

POLICY & FINANCE COMMITTEE

27 JANUARY 2022

ALLOCATION OF HRA EFFICIENCY SAVINGS WITHIN HOUSING SERVICES

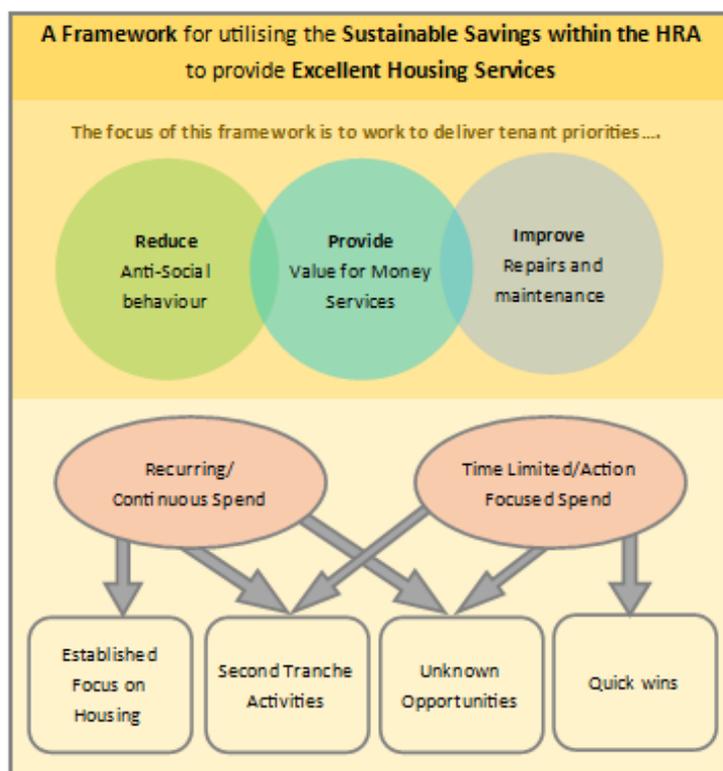
1.0 Purpose of Report

- 1.1 To update the Committee on proposed allocation of budget savings from the integration of housing services back to the Council.
- 1.2 To request delegated authority be given to the Homes & Communities Committee to approve the allocation of budgets subject to individual business case reports being presented.

2.0 Background Information

- 2.1 One of the principal reasons for the Council's decision to in-source the management of its social housing stock from Newark & Sherwood Homes (NSH) in February 2020, was the ability to generate significant cost savings through reductions in senior management costs.
- 2.2 Savings were estimated to be £0.95m per annum recurring through the life of the HRA Business Plan. In practice, savings of £1.053m were generated.
- 2.3 It was agreed that these savings would be used to improve the experience of tenants, through service enhancements, to the quality of homes and to neighbourhoods. To date, £0.410m has been invested in strengthening customer-facing staffing (such as tenant engagement) and other non-pay investments, as gaps existed, leaving £0.643m available for investment in improvements or reducing the level of HRA borrowing.
- 2.4 Since February 2020, energy has been directed at ensuring our services are fit for purpose and addressing challenges around our IT, resources, budgets and service delivery – including throughout a pandemic. We are now in a position to consider further improvements.
- 2.5 These proposals were taking the following principles into account:
 - Not about 'business as usual' activities but to enable spend that would not have otherwise been possible.
 - Consider the outcome of the initial tenant consultation and the 3 areas tenants highlighted as most important to them.
 - Balance across place and service type, ensuring that not all spending is one geographical or service specific area.
 - Consideration of immediate, ongoing and emerging opportunities, such that not all efficiencies accrued should be spent immediately.
 - Time should be taken to understand and look at the strategic opportunities through research and comparison to best practice.
 - A balance between recurring investment and one off/time limited actions and initiatives.
 - Ability for some of the efficiencies to be made available to undertake research/feasibility work for strategic service changes.

- 2.6 The framework below was agreed at both Homes and Communities and Policy and Finance Committee respectively.



- 2.7 Since bringing the service back into the Council, we have undertaken research to help us better understand the needs, expectations and priorities of our tenants. With SLT and HAG (Housing Advisory Group) agreement, we have also commenced pilot projects to improve the quality of customers' homes and services.
- 2.8 The Chair and Vice Chair of Homes and Communities met with a small number of tenants and officers in December 2021 to review nearly 3000 responses over two years from tenants on various services to provide some direction for projects and investment. The group agreed it was important not to spend "just because" and that it was important to make every penny count.
- 2.9 Clear priorities were ASB, Complaints, Repairs and Maintenance and Grounds Maintenance and the Council have already made some inroads into these areas, the proposals below complement these. The group were also keen to keep some budget for annual priorities and particularly as we learn more about the impact and recovery from Covid on our communities.
- 2.10 With the pilot projects not due to conclude until Spring 2022, we are yet to be in a position to draw firm conclusions on their outcomes. However, based on tenants' priorities obtained from feedback we have received through various engagement mechanisms, learning from pilots and the Council's strategic priorities for its social housing stock, we have been able to identify how we intend to prioritise the use of savings during 2022/23.

3.0 **Proposals**

3.1 These proposals balance value for money and maximum impact on service improvement through undertaking improvements in the short term and taking time to consider and frame the direction of ongoing improvement giving regard to the framework approach set out in 2.7.

3.2 These are (in priority order):

- Improved lettings standard (pilot in place) – this involves decoration preparation (stripping walls down to bare wall and where required, re-plastering) in addition to the previously identified revised core lettings standard. This will include an evaluation of the difference this pilot has made to a tenants experience of moving into a Council home (£200k)
- ‘Starting Well’ (pilot in place) – this is a discretionary funding pot to enable housing teams to offer financial support to new tenants that is tailored to their circumstances and intended to help with the costs of setting up a new home, which could include, redecoration, furniture packs, blinds/curtain rails etc. The budget to be set at £75k
- Community Chest (currently in place)– funding to make improvements to tenants’ communities and community centres so can be used as local hubs £20k
- Explore improvements to our ASB service e.g. use of smart tech e.g. camera door bells, respite, mediation services, new tools and approaches to rehousing to support ASB complainants. We have allocated £50k to this.
- Supporting the identification of approaches to carbon reduction in tenants’ homes – this involves undertaking small scale pilots to test carbon reduction measures and engaging with tenants on what zero carbon. These would be achieved either as stand-alone projects or by providing match funding to other initiatives. We have provisionally allocated £100k to this.
- Reducing fuel poverty – this provides the capacity to support interventions in individual homes where it can be demonstrated that fuel poverty can be reduced (this is outside of planned investment works) £70k
- Strengthening complaints handling – by recruiting a complaints co-ordinator and improvements to complaint handling, whose role will be to help improve the quality of our responses to tenants and learning from complaints (£50k)
- Other service improvement priorities not yet started or that emerge from our ongoing customer research, such as projects for rural areas, parking projects, responding to emerging issues as we recover from the pandemic or “fresh start” for tenants with unruly gardens £78k.

3.3 At this stage, costs associated with the above priorities would be limited to 2022/23 only. During 2022/23 we will be rebuilding the HRA Business Plan from base upwards and the above priorities are currently expected to influence expenditure assumptions over the medium-long term. The pilots will, of course, need to demonstrate their value and if they are confirmed to be important, they will be considered alongside the other priorities, requirements, constraints and assumptions contained within the HRA Business Plan.

3.4 Finally, the group were keen to see how we can improve communication about existing and new services we can and will provide, to connect our Council with our communities in the most efficient way so this is another area to be explored.

4.0 Equalities Implications

4.1 Equality implications will be considered as part of the project management of each suggested element therefore overall there are no implications arising directly from this report.

5.0 Digital Implications

5.1 None identified from this report though individual projects may have digital implications which will be identified under separate cover.

6.0 Financial Implications (FIN21-22/5668)

6.1 As stated in paragraph 2.3, there is currently £0.643m unallocated funding from the Total efficiency savings of £1.053m resulting from bringing the Housing Service back in house. The initiatives, as detailed in paragraph 3.2, total £0.643m and can therefore be funded in total from this unallocated pot. Any future efficiency savings will also be utilised for further improvements to the service provided to our tenants and will be reviewed annually.

6.2 Spend in relation to the efficiency savings will be retained as a separate line for budget monitoring, with bi-annual reports to the Portfolio Holder and an annual update to Cabinet.

7.0 Community Plan – Alignment to Objectives

7.1 Supports the plan through creating more and better quality homes through our roles as landlord, developer and planning authority.

8.0 Comments of Housing Advisory Group

8.1 This report is being considered by the Homes & Communities Committee at their meeting to be held on 24 January 2022 and their comments will be reported to the Policy & Finance Committee. The Housing Advisory Group held on the 6 December 2021 considered the proposals which are based on a meeting with tenants before Christmas and are satisfied with the breadth and mixture of short and long term proposals and that the money will be spent wisely.

9.0 RECOMMENDATION

That the proposals as set out in the report be approved, to enable Officers to build these proposals into the budget process for 2022-23.

Reason for Recommendation

To provide the plan for efficiency savings investment to show how these are will be used to develop and enrich services that are important and make a difference to tenants.

Background Papers

Nil.

For further information please contact Suzanne Shead on Ext 5520.

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