

## **EAST DEVON DISTRICT COUNCIL**

### **Minutes of a Meeting of the Housing Review Board held at Exmouth Town Hall, Exmouth on 24 January 2019**

#### **Attendance list at end of document**

The meeting started at 2.30pm and ended at 4.50pm.

#### **52 Public speaking**

There were no questions raised by members of the public

#### **53 Chairman's announcements**

The Chairman welcomed those present to the meeting and gave particular welcome to two newly co-opted tenant/leaseholder representatives, Pat Gore and Cat Summers. She then invited those around the table to introduce themselves.

The Housing Needs and Strategy Manager drew the Board's attention to a mailing error that took place in December 2019. He apologised for the error and reassured the Board that it had been taken very seriously. He explained how the error had occurred, and that despite checks being made, they failed and the error was not picked up. Once the error was identified immediate investigations began and it was identified that the records affected were wrongly transferred when the computer system changed in 2015. This error had since been checked against recent records and the Housing Needs and Strategy Manager confirmed that the processes in the new system could not allow this to happen again and that he was confident that the matter was now resolved. All large-scale letter communications would be appropriately checked and signed off by senior management, prior to the letters being sent.

All affected tenants had received a written apology and extra staff were immediately available to talk to tenants over the phone. An article would also be placed in the next Housing Matters magazine to extend apologies.

Tenants and members present thanked the Housing Needs and Strategy Manager for his apology and were satisfied with the measures and systems now in place.

The Acting Housing Service Lead reported that on Monday 14 January she was alerted by the Council's communications team to the local media running a story in relation to one of EDDC's properties; a two-bedroom ground floor flat in Ottery St Mary. The tenants were a family with two children.

The pictures and the video footage highlighted that the property was suffering from damp problems, with the family having growing concerns at the living conditions and the health effects this could be having on their household. The Council's immediate response was to resolve the problems urgently. Officers would be looking closely to understand how these issues had been managed and if there were any learning points.

In order to resolve the problems urgently the household had been moved into temporary accommodation and contractors instructed accordingly. The Senior Technical Officer for responsive repairs was overseeing the case and keeping the family informed of progress. It was envisaged that the family would be back home within a few days and investigations so far had not found any fundamental issues that could not be resolved.

The Acting Housing Service Lead confirmed that officers were aware of the issues in the property prior to the press interest. It appeared that the Council's contractors had made attempts to get into the property but contact had failed on a number of occasions. She was undertaking an internal investigation to understand exactly how the situation had occurred and assured the Board that if the Council had not undertaken its duties as expected, in line with processes and procedures, officers would be held accountable.

It was noted that a team of maintenance surveyors dealt with issues surrounding damp and mould in Council properties. Commonly these were often caused through lifestyle issues such as not heating or ventilating the property correctly. Surveyors spent a large amount of their time giving advice and helping tenants. Various articles were run through both social media and the tenant's magazine to highlight the issues. This negative publicity was disappointing and damaging and once the property was rectified the press would be invited back to the property to demonstrate the immediate actions the Council had taken and the support offered to the family.

#### **54 Minutes**

The minutes of the Housing Review Board meeting held on 22 November 2018 were confirmed and signed as a true record.

Councillor Armstrong reiterated her concerns that leaflets were not available for tenants in the town hall reception area. The Strategic Lead – Housing, Health and Environment that information was now held online and on the Council's website, and explained the digital by default policy. Information was still available and would be printed on request. There were also self-service desks in the reception area, as well as receptionists who were on hand to offer advice and assistance.

#### **55 Declarations of Interest**

Mike Berridge: Personal interest – housing tenant

Pat Gore: Personal interest - housing tenant.

Peter Sullivan: Personal interest – housing tenant.

Cat Summers: Personal interest – housing tenant.

Alek Williams: Personal interest – housing tenant.

Cllr Steve Gazzard (non Board member): Personal interest – housing tenant.

#### **56 Forward plan**

The Acting Housing Service Lead presented the forward plan and advised Members that the forward plan acted as a reminder of agenda items to come forward to future meetings. Members were reminded that they could add further issues to the next forward plan by informing either herself or the Democratic Services Officer.

The following items were added to the forward plan:

- Presentation on modular homes from a specialist.
- Homelessness strategy.
- Adaptations policy.
- Ian Williams Ltd representative to meet the Board
- Review of the garages task and finish forum.
- Consideration of converting shipping containers into accommodation.

**RESOLVED:** that the forward plan be noted and updated.

**57 Housing Service Plan 2019-2020**

The Acting Housing Service Lead presented the draft Service Plan for the Housing Service covering the period 2019-2020, for consideration by the Board.

The Service Plan was a document produced annually by all EDDC services and set out the key achievements over the past year and the forthcoming issues to be faced by the service. It linked closely with the Council Plan and the aim of the process was to produce a work plan for the coming year with a realistic view of the challenges and risks ahead. Producing a service plan presented a good opportunity to look back and reflect and also the ability to forward plan. A range of service improvements were identified through a number of SMART objectives (specific, measurable, achievable, relevant, time bound), performance data reported, consultation proposals outlined, budget information, and so forth. Performance should be monitored constantly against the 'live' document. The service plan coordinated annually with budget planning.

Key elements of the service plan included:

- A brief introduction of the service, what we do and how we compare our services.
- Key achievements from 2018/19.
- A series of SMART objectives.
- Looking forward- challenges to be faced over the next 3 years.
- Options for doing things differently.
- Performance Indicators- how we will measure our performance.
- Training and development of our teams.
- Risk register.
- Links with corporate objectives, systems thinking and equalities framework.

Headlines from the Housing Service Plan were:

- Revision of Housing Revenue Account Business Plan
- A strategic focus- Housing Strategy/Homelessness Strategy
- Integrated Asset Management contract
- Development opportunities
- Your Home, Your wellbeing project
- A focus on mental health
- A focus on VFM, considering the real costs of services
- Home Safeguard expansion- income generation

The draft Service Plan had also been presented to the Tenant Involvement Forum on 22 January 2019. Their feedback was positive overall and included the following:

- A pro-active and forward thinking plan, capturing issues they would expect to see.
- Supportive of the strategic theme, particularly around the role Home Safeguard played for income generation.
- Supportive of the mention of safeguarding and community development.
- Good focus on compliance issues, in particular fire safety.
- Lots of questions around the digital agenda and what this would look like.
- Discussion and interest around the role of the private sector.
- Some concern over the mention of service charges.
- Does contain some jargon

The Acting Housing Service Lead asked the Board what it felt was missing from the service plan, and whether the objectives met the Board's aspirations. It was noted that performance indicators for repairs had been omitted. End to end time for repairs and tenant

satisfaction for repairs would be included in the service plan. Tenants reported that they had not always been receiving repairs response forms from contractors and the Acting Housing Service Lead reported that she would investigate this and ensure that they were being issued on every job.

The Acting Housing Service Lead and housing teams were thanked for producing a thorough service plan.

**RECOMMENDED:** that Cabinet approve the Housing Service Plan for 2019/20.

## **58 Draft Housing Revenue Account and Capital Budgets 2019-2020**

The Strategic Lead – Finance’s report presented the draft Housing Revenue Account (HRA) revenue and capital budgets for 2019/20 to the Housing Review Board.

The report provided the Board with details of the year end forecast of the draft Housing Revenue Account (HRA) for 2018/19 and proposed budget for 2019/20. This account showed the main areas of anticipated income and expenditure on landlord activities for the year ahead. Producing a Housing Revenue Account had been a statutory requirement for Councils who manage and own their housing stock for some time, and therefore was a key document for the Board to influence.

The Council had a prescribed timetable for the production of its budgets which involved the development of draft estimates and scrutiny by various member and officer groups. The report presented an opportunity for the Housing Review Board to input into this process.

The budget had been prepared to maintain Council homes to a high standard, with a comprehensive planned programme of expenditure, adaptations and routine repairs. This included £4.4million for major repairs, and day to day repairs, programme maintenance and one-off works totalling £4.5million. The Portfolio Holder – Sustainable Homes and Communities highlighted that the Council put £8million back into the local economy through its spending.

Rents had decreased by 1% in line with legislation giving an estimated rental income from dwellings of £17.1million, and other income, including garage rents adding a further £1million in income.

The draft budget proposed to generate a surplus of £1.154million in 2019/20. This would be used to help finance the purchase of properties. The HRA balance was maintained within the adopted range of £2.1million and £3.1million. There was an additional £1.6million being held in the HRA Volatility Fund which would remain unchanged.

The Board’s attention was drawn to the properties purchased over the past 12 months, as contained in the report.

The Strategic Lead – Housing, Health and Environment presented to the Board the HRA budget and Business Plan. He explained that the HRA Business Plan provided a long-term vision for the housing stock with detailed income and expenditure projections. It needed to be regularly refreshed and updated and sat alongside the Housing Strategy. The HRA Business Plan was a dynamic, core policy document for the Council, with the current version covering the period 2017-2020. The Business Plan needed to be refreshed to consider:

- The implication of a new maintenance contractor.

- To reflect additional work on asset management planning and to further develop management information from the Housing IT system.
- The end of rent reductions.
- The implication of Universal Credit.
- To reconsider the debt level and use of Right to Buy receipts linked to future development ambitions.

The aim of the Business Plan was to set a framework for investment/expenditure decisions in relation to tenants' homes and housing services. The mission was to achieve and maintain good (outstanding) quality homes and housing services for tenants and leaseholders. The purpose of a Business Plan was:

- Define housing business objectives.
- Identify resources available and costs.
- Provide a financial framework for service delivery.
- Highlight key variables and pressures.
- Identify the main income and expenditure items over a 30-year period.
- Represent good practice to plan long term.

The key variables in budgeting were:

- Housing Stock - Portfolio acquisitions/ RTB losses.
- Income - Rent Policy increase/decrease.
- Management - Staff structure to provide services.
- Major Repairs - Improvement programmes.
- Responsive - Demand-led repairs.
- Planned - Timescale for cyclical maintenance.
- Loan interest - Loans at fixed interest rates.
- Inflation - Factor outside our control.
- Prices - Cost/availability of labour & materials.

The anticipated income for 2019/20 was £18,075,360. The main sources of income were from rents, garage rents and support charges. A 3% increase on garage rents had been assumed. It was the final year of the Government's four-year rent reduction policy. Rent collection performance was critical and must be closely monitored. The rent policy in the HRA Business Plan was based upon social rents for the majority of the housing stock, with affordable rents for newer acquisitions. The greatest risk to income was the transfer of tenants to Universal Credit.

Areas of expenditure highlighted included:

- Responsive maintenance.
- Annual maintenance programmes – cyclical and servicing.
- Supervision and management.
- Debt charges.
- Major repairs.
- Major improvements/extensions.
- Remodelling sheltered scheme.
- Social Services adaptations.

Budget challenges included:

- Future rent policy
- Welfare Reforms – Universal Credit
- Right to Buy sales

- Cost of Integrated Asset Management contract
- Increasing cost of compliance measures
- An updated stock condition survey
- Future borrowing plans (now no debt cap)
- New build/acquisition ambitions
- Sensitivity testing

The Board thanked the Strategic Lead – Housing, Health and Environment for his presentation and requested that it be circulated to the HRB members.

**RECOMMENDED:** that Cabinet approve the Housing Revenue Account revenue and capital estimates.

#### **59 Integrated asset management contract update**

The Housing Review Board noted the report of the Acting Housing Service Lead which updated members on progress made on the procurement of the integrated asset management contract and provided some detail on the mobilisation plan for the new service.

The contract had formally been awarded to Ian Williams Ltd. Initially it had been expected to commence the new service on 1 February 2019, however, both of the current contractors had approached the Council to dispute the legality of the length of the extension awarded to them (previously agreed as six months, to terminate at the end of January 2019). Having reviewed the existing contract the Council now agreed to extend the existing contract with the incumbent providers and offered a full year extension to both incumbents. The result of this was that the new contract would not now commence until 1 July 2019.

There were a number of benefits of having a longer period to prepare for the new contract, including a traditionally lower period of demand in the summer, allowing the new service to 'bed in' and greater staff training and familiarity with the area. It also allowed for more time to set up IT integration, which had been highlighted as one of the main risks associated with mobilisation. Performance of the incumbent providers would be strictly monitored to ensure that the standard of delivery remained high.

It was noted that tenants were represented on the Mobilisation Steering Group, as well as on two of the sub groups, focusing on communications and social value. It was important that tenants worked with officers on the roll out of the new contract. Any interested tenants were invited to put their names forward to the Tenant Participation team.

A representative from Ian Williams Ltd would attend the next Board meeting to meet the HRB and hear their aspirations.

**RESOLVED:** that the Housing Review Board note the award of the integrated asset management contract to Ian Williams Ltd and the start of the mobilisation process.

#### **60 Universal Credit update**

The report of the Landlord Services Manager set out the latest information on the roll out of Universal Credit (UC) and the impact so far on the housing service.

UC was introduced into the East Devon area in July 2018. The first rollout was for the eastern area of the district, followed by the west of the district in September 2018. UC had

been set up to provide one-monthly payment for people who were looking for work or on a low income and had replaced:

- Income-based Jobseeker's Allowance
- Income-related Employment and Support Allowance
- Income Support
- Child Tax Credits
- Working Tax Credits
- Housing Benefit

EDDC currently had 191 tenants claiming UC with a combined rent debt of £52,621.37. Officers had managed to establish that prior to the commencement of UC in July 2018 that the combined debt outstanding on the same tenancies was £16,819.65. This was a £35,801.72 increase of debt on those tenancies. Of the 191 tenants currently claiming UC, 58 were in credit with their rent or had a zero balance, 19 had rent arrears of less than 2 weeks, 34 had rent arrears of between 2-4 weeks, 45 had rent arrears of between 4-8 weeks and 35 had rent arrears of more than 8 weeks. Officers were working with Housing Benefits to see if any of these arrears could be offset with Discretionary Housing Payment.

Looking at the average debt of tenants currently receiving UC it was forecast that another £316,642, on average, could be owed by the time all working age tenants on housing benefit had transitioned onto UC.

The standard process was that UC was paid directly to the tenants with an expectation that they would then pay the proportion that covered their rent directly to EDDC (as landlord). Positively, due to EDDC's trusted landlord status it was possible to request for the rental element of a tenant's UC claim to be paid directly to the Council. This was a fairly straightforward process and to date it had been done for a proportion of the tenants effected. It was done through an assessment of an individual's personal circumstances that takes into account the vulnerability of the tenant and their ability to pay their rent.

There were many concerns over UC. These included:

- People not prioritising their bills or managing their budget effectively, getting into debt and then a greater reliance on food banks, charities, utility subsidies. Strain was also put on the resources within the rental team, with increases in arrears becoming harder to recover.
- Pre Court Protocol meant that as a landlord EDDC must not commence actions it would usually have undertaken before service of possession proceedings whilst the tenant was in the process of transitioning to UC. This meant that arrears would be at a higher rate before they could begin to be recouped through the Court process.
- The necessity to apply for and manage UC claims through an online account, and this not being done correctly often held up, or even stopped claims.
- Where a joint tenant had left the property but never removed their name from the tenancy, only half the UC claim could be paid. As a landlord EDDC could not remove a person from the tenancy without that person being involved in the process. These people had often moved on with their lives and did not wish to make contact.

Officers were looking at setting up a workshop within each area of the district to help tenants with budgeting and dealing with non-priority debts, so that the UC transition was smoother and easier for tenants. Staff would help with digital skills and training if required. The rental team would continue to refer tenants with multiple debts to Homemaker Southwest to receive expert independent advice. It was noted that seasonal employment (and therefore income) in the district would constantly affect individuals' UC claims.

A request was made for details about the workshops and help available to tenants to be circulated to the Board and also included in Housing Matters magazine.

The Department of Work and Pensions (DWP) had launched some initiatives and made some changes to their services relating to UC. These were outlined in the report and included DWP funding Citizens Advice Bureaux (CAB) to provide UC support from April 2019. Over the past 12 months EDDC staff had been present at the Job Centres to help people with their claims and it was not yet clear whether the CAB would continue with this role. Losing an impartial independent source of advice (from EDDC's Benefits team) was likely to be missed by tenants.

The Board noted that UC represented one of the biggest risks in the Business Plan and thanked the Landlord Services Manager for her report. The Portfolio Holder – Sustainable Homes and Communities congratulated all the teams on the work they had been doing. Quarterly UC reports would be brought to the Board so that they could monitor what was happening.

**RESOLVED:** that the Board note the contents of the report informing them of the latest information on Universal Credit and the impact on East Devon District Council.

**61 Local Government Association bid January 2019**

The Board considered a report informing them of a bid to the Local Government Association (LGA) for additional capacity funding (£50,000) from the Building Council Homes Programme. This would provide some immediate support to some councils wanting to access skills to help increase the delivery of homes via the HRA. The programme would issue a minimum of six grants up to the value of £50,000. The Council's bid set out modest ambitions to explore conventional constructed homes as well as modular forms of housing development. If the bid was successful, a further report would be presented to the HRB, to seek additional funding support due to the level of grant available.

**RESOLVED:** that the Board note the information contained in the report.

**62 Dates of the forthcoming Housing Review Board meetings**

The Board noted the dates of the HRB meetings for the forthcoming civic year:  
Thursday 24 January 2019 – 2:30pm, Council Chamber, Exmouth Town Hall  
Thursday 28 March 2019 – 2:30pm, Council Chamber, Exmouth Town Hall

**Attendance list**

**Present:**

Cllr Pauline Stott (Chairman)  
Cllr Megan Armstrong  
Cllr Helen Parr  
Cllr Brenda Taylor

**Co-opted tenant members:**

Mike Berridge  
Pat Gore  
Cat Summers  
Peter Sullivan  
Alek Williams



Independent community representatives:

Julie Bingham  
Christine Drew

Officers:

Graham Baker, Senior Technical Officer, Property and Asset Management  
Sue Bewes, Landlord Services Manager  
Simon Davey, Strategic Lead - Finance  
Amy Gilbert-Jeans, Acting Housing Service Lead  
John Golding, Strategic Lead - Housing, Health and Environment  
Rebecca Heal, Solicitor  
Andi Loosemore, Rental Manager  
Paul Lowe, Housing Enabling and Allocations Manager  
Andrew Mitchell, Housing Needs Manager  
Alethea Thompson, Democratic Services Officer

**Also present:**

Cllr Jill Elson, Portfolio Holder – Sustainable Homes and Communities  
Cllr David Barratt  
Cllr Steve Gazzard  
Josie Ireland, tenant

**Apologies:**

Cllr John O’Leary  
Giles Salter, Solicitor

Chairman ..... Date.....