. (Equality Act ease of access)
- Fire Document boxes installed where fire panels are located. (fitted with FFE1 Keys)
- Regency Court – External Emergency and maintained lighting works soon underway.
- Renewal of smoke detector heads at Rockwell Court (communal)
- Nottinghamshire Fire and Rescue Service Fire Audit (Lawrence Ave, Tattershall Drive, Regency Court) completed.
- Fire safety training for independent living co-ordinators imminent.
- Housing risk register to feed the corporate strategic risk register refreshed
- More manager days on the front line and work shadowing to produce new insights and challenges.

**Work in progress**

- Work to ensure each building has a “fire safety digital record”. This will include details of what materials went into the construction; full plans for the building; any alterations; a record of any approvals for alterations; fire safety risk assessment; copies of inspection reports
- Develop a clear asset plan for the council’s Housing assets. This plan would set out a framework within which annual maintenance priorities are set and capital building projects delivered, providing better strategic co-ordination between housing maintenance and capital works. This will be a specific requirement of the new post holder to be recruited to post H126
- Develop a specific fire safety policy for each of our Housing buildings
- Ensure there is an identifiable duty holder relating to each building (to be contained in the fire safety policy)
- Further Increase skills and competence in relation to fire safety and safety compliance generally through internal training.

This page is intentionally left blank

## Joint report of the Chief Executive

### **PERFORMANCE MANAGEMENT – REVIEW OF BUSINESS PLAN PROGRESS – HOUSING**

#### 1. Purpose of Report

To report progress against outcome targets identified in the Housing Business Plan, linked to Corporate Plan priorities and objectives, and to provide an update as to the latest key performance indicators therein.

#### 2. Background

The Corporate Plan 2016-2020 was approved by Cabinet on 9 February 2016. Business Plans linked to the five corporate priority areas of Housing, Business Growth, Environment, Health and Community Safety are subsequently approved by the respective Committees each year.

#### 3. Performance Management

As part of the Council's performance management framework, each Committee receives regular reports during the year which review progress against their respective Business Plans. This will include a detailed annual report where performance management is considered following the year-end.

This report is intended to provide this Committee with an overview of progress towards Corporate Plan priorities from the perspective of the Housing Business Plan. It provides a summary of the progress made to date on key tasks and priorities for improvement in 2019/20 and the latest data relating to Key Performance Indicators (KPI). This summary is detailed in appendix 1.

#### **Recommendation**

**The Committee is asked to NOTE the progress made in achieving the Business Plan for Housing in addition to the current Key Performance Indicators for 2019/20.**

#### Background papers

Nil

## APPENDIX

## PERFORMANCE MANAGEMENT

1. Background - Corporate Plan

The Corporate Plan for 2016-2020 was approved by Cabinet on 9 February 2016. This plan sets out the Council's priorities to achieve its vision to make "Broxtowe a great place where people enjoy living, working and spending leisure time." Over the period, the Council will focus on the priorities of Housing, Business Growth, Community Safety, Health and Environment.

The Corporate Plan prioritises local community needs and resources are directed toward the things they think are most important. These needs are aligned with other local, regional and national plans to ensure the ambitions set out in our Corporate Plan are realistic and achievable.

2. Business Plans

Business Plans linked to the five corporate priority areas, including Housing, were approved by the Full Council on 6 March 2019, following recommendations from the respective Committees in January/February 2019.

The Council's priority for Housing is "A good quality affordable home for all residents of Broxtowe". Its objectives are to:

- Increase the rate of house building on brownfield sites (Ho1)
- Become an excellent housing provider (Ho2)
- Improve the quality and availability of the private rented stock to meet local housing need (Ho3)

The Business Plans detail the projects and activities undertaken in support of the Corporate Plan for each priority area. These cover a three-year period and are revised and updated annually. Detailed monitoring of progress against key tasks and outcome measures in the Business Plans is undertaken regularly by the relevant Committee. This will include a detailed annual report where performance management and financial outturns are considered together following the year-end as part of the Council's commitment to closely align financial and performance management.






3. Performance Management

As part of the Council's performance management framework, this Committee receives regular reports of progress against the Housing Business Plan. This report provides a summary of the progress made to date on key tasks and priorities for improvement in 2019/20 (as extracted from the Pentana Performance management system). It also provides the latest data relating to Key Performance Indicators (KPI).






The Council monitors its performance using the Pentana Performance management system. Members have been provided with access to the system via a generic user name and password, enabling them to interrogate the system on a 'view only' basis. Members will be aware of the red, amber and green traffic light symbols that are utilised to provide an indication of performance at a particular point in time.

The key to the symbols used in the Pentana Performance reports is as follows:






Action Status Key

| Icon  | Status      | Description   |
|---|-------------|---|
|    | Completed   | The action/task has been completed  |
|    | In Progress | The action/task is in progress and is currently expected to meet the due date   |
|    | Warning     | The action/task is approaching its due date (and/or one or more milestones is approaching or has passed its due date) |
|  | Overdue     | The action/task has passed its due date   |
|  | Cancelled   | This action/task has been cancelled or postponed  |






Performance Indicator Key






| Icon  | Performance Indicator Status |
|---|------------------------------|
|  | Alert                        |
|  | Warning                      |
|  | Satisfactory                 |
|  | Unknown                      |
|  | Data Only                    |


## Housing Key Tasks and Priorities for Improvement 2019/20

| Status / Icon   | Action Code | Action Title  | Action Description   | Progress   | Due Date      | Comments   |
|---|-------------|---|--|------------|---------------|--|
| Overdue<br>       | HS1922_01   | IT system improvements through implementation of phase 2 of upgrade to v15 Capita Open Housing  | Better quality management information<br>More efficient housing management           | <b>96%</b> | 30-Jun-2019   | Phase 2 has been successfully completed including the issuing of mobile devices to Income and Housing Operations staff to allow them to access information whilst on visits and offer a more efficient service. The only outstanding module is workflow which is expected to be fully implemented by September 2019. |
| In Progress<br>   | HS1922_02   | Implement housing new build delivery plan   | Add to the social housing stock<br>Produce affordable homes to rent                  | <b>9%</b>  | 31-Dec-2019   | The Housing Delivery Plan was approved in June 2019 and work has begun on the actions. Housing Delivery Manager has been appointed and working group established.  |
| In Progress<br>   | HS1922_03   | Implement findings of social and affordable housing need report, including consideration of designation of Independent Living schemes | Most effective use of property owned by the Council to meet the needs of the borough | <b>33%</b> | 31-Mar-2020   | Information from the report is regularly used to inform responses to planning application consultations. During phase 1 of the Housing Delivery Plan Independent Living schemes will be identified for potential remodelling.  |
| In Progress<br> | HS1922_04   | Produce an Asset Management Strategy  | Ensure effective management of assets  | <b>0%</b>  | 31-March-2020 | Strategy will be informed by stock condition survey.   |
| In Progress<br> | HS1922_05   | Complete a stock condition survey   | Provide up to date and accurate information about the condition of our housing stock | <b>0%</b>  | 31-Mar-2020   | Tender to be approved at Housing Committee on 18th September 2019.   |









| Status / Icon  | Action Code | Action Title   | Action Description   | Progress    | Due Date    | Comments   |
|--|-------------|--|--|-------------|-------------|--|
| In Progress<br>            | HS1922_06   | Undertake a review of the Housing Repairs Service  | Maximise efficiency of the repairs service<br>Consider commercial opportunities if available   | <b>25%</b>  | 31-Mar-2020 | Terms of reference have been agreed and the Commercial Manager has begun review which has involved meeting with teams, reviewing performance information and visits to other Councils for comparison.  |
| In Progress<br>            | HS1922_07   | Increase the commerciality of the Lifeline Service   | Increase sales of the Lifeline service<br>Support for vulnerable people in the borough   | <b>66%</b>  | 30-Sep-2019 | The Lifeline Service has been reviewed and a new Lifeline Policy has been approved. Marketing campaign to be launched in October 2019.   |
| In Progress<br><br>Page 69 | HS1922_08   | Implement a new Neighbourhood Strategy which sets out how neighbourhoods will be maintained and improved | Improve the environment for tenants, including communal areas, caretaking and inspections  | <b>14%</b>  | 31-Dec-2019 | The Tenancy and Estates team are now using mobile devices which allows them to access real time information whilst on site and update records instantly. A new Neighbourhood Strategy will be presented to Housing Committee in November 2019. |
| Completed<br>              | HS1922_09   | Integration of the Income Team into the Housing department   | Reduction in rent arrears<br>Closer working between team to deliver an excellent housing service   | <b>100%</b> | 01-Jul-2019 | The Income Team has been integrated into the Housing Department and all posts have been filled.  |
| In Progress<br>          | HS1922_10   | Implement a Welfare Reform action plan   | Reduction in rent arrears<br>Mitigate impact of welfare reforms<br>Support for vulnerable people in the borough<br>Income and Housing Manager - Working with CAB and DWP | <b>60%</b>  | 31-Dec-2019 | The RentSense software has been installed and is being fully utilised. Regular meetings of teams within the Housing Department are being held to discuss cases.  |


| Status / Icon   | Action Code | Action Title  | Action Description  | Progress    | Due Date    | Comments   |
|---|-------------|---|---|-------------|-------------|--|
| In Progress<br> | HS1922_11   | Implementation of Introductory Tenancies                          | More efficient housing management<br>Reduced ASB and arrears  | <b>22%</b>  | 31-Mar-2020 | Tenants are now being signed up on introductory tenancies where required. Further work will be completed to review the effectiveness of these tenancies in 2020.   |
| In Progress<br> | HS1922_12   | Implement a Housing Green Paper and Grenfell response action plan | Increase in involvement of tenants and leaseholders in improving the Housing Service                                    | <b>20%</b>  | 31-Mar-2020 | The Engagement Strategy was approved on 6 June 2019 and the Engagement Team continue to develop more informal methods of engagement to increase the number of tenants engaged with the service.  |
| In Progress<br> | HS1922_13   | New Housing Strategy  | Increase in involvement of tenants and leaseholders in improving the Housing Service                                    | <b>0%</b>   | 31-Mar-2020 | Following the approval of the new Corporate Plan, work will begin on a new Housing Strategy.   |
| In Progress<br> | HS1922_14   | Provide two dementia friendly bungalows with DFG funding          | Increase in specialist supported accommodation<br>Funding from Better Care Fund. Working with Head of Property Services | <b>7%</b>   | 31-Mar-2021 | Designs have been finalised and planning permission submitted.   |
| Completed<br> | HS1922_15   | Organise a programme of events for families and young people      | Contributing to the priorities of the Mental Health Working Group   | <b>100%</b> | 30-Sep-2019 | An outward bound day for young people and families with mental health issues was held in August 2019. The Neighbourhood Strategy will inform further events. The Engagement team also attending events over the summer holidays to promote leisure activities and offer leisure cards to tenants and support to attend activities. |


| Status / Icon   | Action Code | Action Title   | Action Description   | Progress | Due Date    | Comments   |
|---|-------------|--|--|----------|-------------|--|
| In Progress<br> | HS1922_16   | All contracts in Housing will be reviewed and retendered as required | Value for money assurance<br>Efficiencies to be obtained through Council wide procurement and framework agreements | 83%      | 30-Mar-2020 | Work continues to review all contracts in Housing. |

### Housing Key Performance Indicators 2019/20

| Status / Icon   | Code & Short Name   | Outturn 2017/18 | Outturn 2018/19 | Q1 2019/20 | Target 2019/20 | Short Trend | Long Trend | Latest Note   |
|---|---|-----------------|-----------------|------------|----------------|-------------|------------|---|
| Unknown<br> | DSDData_19 No. of Residential planning permissions granted          | -               | -               | -          | 30%            |             |            | NEW Indicator 2018/19   |
| Amber<br>   | HSLocal_21 Housing Service Complaints responded to within timescale |                 | 91.6%           | 97%        | 100%           | -           | Improving  | <p>The Housing Department received 30 complaints during quarter 1. All complaints were acknowledged within timescale. 16 out of the 30 complaints were upheld (53%). 29 complaints received a full response within the target number of days.</p> <p>These consisted of 14 for Housing Repairs, 9 for Independent Living; 5 for Housing Options, 1 for Strategy and 1 for Income.</p> |

| Status / Icon  | Code & Short Name   | Outturn 2017/18 | Outturn 2018/19 | Q1 2019/20 | Target 2019/20 | Short Trend | Long Trend | Latest Note   |
|--|---|-----------------|-----------------|------------|----------------|-------------|------------|---|
| Green<br> | HSLocal_22 Housing ASB complaints contacted within timescale to agree action plan | -               | 100%            |            | 95%            | No Change   | No Change  | In quarter 1 there were 35 ASB complaint cases opened, all of these were contacted within the timescales. The timescales are one working day for alleged ASB that is a serious risk to the individuals or where the complaint is a vulnerable adult and 5 working for other alleged ASB.  |
| Green<br> | HSLocal_29 Electrical compliancy  | -               | 97.3%           | 99.7%      | 100%           | Improving   | Improving  | Progress with electrical safety inspections continues with the utilisation of in-house resources and a contractor used by United Living.  |
| Green<br> | HSLocal_31 No. of 5-year HMO Licences issued annually                             | 27              | 36              | 29 + 4 NEW | -              | -           | -          | - Tracking Indicator – no target  |
| Amber<br> | HSLocal_BM05 Reactive appointments made and kept                                  | 93%             | 96%             | 94.1%      | 98.0%          | Improving   | -          | - During Quarter 1, the methodology of appointments kept was amended and is now calculated via a Capita Insight report.<br><br>2,152 appointments were kept out of 2,288 appointments made. 136 appointments were cancelled. The main reason for cancelled appointments was operatives being reassigned to emergency jobs on the day. |

| Status / Icon   | Code & Short Name                                   | Outturn 2017/18 | Outturn 2018/19 | Q1 2019/20 | Target 2019/20 | Short Trend | Long Trend | Latest Note   |
|---|---|-----------------|-----------------|------------|----------------|-------------|------------|---|
|   | HSTOP10_03a Average Relet Time - Independent Living | N/A             | N/A             | 57.6       | 42             | Improving   | Improving  | The reason for this level of performance is the low demand for Independent Living properties and demonstrates the need for “remodelling” of schemes. These are new KPIs for 2019/20.  |
| Page 73   | HSTOP10_03b Average Relet Time - General Needs      | N/A             | N/A             | 26.2       | 21             | Improving   | Improving  | There have been some issues with resources in the Housing Repairs service that have caused delays and will hopefully see improvement in the coming quarters.<br><br>Teams are working together to collectively achieve the overall target for the year.<br><br>Any day starts for new tenancies has been a positive improvement with 187 void days being saved during the quarter.<br><br>These are new KPIs for 2019/20. |
|   |   |                 |                 |            |                |             |            |   |
|   |   |                 |                 |            |                |             |            |   |
|   |   |                 |                 |            |                |             |            |   |
| Amber<br> | HSTOP10_10 Tenancy Turnover                         | 7.16            | 7.20            | 1.78       | 1.74           | Improving   | Improving  | There have been various reasons for terminations over the quarter and there has been an increase in June where we have seen a high number of deaths and tenants moving into care homes.   |

| Status / Icon   | Code & Short Name                                   | Outturn 2017/18 | Outturn 2018/19 | Q1 2019/20 | Target 2019/20 | Short Trend | Long Trend | Latest Note   |
|---|---|-----------------|-----------------|------------|----------------|-------------|------------|---|
| Red<br> | NI 155 Number of affordable homes delivered (gross) | 8               | -               | -          | 85             | Stable      | Stable     | The Part 2 Local Plan is anticipated to be adopted in Autumn 2019. To assist in monitoring the impact data for this PI will be tracked monthly from April 2019. |

## Joint report of the Chief Executive and Deputy Chief Executive

### **HOUSING REVENUE ACCOUNT – UPDATE TO BUSINESS PLAN FINANCIAL MODEL**

#### 1. Purpose of report

To recommend an updated Housing Revenue Account (HRA) financial model to Council for approval reflecting the 2019/20 budget and other recent changes and to note the capacity within the financial model for the provision of new housing.

#### 2. Background

In February 2012 the Council approved a 30 year HRA business plan for the period 2012 through to 2041. This Included a detailed financial plan and tables modelling the capital programme and revenue position for the HRA through to 2041. The financial model has subsequently been updated and approved by Council during each financial year.

This year the modelling has taken place using the services of Jeremy Cookson from GL Hearn. Jeremy worked with the Council on the 2018 review of housing intervention options. The model used for this update is used by over 50 other local authorities. The key assumptions within the financial model are set out in appendix 1 along with the main conclusions. Appendix 2 provides details of the planned capital programme over the 30 year period from 2019/20 to 2048/49 and how this could be financed. Appendix 3 shows how appendices 1 and 2 would impact upon the HRA balance and appendix 4 outlines potential new provision scenarios along with accompanying assumptions.

#### 3. Financial implications

The financial model shows that the HRA is projected to be viable for the next 30 years and there is sufficient flexibility to provide the necessary finance for the capital programme and for a substantial new provision programme.

The 2019/20 capital programme includes £100,000 for a HRA stock condition survey. A progress report is on this agenda. The financial model makes no assumptions with regards to the outcome of the survey. It is anticipated that the results of the survey will be available to inform the production of the 2020/21 budget and subsequent incorporation within a further update of the financial model to be presented to the Housing Committee in 2020.

### **Recommendation**

**The Committee is asked to:**

- 1. RECOMMEND to Council that the updated financial model for the Housing Revenue Account be approved.**
- 2. NOTE the capacity within the financial model for the provision of new housing**

Background papers

Nil

## APPENDIX 1

1. Key Assumptions

The updated financial model has been prepared incorporating projections for revenue and capital expenditure based on the 2019/20 budget approved initially by Housing Committee on 16 January 2019 and then by Finance and Resources Committee on 14 February 2019 before final approval by Council on 6 March 2019.

This is a base model and does not include any additional expenditure or financing assumptions in relation to new housing provision other than that already approved by the Housing Committee and Finance and Resources Committee. The financial model therefore includes the following schemes already approved in the 2019/20 Capital Programme:

|  | £         |
|--|-----------|
| Buy Back of Former Right to Buy Properties | 133,350   |
| HRA Acquisition of properties              | 1,000,000 |
| Dementia friendly bungalows                | 270,850   |
| Total                                      | 1,404,200 |

There is the potential for interest rate risk with regards to the re-financing of existing loans that mature and any new borrowing that is undertaken. In order to mitigate this, the model includes an increase in the provision for interest on loans from year 3 (up from 3.02% to 3.78%). The existing PWLB 30 year maturity (as at 19 August 2019) rate is 2.11%.

The rest of the key assumptions are as follows:



|   |               |           |
|---|---------------|-----------|
| <b>Base Year</b>                          |               | 2019.20   |
| <b>RPI</b>                                |               |           |
|   | From Year:    |           |
|   | 2             | 2.90%     |
| <b>CPI</b>                                |               |           |
|   | From Year:    |           |
|   | 2             | 2.00%     |
| <b>Opening Dwellings</b>                  |               |           |
| Tenanted                                  |               | 4,421     |
| Shared Ownership                          |               | -         |
| Leasehold                                 |               | 294       |
| <b>Rents</b>                              |               |           |
| Average Rent                              |               | £ 70.54   |
| Number of Rent Weeks                      |               | 48        |
| <b>Voids &amp; Bad debts</b>              |               |           |
| Void Allowance:                           |               |           |
|   | From Year:    |           |
|   | 1             | 1.50%     |
|   | 2             | 1.50%     |
| Allowance for Bad Debts:                  |               |           |
|   | From Year:    |           |
|   | 1             | 1.74%     |
|   | 2             | 1.00%     |
| <b>Income:</b>                            |               |           |
| Non Dwelling Rents                        |               | £ 314,800 |
| Charges for Services & Facilities         |               | £ 849,920 |
| Contributions Towards Expenditure         |               | £ -       |
| <b>Right to Buy Sales:</b>                |               |           |
|   | Year 1        | 30        |
|   | Year 2        | 30        |
|   | Year 3        | 30        |
|   | Year 4        | 30        |
|   | Year 5        | 30        |
|   | Years 6 to 30 | 750       |
| Average RTB Value                         |               | £ 87,456  |
| Average Discount                          |               | £ 30,610  |
| RTB Admin per Sale                        |               | £ 1,300   |
| HRA Use of Transaction Costs              |               | 100.00%   |
| HRA Use of Allowable Debt                 |               | 100.00%   |
| HRA Use of LA Assumed Income              |               | 100.00%   |
| HRA Use of Buyback allowance              |               | 100.00%   |
| HRA Use of Receipts for Replacement Homes |               | 100.00%   |

**Management Costs:****Tenanted**

Supervision &amp; Management

|   |           |
|---|-----------|
| £ | 2,928,801 |
| £ | -         |
| £ | 2,928,801 |

Total

**Service Costs****Tenanted**

Services

|   |           |
|---|-----------|
| £ | 1,672,637 |
| £ | -         |
| £ | 1,672,637 |

Total

**Other Expenditure**

Other Revenue Spend

|   |        |
|---|--------|
| £ | 98,100 |
| £ | -      |

Miscellaneous Expenditure

**Depreciation**

Depreciation per Unit

|   |        |
|---|--------|
| £ | 883.38 |
|---|--------|

**Revenue Repairs & Maintenance (Cat 1 Only)**

Year 1

|   |           |
|---|-----------|
| £ | 3,437,021 |
|---|-----------|

Year 2

|   |           |
|---|-----------|
| £ | 3,437,021 |
|---|-----------|

Year 3

|   |           |
|---|-----------|
| £ | 3,437,021 |
|---|-----------|

Year 4

|   |           |
|---|-----------|
| £ | 3,437,021 |
|---|-----------|

Year 5

|   |           |
|---|-----------|
| £ | 3,437,021 |
|---|-----------|

Years 6 to 30

|   |            |
|---|------------|
| £ | 85,925,525 |
|---|------------|

Total

|   |             |
|---|-------------|
| £ | 103,110,630 |
|---|-------------|

Real Growth on Other Costs

From Year:

2

0.00%

**Major Repairs & Improvements (Cat 1 Only)**

Year 1

|   |           |
|---|-----------|
| £ | 5,699,800 |
|---|-----------|

Year 2

|   |           |
|---|-----------|
| £ | 5,447,881 |
|---|-----------|

Year 3

|   |           |
|---|-----------|
| £ | 5,330,892 |
|---|-----------|

Year 4

|   |           |
|---|-----------|
| £ | 3,631,449 |
|---|-----------|

Year 5

|   |           |
|---|-----------|
| £ | 5,628,545 |
|---|-----------|

Years 6 to 30

|   |             |
|---|-------------|
| £ | 123,905,296 |
|---|-------------|

Total

|   |             |
|---|-------------|
| £ | 149,643,863 |
|---|-------------|

Real Growth on Other Costs

From Year:

2

0.00%

**New Build**

Number of New Build Units

12

**Opening Balances**

|  |              |
|--|--------------|
| Revenue Reserves                       | £ 6,796,000  |
| Major Repairs Reserve                  | £ -          |
| HRA RTB Receipts for Replacement Homes | £ 1,039,000  |
| Loans Outstanding                      | £ 81,330,000 |

**Borrowing & Interest Rates**

## Average interest Rate on Borrowing

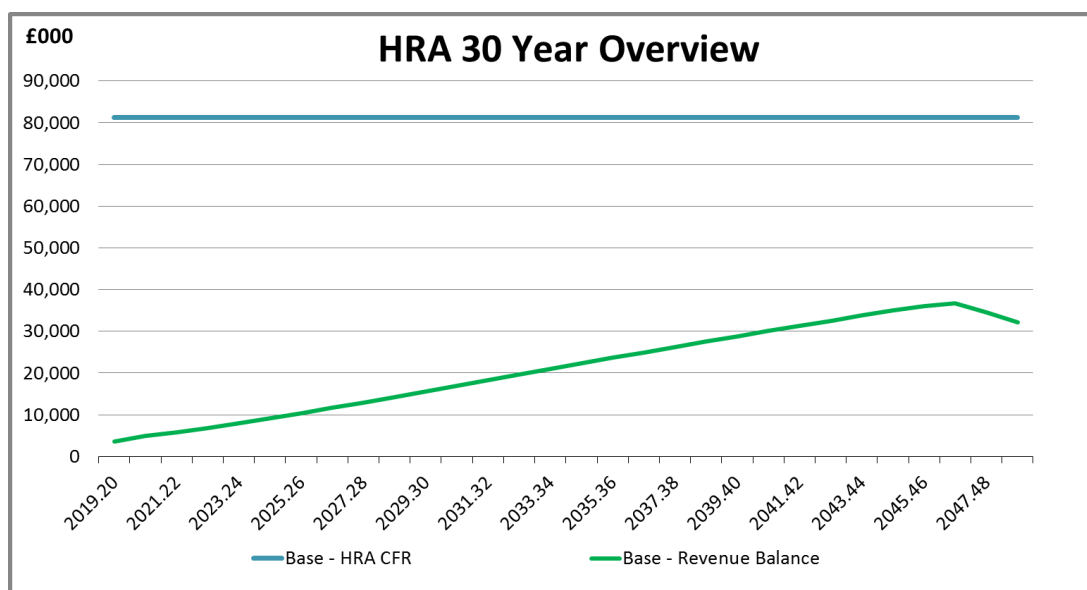
|        |       |
|--------|-------|
| Year 1 | 3.02% |
| Year 2 | 3.02% |
| Year 3 | 3.78% |
| Year 4 | 3.78% |
| Year 5 | 3.78% |

## Average interest Rate on Investments

|   |       |
|---|-------|
| 1 | 3.65% |
| 2 | 1.73% |
| 3 | 1.73% |
| 4 | 1.73% |
| 5 | 1.73% |

2. Main Conclusions

The graph below shows an overview of the financial model represented by the 30 year projections for housing debt and HRA revenue balances.



No assumptions have been made in the model for the repayment of housing debt which remains at £81m throughout the 30 year period. With the absence of loan repayments there is growth in projected housing balances up until 2046/47. Thereafter, revenue contributions to support projections for an increased major works programme (based on the stock condition survey) are required and balances reduce from a high of £37m to £32m in 2048/49.

It is important to note that the model assumes projecting right to buy (RTB) sales of 30 per year and that the base assumptions incorporate approved schemes delivering just 12 new homes (including 2 dementia friendly bungalows). Overall the housing stock within this base plan drops from 4,421 in April 2019 to 3,533 by the end of 2048/49 i.e. a drop of 888 dwellings.

Clearly there is scope within the financial model to support new housing provision. This support can come from a combination of surplus balances, RTB receipts and additional HRA borrowing. In a consultation paper published in August 2018 the Government also stated that it was considering allowing local authorities to “top-up” insufficient Right to Buy receipts with funding from the Affordable Homes Programme. In the absence of further statements on this issue, it can be concluded that there may also be a possibility of accessing grant where the council has insufficient RTB 1-4-1 receipts to meet 30% of new provision costs.

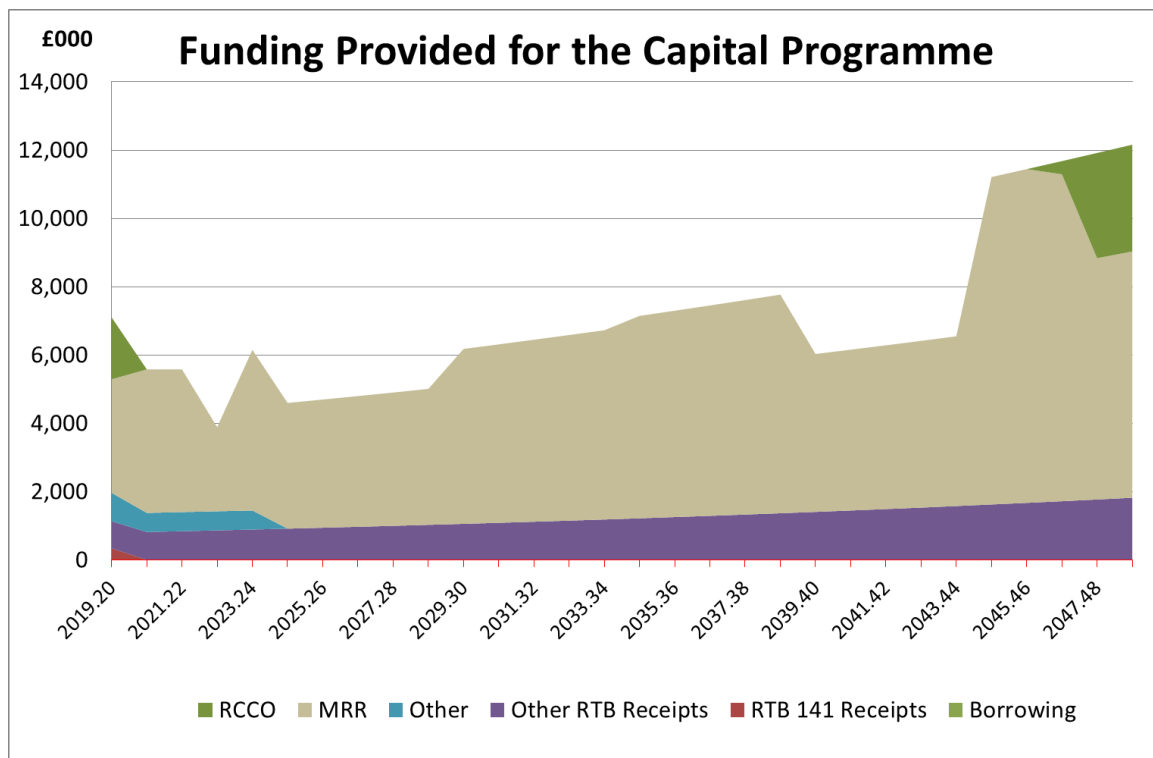
## APPENDIX 2

Detailed Planned Capital Programme and Financing 2019/20 to 2048/49**Major Repairs and Improvements Financing**

(expressed in money terms)

|      |         | Expenditure        |                             |                   | Financing |                  |                    |       |       |       |                 |
|------|---------|--------------------|-----------------------------|-------------------|-----------|------------------|--------------------|-------|-------|-------|-----------------|
| Year | Year    | Major Works & Imps | New Build Development Costs | Total Expenditure | Borrowing | RTB 141 Receipts | Other RTB Receipts | Other | MRR   | RCCO  | Total Financing |
|      |         | £,000              | £,000                       | £,000             | £,000     | £,000            | £,000              | £,000 | £,000 | £,000 | £,000           |
| 1    | 2019.20 | 5,700              | 1,404                       | 7,104             | 0         | 340              | 795                | 830   | 3,325 | 1,814 | 7,104           |
| 2    | 2020.21 | 5,579              | 0                           | 5,579             | 0         | 0                | 818                | 559   | 4,203 | 0     | 5,579           |
| 3    | 2021.22 | 5,580              | 0                           | 5,580             | 0         | 0                | 841                | 559   | 4,179 | 0     | 5,580           |
| 4    | 2022.23 | 3,888              | 0                           | 3,888             | 0         | 0                | 866                | 559   | 2,464 | 0     | 3,888           |
| 5    | 2023.24 | 6,151              | 0                           | 6,151             | 0         | 0                | 891                | 557   | 4,704 | 0     | 6,151           |
| 6    | 2024.25 | 4,596              | 0                           | 4,596             | 0         | 0                | 916                | 0     | 3,680 | 0     | 4,596           |
| 7    | 2025.26 | 4,696              | 0                           | 4,696             | 0         | 0                | 943                | 0     | 3,754 | 0     | 4,696           |
| 8    | 2026.27 | 4,798              | 0                           | 4,798             | 0         | 0                | 970                | 0     | 3,828 | 0     | 4,798           |
| 9    | 2027.28 | 4,902              | 0                           | 4,902             | 0         | 0                | 998                | 0     | 3,904 | 0     | 4,902           |
| 10   | 2028.29 | 5,008              | 0                           | 5,008             | 0         | 0                | 1,027              | 0     | 3,981 | 0     | 5,008           |
| 11   | 2029.30 | 6,179              | 0                           | 6,179             | 0         | 0                | 1,057              | 0     | 5,123 | 0     | 6,179           |
| 12   | 2030.31 | 6,312              | 0                           | 6,312             | 0         | 0                | 1,087              | 0     | 5,225 | 0     | 6,312           |
| 13   | 2031.32 | 6,448              | 0                           | 6,448             | 0         | 0                | 1,119              | 0     | 5,329 | 0     | 6,448           |
| 14   | 2032.33 | 6,585              | 0                           | 6,585             | 0         | 0                | 1,151              | 0     | 5,434 | 0     | 6,585           |
| 15   | 2033.34 | 6,726              | 0                           | 6,726             | 0         | 0                | 1,185              | 0     | 5,541 | 0     | 6,726           |
| 16   | 2034.35 | 7,146              | 0                           | 7,146             | 0         | 0                | 1,219              | 0     | 5,927 | 0     | 7,146           |
| 17   | 2035.36 | 7,297              | 0                           | 7,297             | 0         | 0                | 1,255              | 0     | 6,043 | 0     | 7,297           |
| 18   | 2036.37 | 7,452              | 0                           | 7,452             | 0         | 0                | 1,291              | 0     | 6,161 | 0     | 7,452           |
| 19   | 2037.38 | 7,609              | 0                           | 7,609             | 0         | 0                | 1,328              | 0     | 6,281 | 0     | 7,609           |
| 20   | 2038.39 | 7,769              | 0                           | 7,769             | 0         | 0                | 1,367              | 0     | 6,402 | 0     | 7,769           |
| 21   | 2039.40 | 6,030              | 0                           | 6,030             | 0         | 0                | 1,407              | 0     | 4,623 | 0     | 6,030           |
| 22   | 2040.41 | 6,156              | 0                           | 6,156             | 0         | 0                | 1,448              | 0     | 4,709 | 0     | 6,156           |
| 23   | 2041.42 | 6,285              | 0                           | 6,285             | 0         | 0                | 1,490              | 0     | 4,795 | 0     | 6,285           |
| 24   | 2042.43 | 6,415              | 0                           | 6,415             | 0         | 0                | 1,533              | 0     | 4,882 | 0     | 6,415           |
| 25   | 2043.44 | 6,548              | 0                           | 6,548             | 0         | 0                | 1,578              | 0     | 4,971 | 0     | 6,548           |
| 26   | 2044.45 | 11,213             | 0                           | 11,213            | 0         | 0                | 1,624              | 0     | 9,589 | 0     | 11,213          |
| 27   | 2045.46 | 11,444             | 0                           | 11,444            | 0         | 0                | 1,671              | 0     | 9,773 | 0     | 11,444          |
| 28   | 2046.47 | 11,678             | 0                           | 11,678            | 0         | 0                | 1,719              | 0     | 9,574 | 385   | 11,678          |
| 29   | 2047.48 | 11,917             | 0                           | 11,917            | 0         | 0                | 1,770              | 0     | 7,067 | 3,080 | 11,917          |
| 30   | 2048.49 | 12,160             | 0                           | 12,160            | 0         | 0                | 1,821              | 0     | 7,211 | 3,127 | 12,160          |

The model indicates that sufficient capital resources will be available to meet the planned capital spend over the lifetime of the programme. This is shown in the following diagram::



## APPENDIX 3

## Operating Account

(expressed in money terms)

|      |         | Income             |                 |                 | Expenditure |              |                          |                           |                |                    |                                |                       |         |                                      |                               |          |                               |
|------|---------|--------------------|-----------------|-----------------|-------------|--------------|--------------------------|---------------------------|----------------|--------------------|--------------------------------|-----------------------|---------|--------------------------------------|-------------------------------|----------|-------------------------------|
| Year | Year    | Net rent<br>Income | Other<br>income | Total<br>Income | Managt.     | Depreciation | Responsive &<br>Cyclical | Other<br>Revenue<br>spend | Total expenses | Capital<br>Charges | Net Operating<br>(Expenditure) | Repayment of<br>loans | RCCO    | Surplus<br>(Deficit) for<br>the Year | Surplus<br>(Deficit)<br>b/fwd | Interest | Surplus<br>(Deficit)<br>c/fwd |
|      |         | £,000              | £,000           | £,000           | £,000       | £,000        | £,000                    | £,000                     | £,000          | £,000              | £,000                          | £,000                 | £,000   | £,000                                | £,000                         | £,000    | £,000                         |
| 1    | 2019.20 | 14,435             | 1,165           | 15,599          | (4,601)     | (3,905)      | (3,437)                  | (98)                      | (12,042)       | (2,456)            | 1,101                          | 0                     | (1,814) | (713)                                | 4,003                         | 236      | 3,526                         |
| 2    | 2020.21 | 14,905             | 1,198           | 16,104          | (4,727)     | (3,991)      | (3,526)                  | (101)                     | (12,345)       | (2,456)            | 1,302                          | 0                     | 0       | 1,302                                | 3,526                         | 114      | 4,943                         |
| 3    | 2021.22 | 15,273             | 1,233           | 16,507          | (4,853)     | (4,090)      | (3,609)                  | (104)                     | (12,656)       | (3,074)            | 776                            | 0                     | 0       | 776                                  | 4,943                         | 122      | 5,841                         |
| 4    | 2022.23 | 15,623             | 1,269           | 16,892          | (4,982)     | (4,180)      | (3,695)                  | (107)                     | (12,964)       | (3,074)            | 855                            | 0                     | 0       | 855                                  | 5,841                         | 143      | 6,839                         |
| 5    | 2023.24 | 15,981             | 1,306           | 17,287          | (5,114)     | (4,272)      | (3,783)                  | (110)                     | (13,278)       | (3,074)            | 934                            | 0                     | 0       | 934                                  | 6,839                         | 162      | 7,935                         |
| 6    | 2024.25 | 16,345             | 1,344           | 17,689          | (5,250)     | (4,365)      | (3,872)                  | (113)                     | (13,600)       | (3,074)            | 1,015                          | 0                     | 0       | 1,015                                | 7,935                         | 179      | 9,129                         |
| 7    | 2025.26 | 16,636             | 1,383           | 18,019          | (5,389)     | (4,460)      | (3,963)                  | (116)                     | (13,929)       | (3,074)            | 1,016                          | 0                     | 0       | 1,016                                | 9,129                         | 212      | 10,356                        |
| 8    | 2026.27 | 16,932             | 1,423           | 18,354          | (5,532)     | (4,557)      | (4,057)                  | (120)                     | (14,266)       | (3,074)            | 1,014                          | 0                     | 0       | 1,014                                | 10,356                        | 245      | 11,616                        |
| 9    | 2027.28 | 17,231             | 1,464           | 18,695          | (5,679)     | (4,656)      | (4,153)                  | (123)                     | (14,611)       | (3,074)            | 1,010                          | 0                     | 0       | 1,010                                | 11,616                        | 280      | 12,906                        |
| 10   | 2028.29 | 17,535             | 1,506           | 19,042          | (5,830)     | (4,757)      | (4,250)                  | (127)                     | (14,963)       | (3,074)            | 1,004                          | 0                     | 0       | 1,004                                | 12,906                        | 315      | 14,225                        |
| 11   | 2029.30 | 17,844             | 1,550           | 19,394          | (5,984)     | (4,859)      | (4,350)                  | (131)                     | (15,324)       | (3,074)            | 995                            | 0                     | 0       | 995                                  | 14,225                        | 343      | 15,563                        |
| 12   | 2030.31 | 18,157             | 1,595           | 19,752          | (6,143)     | (4,964)      | (4,452)                  | (134)                     | (15,694)       | (3,074)            | 984                            | 0                     | 0       | 984                                  | 15,563                        | 361      | 16,907                        |
| 13   | 2031.32 | 18,474             | 1,641           | 20,115          | (6,306)     | (5,070)      | (4,557)                  | (138)                     | (16,071)       | (3,074)            | 970                            | 0                     | (0)     | 970                                  | 16,907                        | 380      | 18,257                        |
| 14   | 2032.33 | 18,796             | 1,689           | 20,485          | (6,473)     | (5,179)      | (4,663)                  | (142)                     | (16,458)       | (3,074)            | 953                            | 0                     | 0       | 953                                  | 18,257                        | 398      | 19,608                        |
| 15   | 2033.34 | 19,123             | 1,738           | 20,861          | (6,645)     | (5,290)      | (4,772)                  | (146)                     | (16,853)       | (3,074)            | 933                            | 0                     | 0       | 933                                  | 19,608                        | 417      | 20,959                        |
| 16   | 2034.35 | 19,454             | 1,788           | 21,242          | (6,821)     | (5,402)      | (4,884)                  | (151)                     | (17,258)       | (3,074)            | 910                            | 0                     | 0       | 910                                  | 20,959                        | 433      | 22,302                        |
| 17   | 2035.36 | 19,789             | 1,840           | 21,630          | (7,001)     | (5,517)      | (4,998)                  | (155)                     | (17,671)       | (3,074)            | 884                            | 0                     | 0       | 884                                  | 22,302                        | 447      | 23,634                        |
| 18   | 2036.37 | 20,130             | 1,894           | 22,023          | (7,187)     | (5,634)      | (5,114)                  | (159)                     | (18,095)       | (3,074)            | 854                            | 0                     | (0)     | 854                                  | 23,634                        | 461      | 24,949                        |
| 19   | 2037.38 | 20,475             | 1,948           | 22,423          | (7,377)     | (5,753)      | (5,233)                  | (164)                     | (18,528)       | (3,074)            | 821                            | 0                     | (0)     | 821                                  | 24,949                        | 475      | 26,245                        |
| 20   | 2038.39 | 20,824             | 2,005           | 22,829          | (7,573)     | (5,874)      | (5,355)                  | (169)                     | (18,970)       | (3,074)            | 785                            | 0                     | 0       | 785                                  | 26,245                        | 488      | 27,518                        |
| 21   | 2039.40 | 21,179             | 2,063           | 23,242          | (7,773)     | (5,998)      | (5,479)                  | (174)                     | (19,423)       | (3,074)            | 744                            | 0                     | 0       | 744                                  | 27,518                        | 516      | 28,778                        |
| 22   | 2040.41 | 21,538             | 2,123           | 23,661          | (7,979)     | (6,123)      | (5,606)                  | (179)                     | (19,887)       | (3,074)            | 700                            | 0                     | 0       | 700                                  | 28,778                        | 562      | 30,040                        |
| 23   | 2041.42 | 21,901             | 2,185           | 24,086          | (8,190)     | (6,251)      | (5,735)                  | (184)                     | (20,360)       | (3,074)            | 651                            | 0                     | 0       | 651                                  | 30,040                        | 608      | 31,300                        |
| 24   | 2042.43 | 22,270             | 2,248           | 24,518          | (8,406)     | (6,381)      | (5,868)                  | (189)                     | (20,845)       | (3,074)            | 599                            | 0                     | 0       | 599                                  | 31,300                        | 656      | 32,554                        |
| 25   | 2043.44 | 22,643             | 2,313           | 24,956          | (8,629)     | (6,514)      | (6,003)                  | (195)                     | (21,340)       | (3,074)            | 541                            | 0                     | 0       | 541                                  | 32,554                        | 703      | 33,798                        |
| 26   | 2044.45 | 23,021             | 2,380           | 25,401          | (8,857)     | (6,649)      | (6,141)                  | (200)                     | (21,847)       | (3,074)            | 480                            | 0                     | 0       | 480                                  | 33,798                        | 712      | 34,990                        |
| 27   | 2045.46 | 23,404             | 2,449           | 25,853          | (9,091)     | (6,786)      | (6,283)                  | (206)                     | (22,365)       | (3,074)            | 413                            | 0                     | 0       | 413                                  | 34,990                        | 681      | 36,084                        |
| 28   | 2046.47 | 23,791             | 2,520           | 26,311          | (9,331)     | (6,925)      | (6,427)                  | (212)                     | (22,895)       | (3,074)            | 342                            | 0                     | (385)   | (43)                                 | 36,084                        | 647      | 36,687                        |
| 29   | 2047.48 | 24,183             | 2,593           | 26,777          | (9,578)     | (7,067)      | (6,574)                  | (218)                     | (23,437)       | (3,074)            | 265                            | 0                     | (3,080) | (2,815)                              | 36,687                        | 610      | 34,483                        |
| 30   | 2048.49 | 24,580             | 2,669           | 27,249          | (9,831)     | (7,211)      | (6,724)                  | (225)                     | (23,991)       | (3,074)            | 184                            | 0                     | (3,127) | (2,944)                              | 34,483                        | 571      | 32,110                        |

## APPENDIX 4

New Provision Scenarios

New provision of council housing may be through acquisitions or new build. Ten new provision scenarios are illustrated in the model. These scenarios don't distinguish between acquisition and new build and the costings are only intended to be indicative.

Retained RTB receipts (1-4-1 receipts) may be used to fund up to 30% of the cost of new provision. However, the availability of these receipts depends on numbers of RTB sales and the discounted sale prices achieved. In Broxtowe's case modelling indicates that there will be insufficient to cover 30% of the cost of replacing homes sold under RTB. The shortfall will therefore have to be met either from other HRA resources or Affordable Housing Programme grant (subject to successful grant applications).

The scenarios modelled do not relate to specific schemes but instead are intended to give an indication of the capacity within the HRA to fund new housing. They cover programmes over a ten year period and deliver between 30 and 120 homes per year. The scenarios also compare the implications of:

- Schemes based on Social Housing rents with schemes using the higher Affordable Housing rents
- Accessing (or not accessing) Affordable Housing Programme grant

The table on the next page sets out each scenario comparing a range of performance factors, including debt per unit, net present value and the impact on HRA balances and loans outstanding.



| Illustrative Outcomes from New Provision Scenario Modelling - 10 Year Programme |                    |                             |                     |                               |              |                      |                                    |                    |                       |                        |                                 |                       |                              |                                    |
|---|--------------------|-----------------------------|---------------------|-------------------------------|--------------|----------------------|------------------------------------|--------------------|-----------------------|------------------------|---------------------------------|-----------------------|------------------------------|------------------------------------|
|   |                    |                             |                     |                               |              |                      |                                    |                    |                       |                        |                                 |                       |                              |                                    |
|   | Ref                | New rented housing per year | Total over 10 Years | Affordable Rent : Social Rent | Grant status | Total Dev. Cost £000 | % Funded from 141 receipts + grant | Debt per unit £000 | Total Extra Debt £000 | Net Present Value £000 | Net Present Value per unit £000 | Year 30 HRA Debt £000 | Year 30 HRA Rev Balance £000 | Year 30 Debt Less Rev Balance £000 |
|   | Base Business Plan |                             |                     |                               |              |                      |                                    |                    |                       |                        |                                 | 81,330                | 32,110                       | 49,220                             |
|   |                    |                             |                     |                               |              |                      |                                    |                    |                       |                        |                                 |                       |                              |                                    |
| 1   | Replace RTBs       | 30                          | 300                 | 0:100                         | No Grant     | 46,215               | 15%                                | 78                 | 23,434                | (7,417)                | (25)                            | 104,764               | 11,097                       | 93,667                             |
| 2   | Replace RTBs       | 30                          | 300                 | 100:0                         | No Grant     | 46,215               | 15%                                | 74                 | 22,276                | (5,222)                | (17)                            | 103,606               | 18,899                       | 84,707                             |
| 3   | Replace + 50%      | 45                          | 450                 | 0:100                         | No Grant     | 69,323               | 10%                                | 112                | 50,517                | (13,563)               | (30)                            | 131,846               | 2,046                        | 129,800                            |
| 4   | Replace + 50%      | 45                          | 450                 | 100:0                         | No Grant     | 69,323               | 10%                                | 105                | 47,166                | (10,270)               | (23)                            | 128,496               | 12,152                       | 116,344                            |
| 5   | Max                | 50                          | 500                 | 0:100                         | No Grant     | 77,026               | 9%                                 | 126                | 62,778                | (15,622)               | (31)                            | 144,107               | 2,035                        | 142,072                            |
| 6   | Max                | 70                          | 700                 | 100:0                         | No Grant     | 107,836              | 6%                                 | 128                | 89,914                | (18,762)               | (27)                            | 171,245               | 2,048                        | 169,197                            |
|   |                    |                             |                     |                               |              |                      |                                    |                    |                       |                        |                                 |                       |                              |                                    |
| 7   | Replace RTBs       | 30                          | 300                 | 0:100                         | With Grant   | 46,215               | 30%                                | 50                 | 15,023                | (2,421)                | (8)                             | 96,353                | 18,683                       | 77,670                             |
| 8   | Replace RTBs       | 30                          | 300                 | 100:0                         | With Grant   | 46,215               | 30%                                | 46                 | 13,865                | (226)                  | (1)                             | 95,195                | 26,485                       | 68,710                             |
| 9   | Replace + 50%      | 45                          | 450                 | 0:100                         | With Grant   | 69,323               | 30%                                | 71                 | 32,155                | (3,542)                | (8)                             | 113,485               | 15,553                       | 97,932                             |
| 10  | Replace + 50%      | 45                          | 450                 | 100:0                         | With Grant   | 69,323               | 30%                                | 68                 | 30,418                | (250)                  | (1)                             | 111,748               | 27,257                       | 84,491                             |
| 11  | Max                | 100                         | 1000                | 0:100                         | With Grant   | 154,052              | 30%                                | 95                 | 94,969                | (7,870)                | (8)                             | 176,299               | 4,076                        | 172,223                            |
| 12  | Max                | 120                         | 1200                | 100:0                         | With Grant   | 184,862              | 30%                                | 94                 | 113,179               | (690)                  | (1)                             | 194,509               | 31,111                       | 163,398                            |

## Notes:

- Social Rents = Average Broxtowe formula rent + 10% (assuming higher capital values) - £80.78 per 52 week rent in 2019/20
- Affordable Rents – based on 80% of market rent - £92.00 per 52 week rent in 2019/20
- Grant = assumption that grant will cover shortfall of RTB 141 receipts i.e. bringing total to 30% of costs
- Development / acquisition cost = £135k per dwelling, increasing by RPI
- The NPVs are based on a 4% discount rate and a residual value of £135k per unit

The table shows that, even without Affordable Housing Programme grant, a significant new provision programme can be afforded through the HRA. For example, based on the lower of the two rent options (social rents), 50 dwellings per year could be provided whilst with affordable rents this would rise to over 70 dwellings per year.

If it is assumed that Affordable Housing Programme grant will be available to offset shortfalls in RTB 1-4-1 receipts then significantly improved cash flows and net present values can be achieved. With Affordable Housing Programme grant and the higher (affordable) rents, a programme in excess of 120 dwellings per year could be affordable.

These scenarios assume that no debt repayments would be made and that surplus balances would instead be held for future investment i.e. beyond the 10 year period being reviewed.

The table is reliant on the detailed assumptions underpinning the model as set out below.

| New Provision Assumptions  |          |  |  |
|--|----------|--|--|
| Assumption   | Value    | Comment  |  |
| Unit Cost 2019/20  | £135,000 | Increasing by RPI thereafter   |  |
| Average Weekly (52 weeks) Rent per dwelling:                     |          |  |  |
| Social Rented  | £80.78   | Based on estimate of average Broxtowe formula rent, increased by 10% on the basis that the capital values of the new provision dwellings is likely (in the case of new build) to be higher.                    |  |
| Affordable Rented  | £92.00   | Based on an assment of market rents on the Right Move site i.e. average £115 per week for 1 / 2 beds - then multiplied by 80% in accordance with the regulations.  |  |
|  |          | All rents are increased by CPI + 1% for 5 years and then CPI + 0.5% thereafter   |  |
| Management Cost - incremental cost per dwelling per year         | £265     | This is the marginal rate applied in respect of RTB sales. It assumes that 40% of management costs are variable i.e. go up and down in relation to changes in stock numbers                                    |  |
| Repairs and Maintenance - incremental cost per dwelling per year | £583     | This is the marginal rate applied in respect of RTB sales. It assumes that 75% of repairs costs are variable i.e. go up and down in relation to changes in stock numbers                                       |  |
| Major Repairs - incremental cost per dwelling per year           | £1,080   | This is based on industry formula of build cost x 0.8%. It is in line with the average major repairs expenditure on the existing stock - this averages at £1,051 over the first 10 years of the business plan. |  |
|  |          | All cost assumptions are assumed to increase with RPI (2.9%)   |  |

This page is intentionally left blank

### Report of the Interim Strategic Director

#### WORK PROGRAMME

##### 1. Purpose of report

To consider items for inclusion in the Work Programme for future meetings.

##### 2. Background

Items which have already been suggested for inclusion in the Work Programme of future meetings are given below. Members are asked to consider any additional items that they may wish to see in the Programme.

##### 3. Work Programme

|                  |   |
|------------------|---|
| 27 November 2019 | <ul style="list-style-type: none"> <li>• Performance Management – Review of Business Plan Progress – Housing</li> <li>• Review of Introductory Tenancies</li> <li>• Policy review (gas, electric and allocations)</li> <li>• Empty Homes Strategy</li> <li>• Neighbourhood Strategy</li> <li>• Development of the Lifeline Service</li> <li>• Housing Engagement Strategy</li> <li>• Housebuilding Update Report</li> <li>• Skills and employability training for tenants</li> <li>• Update on Housing Engagement Strategy</li> </ul> |
| 29 January 2020  | <ul style="list-style-type: none"> <li>• Business Plans and Financial Estimates 2019/20 - 2021/22 – Housing</li> <li>• Asset Management Strategy</li> <li>• Housing Repairs Review</li> <li>• Housing Strategy (discussion paper to agree themes)</li> <li>• Business Plan</li> <li>• Budget/financial plan</li> <li>• Housemark annual Benchmarking report</li> </ul>  |

(All meetings to start at 7.00 pm)

#### Recommendation

**The Committee is asked to CONSIDER the Work Programme and RESOLVE accordingly.**

#### Background papers

Nil

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank



Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank