

SWT TENANTS STRATEGIC GROUP

MONDAY, 11TH NOVEMBER, 2019

Present: in the Chair; Alex Akhigbemen,
Jessie Bunn, Dennis Galpin, Judith Hegarty, Ivor
Hussey, Kevin Hellier, Livi Mongary and Richard
Hirsch. Councillor Fran Smith

Also in Attendance:

Officers:

- Stephen Boland (Specialist Housing) James Barrah (Director Housing) Kerry Prisco (Finance Specialist)
- Briony Cole (Case Management Lead) Tracey Meadows (Democracy and Governance)

Apologies: Janet Lloyd

1 Apologies

Apologies were received from Stephen Palmer and Councillor Janet Lloyd

2 Notes from previous meeting

The notes from the meeting on the 19 August were agreed.

3 Business plan, housing finances, what information will be coming to the Board in the future

Business plan, housing finances, what information will be coming to the Board in the future.

The Director of Housing, James Barrah updated the group on the business plan and housing finances and what information would be coming to the board in the future. The transformation process generated efficiencies across the organisation and the impact on housing was that it generated savings for the housing service and more savings would come through as we continue to refine our services with the utilisation of new technology.

The housing function was dispersed across the organisation. We have undertaken a review on how effective that has been across the last few months and in line with the fact that we have a new leadership and new Portfolio holder, Cllr Fran Smith. Our ambitions were to put housing as a key priority in our Corporate Plan and how we engaged with residents. We are not quite ready to report on this yet but will come back to you with a plan in December, this will also include the North Taunton regeneration project.

During discussion of this item the following comments were raised; replies are in italic

- Please can you update us on the challenges of the transformation process; *we now occupy the first floor, this has had an impact on how we work as a team so lots more conversations going on through the course of the day. This has improved how we work and how we communicate. The team are now much more flexible and agile in how we work. The IT equipment was now portable and our records were now digital and not paper which has improved how flexible we work. In terms of the rest of the building we have let parts of the building. The Police had occupied the ground floor with Meridian who were an employment agency. Discussions with other parties were ongoing to create revenue for the Council which was a good thing. In terms of the transformation, some bits had gone well and there were clear areas of learning. A new council was set up in April and that element has worked well. There were lots of staff changes and we had to manage with less staff. Stabilisation of services was ongoing and continued to make progress.*

4 **Changes to working practices - Leaning our processes**

Changes to working practices – Leaning our processes

The Head of Customer, Simon Lewis updated the group on the work that was being done on the 'Lean' process following transformation. The Housing service had reduced its permanent staffing resource and were reliant on transition staff maintaining service delivery. Andrew Scofield has been engaged to stream line our processes to see what works for the customer. We were currently writing a specification to move from Academy to Open Housing and wanted to reflect lean process in the new design we required that building inefficient processes into the new housing system. 3 key housing processes had been agreed for lean, they were Lettings, Rent Collection and Repairs.

The objectives for this were;

- New streamlined responsive repairs process;
- Maximise automation where possible, including reminder to tenants of date and scheduling of visits;
- Review opportunity to maximise same-day repairs;
- Reduce staff resource requirement for end to end process;
- Clarity of what we should and should not be repairing to reduce unnecessary costs, including recharging for wilful damage and negligence;
- Reduction in repair costs;

Voids and Letting Process Leaning

The process for tenants notifying us of intention to end tenancy, through to them leaving, recharging for damages, undertaking repairs, advertising vacancy and selecting new tenant and then letting to a new tenant requires many hand-offs and appears inefficient. The proposition is that by leaning this process, we could make significant efficiency savings, increase income from recharges for damages, reduce

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loss of rent from void period and potentially reduce future 'failure demand' by ensuring property fit for habitation and right tenant for right property and they are set up to succeed in their new tenancy. All of which would save significant time and cost.

Objectives

- New streamlined Void and Lettings process;
- Common 'year 1' repairs to be reduced by carrying out during void (e.g. washer replacement on dripping taps) – therefore reduce responsive repairs;
- Reduction in void costs (lost rent) and quicker let for new tenants;
- Reduced cost in officer involvement (hand-offs);
- Increased recovery of recharges;
- Less failure demand generated from new tenants in year 1 due to stronger tenancy inductions – therefore less officer time for new tenants;

Rent collection and Recovery Process Leaning

The protocol we have for collecting rent and pursuing rent arrears is weighted heavily to giving tenants every opportunity to pay and to demonstrate in court that we have taken all steps reasonable – however at its fullest extent this can involve 20+ steps / interactions with the tenant (to eviction stage), which is expensive, time consuming and inefficient. The proposition is that by leaning this process, we could make significant efficiency savings, increase rent collection and possibly reduce evictions. All of which would save significant time and cost. The scope of the project is to include the rent collection process, arrears recovery, through to notice seeking possession and eviction due to rent arrears.

Objectives

- New streamlined rent collection and recovery process
- Maximise automation of reminders
- Reduce staff resource requirement for end to end process
- Reduction in tenants falling into rent arrears and average level of arrears.
- Increase in rent collection
- Reduction in evictions (and associated costs) due to arrears

Homes in Sedgemoor were able to implement a BPR review of this process and now collect an additional £500kpa rent and have reduced their rent arrears.

During discussions of this item the following comments were made, replies in italic;

- Is there a target for voids? *The target is now 3 weeks. The pre-voids officer will check the property for what is needed and we also take the opportunity to perform asbestos checks and any other repairs to the property;*
- The new builds in Rockwell Green, Wellington were built quickly but not occupied until the end of the project resulting in a loss of income; *the scheme took a while to complete and hand over as everything needed to be right before we hand over properties. The new process would put an end to this;*
- Can you cut the grass on the properties that are vacant for a while? *This will be fed back to the Localities team;*

5 **Service charge and rent changes for 2021/22 - proposed increases**

Service charge and rent changes for 2021/22

The Finance Specialist, Kerry Prisco updated the group on the Fees and Charges for 2020/21.

The purpose of this report was to recommend the level at which Somerset West and Taunton Council (SWT) propose to set rent levels and service charges for its Housing Revenue Account (HRA) owned properties. This will apply to those assets either already accounted for within the Council's HRA or to be added to it in the future.

Dwelling Rental Income

The Government introduced the Welfare Reform and Work Act 2016 Social Rent Reduction, which required all social housing landlords to reduce the rent payable by tenants by 1% each year between April 2016 and April 2019 (excluding shared ownership homes and temporary accommodation). This superseded the Government's previous 10 year rent increase policy implemented in April 2015.

In February 2019 the Ministry of Housing, Communities and Local Government confirmed that increases to social housing rents will be limited to the Consumer Price Index (CPI) plus 1% for 5 years from 2020. The September 2019 CPI figure is 1.7% as published by the Office for National Statistics on the 16 October 2019.

The Government has also issued a direction to the Regulator of Social Housing to set a new Rent Standard to be effective from April 2020. Whilst a policy statement has been issued this is not expected to be confirmed until December 2019.

As a consequence, a separate Rent Policy paper will be presented to the Tenants Board and the Council to recommend the dwelling rental income and Shared Ownership rent for 2020-21.

Service Charges and Non-Dwelling Rental Income

Approximately 8% of HRA income, amounting to £2.094m, comes from non-dwelling rents (mainly garages but also shops, land access and meeting halls), charges for services and facilities, and contributions to HRA costs from leaseholders and council tenants.

Service Charges

Housing Service Charges are made to housing tenants for the services that they use. Service Charges are set locally each year and are in addition to the Rent Charges.

The Government has issued a direction to the Regulator of Social Housing to set a new Rent Standard to be effective from April 2020. The proposed Policy Statement recommends registered providers should endeavour to keep increases for service charges within the limit on rent changes, of Consumer Price Index (CPI) + 1

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percentage point, to help keep charges affordable. The September 2019 CPI figure is 1.7% as published by the Office for National Statistics on the 16 October 2019.

SWT are proposing to increase service charges by CPI+1% for 2020-21 to ensure that they remain affordable for tenants.

Garages

The proposal is to increase garage rents for private tenants and owner occupier so that they are in line with the open market value rental rate at £10 per week for 2020-21.

Meeting Halls

The fees levied for 2020-21 for meeting room hire will be increased by CPI+1% and then rounded to the nearest 10p as requested by tenants during feedback provided in 2017/18.

Guest Rooms

The fees levied for 2020-21 for meeting room hire will be increased by CPI+1% and then rounded to the nearest 50p as requested by tenants during feedback provided in 2017/18.

Temporary accommodation

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

Licence Fee

Whilst the Housing Benefit (HB) subsidy is regulated, the amount social landlords can charge for temporary accommodation is not. Temporary accommodation is also exempt from the new Rent Standard. The proposal for 2020-21 is to continue setting the temporary accommodation licence fee at 100% off the permitted Local Housing Allowance (LHA) ordinary rate as of April 2020.

Service Charge

The proposal for 2020-21 is to increase service charges by CPI+1%.

Exceptions

Charges for properties not on mains sewerage

These properties charges for sewerage will be increased in line with the Wessex Water increases for 2020-21 once known. Wessex Water rates for sewerage standing charge per annum and poundage charges are used in the system calculation. For 2019-20 these are £7.00 per annum for unmetered sewerage standing charge and £1.6379 for the poundage charge payable per £ of rateable value of the property. Wessex Water will publish their new charges in February 2020 (available from their website) for 2020-21.

During the discussion of this item the following comments were raised, replies in italic

- What is the difference between license fee and service charge? *The service charge is for services that are provided as part of the temporary accommodation whilst the tenant is there. The licence fee reflects the use and occupation of a property for a homeless person on a daily rate;*

6 **Specification for the Housing management system (open housing)**

Specification for the Housing Management system (Open Housing)

The Housing Specialist Stephen Boland update the group on the replacement of the Housing Landlord IT System. The current housing management IT system used by the Council to help delivery landlord services to circa. 5,700 tenants is Capita's Housing Academy system. The system was introduced in 2006/07 with an annual contract for Capita to provide software support and maintenance i.e. upgrades for the system. The system is central to the day to day operation of the Council's housing landlord function.

Capita has formally notified the Council that they will be ending Housing Academy System support and maintenance with effect from September 2020. In so doing there is a strong likelihood of our current system eventually failing (more probability as time goes by) where the severity of the consequences are thought to be extremely harmful for the Council and its customers.

The Council was now in a position where it needs to procure a new system that would allow the housing landlord function to continue to meet current and future business requirements. The benefits of this new system was that it would allow for analysis of workload, and allow managers to more effectively target and quickly prioritise resources. It will also significantly aid and speed up communication particularly across areas of the housing service and the council and thereby significantly reduce mistakes; and we would be able to add new system processes easily and quickly, updates by non-technical council staff will be achievable to facilitate speed of deployment to meet changing customer and service needs. The benefit to customers would be that the customer would be able to self-serve and access information relevant to their specific requirements 24/7 using a wide variety of e-enabled devices including PCs, tablets, and smartphones. With all information held in a central place accessible by all, tenants will be given better, quicker and more consistent responses to their queries, they will also be able to update their own information. Staff time will be freed up and will then be able to spend more time in direct contact with tenants and leaseholders. Mobile working for staff will enable them to access and update information 'in the field' visiting tenants.

The new system would enable sophisticated management information reporting to aid the deployment of our staffing resources. Such reporting will all support our approach to problem solving and continuous improvement. A new system would also provide a full interactive web-site for tenants and leaseholders. Examples of services that need to be built in the web site include: the ability to request services; send messages to officers; report repairs; view progress of repairs; look up rent account information; request a new swipe card; make an application for a transfer; view details of voids; make a complaint; interrogate mutual exchanges, update personal records.

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We would also have the capability to automatic workflow. Automation is a key driver of efficiency and taking waste out of our service. Automation will mean higher quality services at lower cost, focusing on those highly repetitive tasks that add the least value.

During discussion of this item the following comments were raised. Replies are in italic.

- Concerns with the cost of implementing this system;
- Time Line for the new system; *we were looking to sign in December. Once signed we would be presented with a time table that we would need to resource.*
- The board members need to trial this new technology; *we need to ensure that people are supported to get the best out of it. So those that are unable to access this are still supported. This needs to be fed out in the community;*
- Concerns with the timing of this, are we confident that we can deliver this on time, September 2020? *There is a load of work to do on this project and we will make sure that we have the appropriate resources to get it up and running as soon as possible;*
- Concerns with the current IT system, website no consideration for illiterate customers ie pictures; *we will take back those concerns regarding equality. The new system would cater for those needs, this had been specified;*
- Concerns with the lack of broadband in rural areas to enable customers to use the new technology;
- Support for system, will this be a phone call or will the supplier come out on site? *This can be a phone call or the supplier would come onsite;*

7 Terms of Reference and Elections for 2020/21

Terms of Reference and Elections for 2020/21

The Housing Specialists updated the group on the Terms of Reference. Stated that this was a transitional year how could we make best use of the board's time and what functions were of interest until the elections in April 2020.

A small group could be set up outside of this formal setting to give views and opinions to set up what we want included in the group.

During discussion of this item the following comments were made. Replies in italic.

- We used to have a pre- meet before the meetings. 2/3 sessions were needed before April.
- New members to have sight of work already done and what you wanted from us. What skills were you looking for? *More engagements from tenants. Help us to formulate policies and processes. Hold us to account, create ideas using your own experiences. Members to visit communities and have wider conversations with residents to feedback concerns to us;*
- Previously tenants were not interested in joining the board; *we need to be creative to get a broader spectrum on board with this group;*

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A session in December will be arranged to bring the group up to speed with the business plan and budget setting in February.

The meeting ended 7:50pm

Duration of the meeting: Times Not Specified

Chairman at the meeting on
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