

Thursday, 16 December 2021

## Report of the Portfolio Holder for Social Housing and Homelessness Prevention

### Review of Council Housing Repairs Policy

#### Exempt Information

Not Exempt

#### Purpose

This report follows a refresh and update of the Council Housing Repairs Policy and Voids Standards. It sets out proposals for the Repairs Policy and Voids Standards for further consultation with residents with a view to formally adopting. The report also sets out proposals for the potential move from a standard Schedule of Rates type Contract to a Price Per Property style contract in respect of the response repairs elements.

#### Recommendations

It is recommended that:

1. Cabinet approves, in principle, the updated Housing Repairs Policy.
2. Cabinet approves consulting with residents on the updated Housing Repairs Policy.
3. Cabinet delegates authority to the Executive Director, Communities, the Portfolio Holder for Social Housing and Homelessness Prevention, in consultation with the Housing and Homeless sub-committee the final version of the updated Housing Repairs Policy.
4. Cabinet delegates authority to the Executive Director, Communities, the Portfolio Holder for Social Housing and Homelessness Prevention, in consultation with the Housing and Homeless sub-committee and Executive Director, Finance the move from Schedule of Rates to Price Per Property, subject to a detailed cost and affordability analysis.

#### Executive Summary

The current Housing Repairs Policy was last reviewed in 2016 and remains largely fit for purpose as standards and requirements have changed very little since then. This review therefore has largely been a matter of confirming that the statutory requirements set out in the document remain valid, updating those areas where there have been changes and ensuring that any other changes made to the way in which the service is being delivered are properly captured and formalised.

As a result of the Tenants Services Authority regulatory code the Home standard requires landlords to provide a cost-effective repairs and maintenance service. One that not only fulfils the basic health and safety requirements but offers choice and tailors services accordingly. It is worth noting that since the last review of the Housing Repairs Policy greater emphasis is being placed on building safety and in particular electrical and fire safety. The Fitness For Human Habitation Act has also been introduced which amongst other things addresses issues around dampness and its impact on tenants.

#### Statutory Requirements

The council have strict contractual and statutory obligations in relation to the provision of a responsive repairs service. This is in relation to the tenancy agreement and a variety of legislation.

In addition, best practice is set out in the Tenant Services Authority Regulatory Code, specifically the Home Standard. There are specific expectations in relation to the overall quality of accommodation and general repairs and maintenance.

**Quality of Accommodation** – tenants' homes must meet the standard set out in the Governments Decent Homes Guidance by 31<sup>st</sup> March 2010 and continue to maintain their homes to at least this standard after this date.

**Repairs & Maintenance** – registered providers shall provide a cost-effective repairs and maintenance service to homes and communal areas that responds to the needs of, and offers choices to, tenants and has the objective of completing repairs and improvements 'right first time'.

**Consultation** – subject to approval by Cabinet of the draft revision of the Housing Repairs Policy there will need to be a period of consultation with residents to ensure they have had an opportunity to consider any revisions and have been able make recommendation for improvements and/or enhancements to the service.

**Golden Ticket** – in the 2011/12 review of the Housing Repairs Policy the "Golden Ticket" was introduced. Approx. 750 households benefit from the enhanced service which has proven to be popular amongst those households benefitting from it. Under the current Housing Repairs Policy this enhanced service is available to:-

- Those living in Sheltered Accommodation
- Those over 75 years of age and living alone or households where there is no one under the age of 75
- Those on some form of disability related benefit

It is estimated that this service costs in the region of £65,000 per annum based on an assumption that each eligible household would have one additional repair per annum. Removing this service would reduce repairs costs initially however it is likely that void costs associated with these properties would be higher as the repairs would not be done by the tenants whilst in occupation. Some repair items if not done may also impact on the tenant's ability to live safely in their home.

**Repairs Priorities and Classifications** – There are currently three responsive repairs categories and a planned works category. This classification system has proven to work well so it is not proposed that this will change.

- Emergency Repairs [ER] – Same day response
- Urgent Repairs [UR] – Response within 5 working days (generally by appointment)
- Routine/Planned Repairs [RR] - completed within 90 days (generally by appointment)

Feedback through our in-house call centre has shown that one of the most important issues for tenants is appointments for repairs. Feedback indicates that for repairs in the UR category residents would most likely accept a longer waiting time provided they had a firm appointment that was kept. The new contracts that are in place require that repairs so far as practicable are appointed.

**Planned Works** – These works address major component replacements such as kitchens, bathrooms, heating systems, windows, roofing etc. These works are done on programmed basis using stock condition data and a 'just in time' replacement cycle so as to maintain the Decent Homes Standard. This type of work is issued to contractors on an annual basis who arrange to undertake the work by appointment with residents. So far as possible residents are offered choices about the improvements made to their homes.

**Cyclical Works** – These are works that are done on a fixed cycle and include elements such as the annual gas servicing, annual Fire Risk and Legionella Assessments, five-year electrical inspections, and routine lift servicing. As with the planned works these are delivered in a managed way with the contractor making appointments for all jobs, There is a robust access procedure in place to deal with gas servicing and this has been adopted for the Electrical Safety Inspections.

**Voids** – Approx. 10% of the housing stock becomes void each year for a variety of reasons. The aim is to turn void properties around as quickly as possible by undertaking only those works necessary to make the property fit and safe for occupation. The actual time permitted for each void is set out in the repairs contract and is based on the value of works required. As a minimum all void properties will undergo basic Health and Safety type inspections for Gas, water, electric and asbestos. Any items that would mean the property not meeting the Home Standard, Housing Health & Safety Ratings System [HHSRS] or Fitness For Human Habitation Standards will be addressed as part of the void works, the property will also be left clean and free from detritus.

**Recharges** – The current policy includes an element around tenant recharges, this is applied where a repairs either in an occupied or void property is as a result of avoidable damage that has been caused by the tenant or someone in their charge within the property. Whilst it often proves difficult to collect recharges it is proposed that they remain within the Housing Repairs Policy to act as a deterrent against tenant damage. Recharges also extends to rubbish removal from void properties and dealing with the impact of lost keys.

**Leasehold Repairs** – There are a large number of leasehold properties spread across the various low, medium and high rise blocks. Under the terms of the lease the Council in its capacity as Landlord has repairing obligations for the common parts of the block. The current contracts have been set up in such a manner that a proportion of the costs associated with works to the common parts of the building can be recovered from Leaseholders.

**Disabled Adaptations** – The same criteria as used for mandatory Disabled Facilities Grants is applied to disabled adaptations for Council Housing. Works are delivered through the County led SILIS contract with works being completed by our own appointed works contractor. There is a needs assessment process which is used to determine what works are necessary and appropriate for the disabled resident; works costs are capped at £30,000.

**Price Per Property [PPP]** – when the current contracts were procured there was an option included that would allow a move from the current Schedule Of Rates [SOR] to a Price Per Property [PPP] arrangement. Under a PPP arrangement the Council would pay a fixed price per property per annum and within that fixed price the contractor would undertake all pre-agree work types within the contractually agreed timescales. The inclusive works would cover the vast majority of the common repairs that are carried out every year. There would be some elements excluded such as upgrades and improvements, planned works, tenant damage and wholesale renewals. Discussions have already commenced with the contractor to identify the list of included and excluded works and these will be used as the basis of pricing the contract going forward if agreed. Moving to a PPP approach will allow both parties to the contract to focus their efforts on the quality of service as opposed to the detailed analysis of costs through a schedule of rates. The use of PPP also incentivises the contractor to deal with multiple repairs when they attend a property; under the SOR arrangement there is greater incentive to do one job at a time for some work types as each job is paid for separately, under PPP all jobs are included so completing as many in a single visit is beneficial to the contractor but is also a benefit to the tenant. It will also be important for the Council to ensure that it maximises the benefits arising from the introduction of a PPP arrangement.

Work is underway in relation to the list of inclusions/exclusions and the costing of the works. It is going to be difficult to accurately compare to the current rates as we know that the market has changed, we should however be able to benchmark the costs provided to us with similar contracts being run on a PPP basis elsewhere.

**Building Safety** – The Building Safety Bill will impose new obligations on landlords who own higher risk buildings. These obligations cover fire and general building safety. Building surveys have already taken place and these will result in programmes of improvement works. There will also be a requirement for ongoing routine inspection and servicing of elements relating to building safety. The Building Safety Bill will require greater engagement and communication with residents and will also place more obligations on residents in relation to the way they occupy buildings safely.

**Zero Carbon** – The push for zero carbon will place pressures on the Council in the future. Homes will need improvements to their insulation, and it is likely that we will see a shift from gas central heating to other forms of heating. This move may not be popular with tenants and in the earlier phases is likely to be considerably more expensive than installing a gas heating system. It may also require the Council to consider new ways of funding such works.

## **Options Considered**

The Council in its capacity as a landlord providing social housing is required to have a robust and documented Housing Repairs Policy.

**Golden Ticket** – consideration has been given to removing the “Golden Ticket” so as to reduce expenditure on repairs. Removing this is likely to be an unpopular decision and may not provide significant savings as many of the repairs are likely to need addressing when the property becomes void. It could also be reputationally damaging if tenants can't live safely in their home.

**Recharges** – consideration has been given to removing recharges from the policy as the sums collected do not reflect the amount of effort that goes into calculating and attempting to collect. It is however felt that they should remain so as to act a deterrent. Consideration will be given to possible mechanisms that could be used to improve collection rates, including a proactive approach to recovery of sums due by the Revenues team.

**Price Per Property[PPP] vs Schedule of Rates [SOR]** – it is felt that a move to a PPP contract will allow both the contractor and our own Assets Team to focus their attentions more firmly on the quality of service rather than being focussed on checking rates for every job completed.

## **Resource Implications**

There are no additional staffing resources directly arising from the contents of this report.

**Golden Ticket** – removal of the Golden Ticket could result in some savings circa. £65,000 from the response repairs budget and it is likely the PPP rate would reflect the Golden Ticket, however much of these savings is likely to be offset against increased costs associated with void works down the line.

**Recharges** – removal of the recharges would save some staff time but not sufficient to reduce the establishment. The fact that recharges serve as a deterrent probably has an impact on the level of tenant damage although this is not quantifiable.

**Price Per Property** – it is not anticipated that the move to PPP would make any savings in relation to staff costs. If managed and promoted properly it should be possible for the Council to undertake more repairs than it does now and also become more pro-active. The main benefit will be in quality. It is anticipated that costs will increase as a result of the move to PPP. Unlike SOR it is not possible to 'scale back' work in order to meet available budgets should funding become an issue in the future. Cabinet have been requested to delegate authority to the Executive Director, Communities, the Portfolio Holder for Social Housing and Homelessness Prevention, in consultation with the Housing and Homeless sub-committee and Executive Director, Finance the move from Schedule of Rates to Price Per Property, subject to a detailed

cost and affordability analysis – and identification of any resulting implications for the budget and MTFs.

Other costs – Building Safety and Zero Carbon are likely to introduce significant new costs for the Council which will need to be considered in future budget setting processes. Some measures are already known and have been included in the budget and MTFs – these include an addition to the establishment for the role of the Building Safety Manager, and budgets for fire safety inspections and management software. Capital bids have been identified to improve the thermal efficiency of properties as part of the decarbonisation agenda; there has also a bid for government funding for this type of work. We also recognise that damp, condensation and mould is an issue likely to lead to disrepair claims, to address this there is a capital bid aimed at tackling the causes. Looking forward it is likely that building safety will extend beyond high-rise blocks and there is likely to be a push to move away from gas heating to alternative sources, this will impact on both capital and revenue budgets. There are currently known cost pressures affecting the whole of the construction industry and it is likely that these will result in increased maintenance costs going forward.

### **Legal/Risk Implications Background**

It is a statutory requirement for the Council to have an up to date Housing Repairs Policy that reflects both its statutory obligations and the needs of its tenants.

The current policy remains fit for purpose and requires only minor amendments to reflect current working practices and more recent changes to legislation.

The move to PPP needs to be properly thought out and managed, the inclusions and exclusions need to be right from the outset. It is likely that the move to PPP will result in increased costs and this will need to be properly considered on a business case, cost benefit analysis basis. Unlike SOR it is not possible to ‘scale back’ work in order to meet available budgets should funding become an issue in the future.

Changes to legislation and the requirements to meet a more demanding ‘Home Standard’ are likely to have significant cost implications which will impact on the overall Housing Revenue Account business plan. Consideration will need to be given to this as part of the business planning process.

### **Equalities Implications**

Golden Ticket – the Golden Ticket arrangement positively discriminates in favour of those over the age of 75 and those with some sort of disability benefit.

The remainder of the repairs policy and move to PPP is based on our obligations to maintain a built asset. The processes and procedures built into the repairs contracts seeks to address access arrangements through the use of appointments.

### **Sustainability Implications**

As there is little change from the current repairs policy there should be no sustainability issues directly arising from the review.

The shift to PPP, whilst giving greater cost certainty, is likely to result in an increase in costs associated with the delivery of the repairs service.

Future changes to the ‘Home Standard’ and in particular those elements relating to building safety and energy efficient are likely to have significant cost impacts going forward and these will need factoring into the HRA business planning process.

### **Background Information**

None

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**List of Background Papers**

None

**Appendices**

Updated draft Repairs Policy for consideration and consultation.