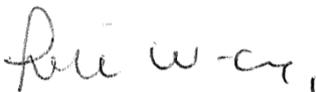


Date of issue: Monday, 17<sup>th</sup> January 2022

|   |   |
|---|---|
| <b>MEETING</b>  | <b>CUSTOMER AND COMMUNITY SCRUTINY PANEL</b><br>(Councillors Begum (Chair), Muvvala (Vice Chair), Ajaib, Ali, Hussain, Kaur, Minhas, Mohammad, Sandhu)<br><br><u>Non-Voting Co-opted Members</u><br>Manvinder Matharu (Residents Panel Board)<br>Trevor Pollard (Residents Panel Board) |
| <b>DATE AND TIME:</b>                                       | TUESDAY, 25TH JANUARY, 2022 AT 6.30 PM  |
| <b>VENUE:</b>   | COUNCIL CHAMBER - OBSERVATORY HOUSE, 25 WINDSOR ROAD, SL1 2EL   |
| <b>DEMOCRATIC SERVICES OFFICER:<br/>(for all enquiries)</b> | NICHOLAS PONTONE<br><br>07749 709 868   |

NOTICE OF MEETING

You are requested to attend the above Meeting at the time and date indicated to deal with the business set out in the following agenda.



**JOSIE WRAGG**  
Chief Executive

**AGENDA**

**PART I**

| <b>AGENDA ITEM</b> | <b>REPORT TITLE</b>   | <b>PAGE</b> | <b>WARD</b> |
|--------------------|---|-------------|-------------|
|                    | Apologies for absence.  |             |             |
| 1.                 | Declarations of Interest  | -           | -           |
|                    | <i>All Members who believe they have a Disclosable Pecuniary or other Interest in any matter to be considered at the meeting must declare that interest and, having regard to the circumstances described in Section 9 and Appendix B of the Councillors' Code of Conduct, leave the meeting while the matter is discussed.</i> |             |             |
|                    | <b>CONSTITUTIONAL MATTERS</b>   |             |             |
| 2.                 | Minutes of the joint Panel/Overview & Scrutiny meeting held on 8th December 2021  | 1 - 20      | -           |

- |    |                  |   |   |
|----|------------------|---|---|
| 3. | Member Questions | - | - |
|----|------------------|---|---|

*(An opportunity for panel members to ask questions of the relevant Director/Associate Director, relating to pertinent, topical issues affecting their Directorate – maximum 10 minutes allocated.)*

### SCRUTINY ISSUES

- |    |  |         |     |
|----|--|---------|-----|
| 4. | Customer & Community Directorate Draft Budget 2022/23 Update | 21 - 28 | All |
| 5. | HRA Rents & Service Charges 2022/23                          | 29 - 38 | All |

### ITEMS FOR INFORMATION

- |    |                                       |         |   |
|----|---------------------------------------|---------|---|
| 6. | Forward Work Programme                | 39 - 42 | - |
| 7. | Members' Attendance Record            | 43 - 44 | - |
| 8. | Date of Next Meeting - 2nd March 2022 |         |   |

#### Press and Public

**Attendance and accessibility:** You are welcome to attend this meeting which is open to the press and public, as an observer. You will however be asked to leave before any items in the Part II agenda are considered. For those hard of hearing an Induction Loop System is available in the Council Chamber.

**Webcasting and recording:** The public part of the meeting will be filmed by the Council for live and/or subsequent broadcast on the Council's website. The footage will remain on our website for 12 months. A copy of the recording will also be retained in accordance with the Council's data retention policy. By entering the meeting room and using the public seating area, you are consenting to being filmed and to the possible use of those images and sound recordings.

In addition, the law allows members of the public to take photographs, film, audio-record or tweet the proceedings at public meetings. Anyone proposing to do so is requested to advise the Democratic Services Officer before the start of the meeting. Filming or recording must be overt and persons filming should not move around the meeting room whilst filming nor should they obstruct proceedings or the public from viewing the meeting. The use of flash photography, additional lighting or any non hand held devices, including tripods, will not be allowed unless this has been discussed with the Democratic Services Officer.

**Emergency procedures:** The fire alarm is a continuous siren. If the alarm sounds immediately vacate the premises by the nearest available exit at either the front or rear of the Chamber and proceed to the assembly point: The pavement of the service road outside of Westminster House, 31 Windsor Road.

**Covid-19:** To accommodate social distancing there is significantly restricted capacity of the Council Chamber and places for the public are very limited. We would encourage those wishing to observe the meeting to view the live stream. Any members of the public who do wish to attend in person should be encouraged to contact the Democratic Services Officer before the meeting.

**Customer and Community Scrutiny Panel Meeting Jointly with the Overview & Scrutiny Committee – Meeting held on Wednesday, 8th December, 2021.**

**Present:-** Councillors Ali, Bal, Begum (Chair), Dhaliwal, Gahir, Kaur, Malik, Matloob, Minhas, Mohammad, Muvvala (Vice-Chair), Sharif and Smith

**Also present under Rule 30:-** Councillor Strutton

**Apologies for Absence:-** Councillor Hussain

**PART 1**

**7. Declarations of Interest**

Councillor Bal declared that his daughter worked for Slough Borough Council. Councillor Bal remained and participated in the meeting.

Councillor Strutton declared that he worked in property management. Councillor Strutton remained and participated in the meeting

**8. Minutes of the Meeting held on 9 November 2021**

**Resolved** – That the minutes of the meeting held on 9 November 2021 be agreed as a correct record

**9. Member Questions**

None received.

**10. Repairs, Maintenance & Investment (RMI) Contract Update**

The Chair welcomed the Managing Director and the Account Manager from Osborne's to the meeting.

The SBC Group Manager, Asset Management, presented a brief overview of the report. He stated that the report set out the following information:

- It identified issues related to the responsive repairs service, service delivery, performance measures, the scope of the audit planned for 2022 and details of social return on investments.
- It also evaluated workforce issues, the high level of residents' complaints, inconsistencies in performance data and the introduction of new performance measures.
- Key issues relating to the responsive repairs service were:
  - Repairs which had been reported as completed but had not been completed.
  - Repairs taking a long time to resolve.

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- Repairs being attended to and follow up work being recommended but not being followed up.
- Residents not being updated regularly regarding the status of their repairs.
- Points being missed.

He added that overall, emergency cases and complex cases were handled well. Most issues and complaints related to standard repairs, which normally took between 7-20 days to deal with.

The main reasons for the above were:

- Covid related absences both by staff and operatives.
- National shortages of key building materials and supply chain issues.
- Residents changing appointments at short notice.

Issues with the service had remained consistent in 2021 and had not worsened. Recently there had been a slight improvement in complaints response and work in progress repairs. The company was recruiting additional complaints handlers to improve communication with residents and additional operatives to deal with uncompleted repairs as well as striving to reduce the amount of work-in-progress repairs.

SBC Officers had undertaken extensive discussions with Osborne's senior management. The company had agreed to look at alternative recruitment companies to fill key vacant positions in the contract, to appoint dedicated complaints operatives, recruit a new operations manager and a new commercial manager. All of the above corrective measures were expected to lead to improvements in all areas of service provided by Osborne.

With regard to compliance, Osborne had achieved 100% compliance on gas safety and high compliance in other areas of statute such as the ongoing programmes of fire risk assessments, the installation of fire doors, asbestos removal and electrical installations.

Following feedback from the residents' board, the company had identified and implemented eight new performance measures in October 2021 which were reflective of the issues raised by residents. The scope of the audit planned for February 2022 included the invoicing process, quality and finish of works, complaints management, compliance and governance processes. He pointed out that there was an error on the report in the table on page 21, which should read '90% compliance of stage 1 complaints'.

The Managing Director from Osborne briefly outlined the company's involvement in local social value projects which were detailed in the report.

The SBC Group Manager added that the eight new performance measures had eight delivery indicators attached to them and provided a summary of achievements against targets set:

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1. Repairs completed in a single visit – had set a target of 75% and achieved 86% in Oct 2021.
2. Number of repairs completed in one month - target 95%, achieved 74%.
3. Residents' satisfaction phone survey of 150 residents - target 90%, achieved 62%.
4. Average number of days to complete voids - target 18 days, achieved 66 days. This figure was improving consistently.
5. Accuracy of cost of repairs - target 90%, achieved 76%, however, this figure was expected to improve with the appointment of a new operations manager.
6. Performance of the customer call centre - average response times and number of lost calls was on target.
7. Offering appointments within a reasonable timescale – target 10 days, achieved 18 days.
8. Had achieved 90% compliance on stage one complaints.

Members made the following comments, asked the following questions and received the following responses:

- What was the total revenue spend to date on the contract and what was the breakdown of the total spend for 2021? Uncompleted responsive repairs had been an issue for residents since the beginning of the contract - what figures were available regarding this and what was being done to tackle this situation?

The SBC Group Manager responded that the total revenue spend to date on the contract was just under £3M, and the budget allocation was £4.8M. The total spend on the capital side was just over £3M and the budget allocation was £8M. Uncompleted repairs were not currently included as a performance measure and he did not therefore have figures regarding these, however, he was aware of this inconsistency and corrective action was being taken.

- The report stated that the status of uncompleted responsive repairs had been consistent during the previous nine months, however, he understood that this had been a long standing issue since the inception of the contract. What being done to rectify the situation?

The Managing Director from Osborne stated that she had been employed at the company for a year and therefore did not have knowledge of historic issues. She explained that operatives were trying to catch up with a backlog of works, which was compounded by the fact that works had been put on hold during covid lockdowns. Osborne were putting in place mitigating measures to deal with nationwide shortages of staff and building materials. For example, it had developed a new staff retention strategy, was appointing additional staff, rolling out new van stock and assigning additional resources into the contract to alleviate this situation.

- With regard to future controls, the report also stated that SBC staff had raised a number of concerns with Osborne in the past – had these concerns been resolved?

The SBC Group Manager stated that the principal concerns related to resources and availability of operatives which had been dealt with in the previous response by Osborne. Operational concerns raised by SBC staff related to poor communications with residents and the company was implementing measures to improve this.

- Would private landlords be permitted the same latitude in terms of delays in carrying out repairs? In his view, if, Osborne's had a staffing shortage then the Council should consider awarding the contract to another provider.

SBC Group Manager advised that the lack of resources related to personnel and as explained earlier corrective actions had been put in place.

- Do Members feel that Osborne's have met objective number four of the five year plan? Members around the table responded 'no'. If not, then why should we continue with Osborne? How many penalties had been issued to Osborne for non-compliance? Large amounts were being spent on the contract, however, the service provided was not adequate and residents' properties were not up to standard.

The SBC Group Manager stated that he was relatively new to the Council and did not have details of any penalties that may have been issued to Osborne in previous years. He confirmed that no penalties had been issued in 2021, and reiterated that the new performance measures had been implemented in October and going forward penalties would be issued for non-compliance. Overall, compliance had been good, though he acknowledged that there were several areas for improvement. Residents' complaints would be treated with due respect and be investigated.

- What timescales were there for the responsive repairs service?

The Managing Director stated that it would depend on the work stream. The timescales were twenty-four hours for an emergency, three days for urgent works, and some trades could take up to sixteen days due to shortages of materials.

The Member shared photos relating to casework regarding two properties with the representatives from Osborne. The Chair requested Members to share any casework photos received from residents relating to repairs at their properties with the representatives from Osborne's after the meeting.

- A member suggested that once repairs had been completed, the tenant could be asked to provide a confirmation signature to demonstrate that they were satisfied with the repairs carried out.

The Managing Director stated that this functionality could be added to the operatives PDA's (personal data assistants) but covid safety rules prevented hard copy signatures being sought from residents. She undertook to look into

the casework photos provided by Members and report back. With regard to the aertex ceiling shown in one of the photos, she stated that a risk assessment would be done using a PDA. The Account Manager stated that advanced risk assessments would be carried out specific to the requirements of each property.

- A Member thanked Osborne's for their social value works. He stated that he was dealing with two cases, one of which related to the stairwell at Turnham Avenue shops which were not well maintained and in his experience, Osborne's did not respond to Councillor's email queries. The refurbishment of Poplar House was due to be completed by February 2022 but he now understood that it may take longer. Would Osborne's be charged a penalty for this delay?

The SBC Group Manager advised that there was a formal process for logging casework and Members should register all casework on the relevant IT system. The Member in question confirmed that he had logged the case through the Member casework team. The SBC Group Manager undertook to investigate the matter and update the Member in due course.

- What was the penalty threshold for Osborne?

The Account Manager advised that each of the recently implemented performance measures had a £3k clause attached to it. There had been KDI penalties in place in the contract previously but these had not been invoked during his tenure. The Managing Director advised that Osborne had paid the Council £500K for key failings of KPIs in the past.

- The Contract was intended to be a partnership but had not lived up to its promise. In his view, SBC had failed to manage the contract properly. Consideration should be given to whether to renew the contract when it was up for renewal in two years' time. Why had the eleven areas where the contract was deemed to be performing well not been affected by covid lockdowns, Brexit, staff and material shortages in the same way as the responsive repairs service had been?

The Managing Director advised that the planned works programme had not been affected in the same way because teams had been provided with additional stock in vans and also because reactive work streams were more challenging to staff and resource. For example, it was possible to achieve 100% compliance on gas servicing as this was a statutory requirement that did not require any additional building materials and there was sufficient reserve stock available for this work. Operatives dealing with the planned works programme tended to remain in their jobs. For example, gas engineers had higher qualifications and received higher pay due to their qualifications. Staff dealing with responsive repairs generally received lower pay, were dealing with a backlog of works which had accumulated during covid and were struggling to get key materials. Some of the staff and suppliers on the responsive repairs side had left Osborne's and sought work at other councils and housing associations as they were better remunerated there. Additionally,

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a significant amount of EU labour had been lost due to Brexit-related right to work issues. So, for example, if a single engineer did not work for a week then approximately twenty five jobs would remain uncompleted. Osborne were putting in additional mitigating measures, at their own expense. Projects such as the installation of fire doors had only been issued in the summer of 2021.

- How would the RMI contract be managed in the future?

The SBC Group Manager replied that new KDIs (key development indicators) replaced the old KPIs (key performance indicators) and that these would be closely monitored. Additional staff and resources had been allocated to manage the contract and new structures implemented, which would bring about longer term improvements in performance.

- In the past invoices had been raised despite works not being undertaken or completed. What was the invoicing process and how accurate was it?

The Managing Director advised that in the first instance, every repair job was sent to a supervisor for assessment. The commercial team would then undertake an assessment and put a value on the job taking into account materials and time required to complete the job. Osborne would then charge a set rate and Council officers would be able to check and cross match this against their records. An invoice would only be issued once the works had been signed off by SBC. There was a quality assurance process in place which would pick up any irregularities.

- Was there a process to log customer dissatisfaction following completion of repairs where repeat visits were required? This information should be logged in the future. Some of the new KDIs were aspirational. How successful had the previous KPIs been? This information should have been included in the report.

The Account Manager stated that the Council operated a 10% post inspection regime based on job value and random selection generated by the computer system. SBC technical officers would carry out a post inspection one week after a job had been completed. One of the KDIs required that invoices should be accurate. He did not have to hand figures relating to customer dissatisfaction regarding recall jobs, however, Osborne's were contractually obliged to maintain data regarding recall jobs that resulted from poor workmanship or the use of poor quality materials, and would be obliged to rectify these free of charge. If the repeat visits related to a materials issue then there may be delays but if it was a quality issue on the part of operative then these were rectified fairly quickly.

The Managing Director stated that the eight new KDIs had been in place since October 2021. She undertook to circulate information regarding past performance of the previous KPIs to Members.

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- It was the Council's responsibility to implement the contract and ensure it was adhered to by both parties. The report stated that the volume of complaints and enquiries remained high, however, it also stated that there had been a slight reduction in complaints received? The new performance measures should have been included in the original contract, for example, accuracy of cost submitted for repairs, average time to respond to calls, resident satisfaction etc. There were weaknesses in the original contract. The Council should carefully assess whether the contract was value for money and whether or not to extend the contract in due course.

The SBC Group Manager advised that the Council had set up its own internal complaints database of all stage complaints and their progress, which would ensure better transparency, accuracy and insight in the future. There had been a slight downturn in the number of complaints received in recent months and the team were focussed on maintaining this downward trend. The forthcoming audit in 2022 would evaluate contract management and provide recommendations to improve this. He did not have details of how the contract was managed prior to his joining the Council.

The SBC Director of Place and Community stated that the contract had been underperforming for some time. The previous performance mechanism had not delivered an accurate picture which had caused frustration for all parties. The new KDIs had been implemented following extensive negotiated agreement between both parties. The poor performance of the contract was disappointing and required improvement but it was important to bear in mind that this was a reflection of the prevailing situation in the UK and a sector-wide phenomenon. Therefore, breaking the contract was not considered to be a viable option. Increased resources and speedier response times would improve performance. It should be noted that Osbourne's had fixed and standing costs and it was in their interest to make the contract work. Improvements would be achieved through partnership working between Osborne and the Council.

- The contract had not been well managed. How many staff were involved in managing the contract? What was the process of logging calls from tenants? It was his understanding that data relating to responsive repairs was maintained by Osbourne's and the Council did not have access to this information – was this the case?

The Account Manager replied that all calls were recorded. Following a call, a job would be raised by the contact centre, and for standard repairs an appointment would be given and logged on Osbourne's system. All this data was replicated on the Council's system. If for any reason it was not possible to give an immediate appointment due to the job being in a specialist work stream then the matter was passed to the planning team to deal with.

The SBC Group Manager stated that there was an interface between Osbourne's IT system and the Council's housing benefit system and council officers could access information about any repairs registered but could not

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access information regarding every call recorded and would need to request this information separately.

- Did the implementation of the new KDI regarding phone calls mean that the original contract had changed?

The SBC Group Manager advised that the KDI relating to calls had not changed and remained the same.

- How did Osbourne's service compare to similar services for council tenants nationally? The new KDIs had penalties for non-compliance, were these triggered automatically and where did the money come from, i.e., was it paid by Osbourne's or was it sourced from the £100M allocated to the contract?

The Managing Director advised that there were four million homes in the social housing sector in the UK which were managed and governed either by local authorities or registered providers such as housing associations. There was no established national suite of measures or framework to measure or compare their performance. The Tenants' Services Authority were seeking to address this situation through parliament. However, Osbourne had developed a set of measures which reflected measures used in other contracts, some of which were specific to the challenges at Slough. Benchmarking data was provider led and taken from analysis of accounts and the provision of services and included items such as cost to maintain, cost to service, investment costs, total cost to manage, etc. Any penalty payments were made by Osbourne's, and currently the company was making a loss on the contract due to current operating conditions.

- What was the average time taken to return a void into circulation? How long did it take to complete a job or answer the phone? Officers should consider developing additional KDIs to cover these areas.

The Account Manager stated that void performance was a direct result of resources, the pandemic and Brexit. Many preferred contractors had lost multiple teams from their workforces. This loss of work teams had led to a backlog of works and voids were not completed as quickly as in the past, however, this was expected to improve following the recent input of additional resources. The eight new performance measures had been formulated and were managed by the Council. Any new performance measures would require the agreement of both parties.

- Osbourne's was failing and vulnerable residents were suffering as a result. Was it worth continuing with the contract even though officers were of the view that breaking the contract was not a viable option? Was there a timeframe for improvements?

The SBC Group Manager advised that to mobilize a contract of this size would take around 12-18 months and breaking the contract would not offer any immediate solutions. It was important for both parties to work in

partnership to put corrective action in place to tackle and improve service delivery and meet residents' expectations. He would report on the performance of the KDIs on a monthly basis and would be happy to demonstrate to Members that improvements had taken place. The timeliness of responsive repairs would be looked at further in terms of the KDIs.

- How many council properties were maintained by Osborne and how many of these were empty? What changes had been implemented to get appointment times on target?

The Account Manager advised that excluding communal blocks, there were around 4,800 individual dwellings. Osborne's received between 300-400 empty homes each year as void properties to carry out refurbishment works. Additional resources had been allocated to the contract, additional operatives had been recruited to deal with responsive repairs and Osborne's were seeking to expand their supply chain pool.

- There needed to be better data capture regarding complaints and their resolution and a proper handover process with new staff. How often were local sub-contractors used and were their services more costly?

The Managing Director advised that local sub-contractors would be used for certain work streams, e.g., for drainage works, some specialist electrical, gas and fire risk works. Osborne's preferred to keep local sub-contractor engagement to a minimum on the repairs side to ensure continuity of service for residents. He advised that between 65-70% of works were direct delivered. Scaffolding and roof works was a specialist area which required a high volume of sub-contracted labour at this time of year, but this would drop off once the weather improved.

- The report mentioned inconsistencies had been identified in the performance data supplied by Osborne's. Residents' perception of Osborne was extremely poor and this reflected on the Council too. What would be done to improve residents' perception of the service? The report mentioned successful completion of upgrading of door entry systems – however, he had casework regarding faulty door entry systems which still not been resolved after several months.

The Account Manager stated that the inconsistencies were created by interface errors and incorrect transfer of data between the Osborne's and the Council's IT systems. Timely attendance at appointments, ensuring repairs were completed the first time, providing operatives with additional van stock, improved and transparent communications and staff training would help improve residents' satisfaction. The door entry project mentioned in the report related to a programme of upgrade works and not specific repairs per se. The Member undertook to share information regarding the case with the Group Manager so he could forward it on to Osborne's for investigation.

The SBC Group Manager stated that customer satisfaction surveys would be critical to understanding and finding solutions. Poor communications with

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residents had been an area of weakness in the past, and keeping tenants updated would be critical in improving residents' perception of the service

- KDI 1 related to repairs completed in one visit - how would this be measured? How would KDI 2 be improved? Regarding KDI 3, how were callers chosen and what questions were asked?

The Account Manager advised that the methodology for this was set out in the report. A number of jobs had been included in the overall repair figures due to the backlogs and staffing and resource issues as explained earlier. Osborne had allocated additional resources into the contract and expected to see monthly improvements as average repair times reduced. Half of those surveyed were monitored by Osborne and the other half were monitored by the Council. The survey related to repairs that had been completed within the previous twenty eight days. The KDIs were based on question 5 'how you rate the service' and the response given by resident.

- A previous scrutiny panel meeting in Feb 2021 had recommended that a full audit of the RMI contract be undertaken in Feb 2022, however this had been delayed. The audit would highlight key failings and areas of improvement to the contract and should go ahead.

The Managing Director advised that the audit had been delayed subsequent to the issuance of the 114 notice. She reiterated that the key to resolving all issues was partnership working. Breaking the contract was a unilateral right in the contract, however, the service would not necessarily improve by simply changing contractors. There were challenges ahead, however, she had seen improvements in the past twelve months, and the new KDIs would require time to bed in and yield further results.

- Were blocks of flats regularly inspected? There was a block of flats in Langley where the external lights in communal areas had not been working for some time. How had the Council's financial crisis affected the contract?

The Managing Director advised that there was no cyclical inspection programme in the contract aside from those areas of compliance and testing as required by law, for example, electrical repairs and gas safety. Any other repairs would need to be reported to the repairs line.

- Once an estates repair had been reported, did Osborne approach the Council for approval or simply go ahead with the repairs and then invoice the Council?

When an estate jobs came in, it often needed to be investigated to identify the fault, then someone would be sent to carry out repairs. The Member stated that he would forward the email regarding lighting at the block of flats to the SBC officer for investigation.

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- How were responsive repair jobs classified and prioritised and was there an SLA for each job type?

The Managing Director stated that the contract specified the amount of time allocated for various job types. Any SLAs were linked to the KDIs and this information was reported and analysed on a daily basis.

- How many void properties were there and did this impact on the cost of providing temporary housing for council tenants? Delays to repairs affected resident satisfaction and confidence. There was a need to re-evaluate the original business case for outsourcing the contract even though cancelling the contract was not deemed viable. Nevertheless, he could not see how it could continue as Osbourne's were making significant losses and paying penalties each month, which in his view was not a sustainable state of affairs. Could additional suppliers be brought in to support the contract?

The Managing Director stated that the term 'void' used in the report may be misleading. Void services were turnaround services, where a tenancy had come to an end and Osbourne's were given the keys to the property to carry out safety checks and refurbishment. When the RMI contract come up for renewal in three years' time, the Council would have the option to review any changes to service arrangements. She made the point that Osborne's was a large, solvent company that had been established since 1966. It paid its creditors promptly and yet it continued to struggle with its supply chain. If Osbourne's could get additional sub-contractors it would do so. It should be noted that the company had made steady progress in last twelve months.

- How many empty Council properties were there currently and how long had they been empty?

The SBC Director of Place and Community undertook to provide this information to the Member after the meeting. He added that it was a key objective that properties should not remain empty for long. Officers would continue to work to improve outcomes and performance under a challenging operating environment.

- Many parts of the contract continued to perform well. Were there any figures regarding recall jobs? What more could be done to get things right first time?

The Account Manager stated that he did not have these figures to hand and would provide this information after the meeting. With regard to first time fixes, these required allowing the tradesperson sufficient time to travel between jobs and adequate time to complete job. It was also dependent on the availability of materials, ensuring there was enhanced van stock in vehicles and learning from operatives' feedback regarding van stock usage.

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- The report stated that the speedy resolution of complaints remained the main focus which indicated that operation of the contract needed to move from being reactive to proactive.

The Account Manager stated that it would take time and resources to resolve complaints that were avoidable. The current level of complaints were being resolved more quickly but were not quite on target yet. These would reach more manageable levels in the next few months. Focussing on complaints resolution would help to reduce additional demands on the service. The intention was that the service should become more proactive.

- Were there any figures regarding the social value of the contract to develop the local supply chain?

The Managing Director advised that this information was not available.

- The contract was not working at the moment. The report concluded that the contract had delivered cost effective improvements and compliance work throughout 2021, however, most Members would disagree with that statement.
- The report stated that equalities impact assessment (eqia) monitoring was routinely carried out as part of operations service delivery - how many had been undertaken and what methodology was used?

The Managing Director stated that Eqias were undertaken in different ways and included things such as recruitment, selection, trading, management of the supply chain and provision of materials. She undertook to provide a summary of this information after the meeting.

The Managing Director responded that the Company had been formed in 1966 and serviced a number of different local authorities. The company had a more static workforce in other parts of the country. It had recently acquired a new contract on the south coast which was challenging. A number of contracts had been terminated early while others were failing because a number of local authorities were struggling with service delivery due to the pandemic, the current economic climate and lack of availability of staff and materials. She was optimistic despite the currently challenging operating environment.

- How had the Council's current financial situation impacted the contract? How much of the budget had been spent to date?

The SBC Group Manager responded that vacancies in his team had led to some performance issues at the Council in terms speed of response, compliance monitoring and delays in signing off work orders due to spending controls related to the 114 notice, however, the contract continued to operate within the budget envelope.

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The SBC Director advised that the contract was sourced from the Housing Revenue Account and the process for signing off works was the same across all council departments. He added that there remained sufficient funds in the budget, but there was a shortage of tradespeople and performance was largely affected by workforce issues.

- The date of the Panel meeting had been published some time ago and it was disappointing that the relevant senior officer was unavailable to attend to respond to Members questions. There should be a proper handover and briefing process for all new staff involved in the RMI contract.

The SBC Director of Place and Community responded that the Council was undergoing a period of flux where many staff had left and been replaced by new staff and many officers' roles and responsibilities had changed a number of times in recent years. The principal officer managing the RMI contract unfortunately could not attend the panel meeting that evening. However, the day to day delivery of the service had been undertaken by the same team for a number of years.

- A Cllr speaking under rule 30 stated that Osbourne should know from previous years how much stock was needed. Had the company been proactively buying up stock? Had the council been able to provide storage space for additional stock? Had they been buying up stock during quieter periods and putting it in reserve?

The Managing Director stated that it could take up to twenty four weeks to receive delivery of larger materials such as doors, fence panels etc. The company had been actively procuring stock and had sufficient warehouse capacity. It had been proactive in acquiring PPE stock to enable operatives to continue to go into homes to carry out repairs.

- The communications process needed improvement as this had the biggest impact on a resident's experience. Why were building caretakers' reports not being submitted to Osbourne's so that they were better informed? Why were Osborne not more proactive in resolving repairs issues by purchasing alternative materials even though they may be more costly?

The Managing Director responded that the company was continuously reviewing and monitoring materials used, their storage and supply chains. If any material specifications were deemed inappropriate then the company would liaise with the council regarding the matter.

Councillor Matloob proposed the following motion, which was seconded and agreed. That the following additional paragraphs be appended to the Recommendations in the officer report:

d) Report to scrutiny on what SBC side have done to improve management of the contract.

## Customer and Community Scrutiny Panel - 08.12.21

e) SBC Monitor jobs closed by Osborne to ensure the repairs have been completed and to a good standard.

f) Encourage Osborne to undertake social value works in Slough's most deprived areas (e.g. Manor Park, Chalvey).

Councillor Gahir proposed the following motion which was seconded and agreed:

h) The extension of the contract to be put on hold pending further evaluation of its performance.

i) And job cards to be signed off by tenants to demonstrate that they were satisfied with repairs undertaken.

Councillor Sharif proposed the following motion with regard to the proposed audit of the contract, which was seconded and agreed:

j) The original business case for the RMI contract had objectives attached to it, we do not seem to be meeting those objectives, hence could we explore other means, possibly together with Osborne to achieve the original objectives and improve services to the residents.

The Managing Director explained that the social value works undertaken to date had been chosen by council officers. She added that hard copy signatures could not be sought by operatives from tenants due to covid safety protocols.

The Member stated that the request for hard copy signatures was directed at Council officers and it would be up to them to investigate whether this would be possible whilst maintaining covid safety rules.

The SBC Director of Place and Community advised that the contract could only be extended by mutual agreement and that the decision would be taken by Cabinet.

The Member speaking under Rule 30 proposed that the audit report should provide a breakdown by area (North, Central & East) of what kinds of repairs required second visits.

In summary, the Chair stated that:

- Members were disappointed by the performance and services provided by Osborne. They had expressed concerns and identified the need for substantial changes to be made. SBC Officers and Osborne's had undertaken to provide responses to queries raised and requests made at the meeting.

**Resolved:** That the report be noted.

## **11. Performance update for Revenues and Benefits Service**

The SBC Interim Group Manager Revenues, Benefits and Charges provided a brief overview of the report which set out the performance of the Revenues, Benefits and Charges service for the period April 2021 to October 2021. He made the following points:

- The service had undergone significant changes and met a number of challenges in recent years and its performance had been under scrutiny. Following the termination of the Arvato contract the service had been brought back in house and had struggled to find suitably experienced staff. Current staff were managing increased workloads as a result of a justifiable reduction in recovery activity due to the effects of the pandemic.
- The Service had performed below expectations in the past year, though there had been improvements in recent months.
- Council tax, business tax, benefits processing and rent collection were key areas of the Council's activity. It was important to understand where service sat in relation to the rest of the Council and what needed to be done to put the service on a firm and secure footing going forward.
- Areas for improvement had been identified and included: excessive reliance on temporary staff, which was due to a national shortage in this area; technological support for the service was weak in comparison to other better performing local authorities and would require further investment. These changes would take between 18-24 months to complete.

Members asked the following questions, made the following comments and received the responses set out below:

- The report stated that processing new benefit claims took 20 days, though the target set was 13.8 days – could he provide any updates to these figures?

The target set was 20 days processing time, which was the national average for processing such claims. This number had risen to 30 days at the end of October 2021 due to covid related backlogs and economic conditions leading to additional demands on the service and a subsequent increase in the number of claims for housing benefit and council tax support. The figure had been 27 days for November and this was slowly improving. As for change of circumstances claims, the figure was 13 days against a target of 10 days, this figure too was improving. There was an end of year correcting factor where the service re-calculated all claims for the annual billing process which could further reduce the overall averages. Slough's billing and collection processes were not automated to the same degree as at other local authorities which was why their figures may be lower than those at Slough.

## Customer and Community Scrutiny Panel - 08.12.21

- Why was the current collection rate for James Elliman Homes 87.5% compared to 97% previously?

The James Elliman Homes housed a particular client group in temporary accommodation and it may be more difficult to gather rent from them. It should be noted that for these tenants, other aspects of their rent was not covered by housing benefit, for example, their utility bills, The rent service was working to improve the collection rate for this estate. He added that there was a need to ensure better information sharing and closer working between the housing allocations team and the benefits team. Covid safety rules prevented face to face interactions between the teams, which could cause delays. An improvement plan to review all processes and to speed up process was being developed.

- With regard to the Wellbeing strategy and supporting the most vulnerable residents – was the team working with partner agencies which provided additional support and advice for residents to access benefits?

The welfare team within the service carried out outreach work with residents with the support of third sector partners and he was encouraged by the dedication of the team. It was also using software to identify the most vulnerable and was proactively encouraging them to claim all the benefits they were entitled to. However, the team was struggling in terms of resources and there was a need to identify best value from that activity. Many residents were under claiming and were under supported. Information regarding support and benefits was included with council tax bills. The contact centre was struggling with the volume of calls. One of his recommendations would be to use front facing staff and to bring the calls back into the service so that accurate information and advice could be provided by relevant staff.

- Is the action plan near completion?

The Interim Group Manager stated that although it was near completion, working out how to deliver the activities in a sustainable way and ensure the necessary resources, support services and delivery timelines were in place to underpin this was still being worked out.

- Rent collection for Council owned garages was only at 50% to the sum of £216,101. How much revenue was being lost from garages that were not being let?

The SBC Interim Group Manager stated that he did not have this information to hand. A significant number of the garages were in state of disrepair and others were at the pre-development stage. His service was involved in collecting rent from those garages that had been let.

The Director of Place and Community explained that the Housing officer's team were responsible for this area of work and that he would share this information with Members after the meeting.

## Customer and Community Scrutiny Panel - 08.12.21

- Why will the action plan take two years to implement?

The SBC Interim Group Manager stated that implementing the action plan would be an iterative process, i.e., it would not be possible to implement all the proposed changes at the same time, and the service would need to prioritise those changes which would make the biggest difference. He would share further details of the actions plan once they were available.

- A Member speaking under Rule 30 asked what new processes had been implemented for those who contested their business rates or council tax rates. What additional measures had been implemented to prevent the recurrence of the recent incident which had cost the Council £5.2M in unpaid business rates over a 10-year period?

The SBC Interim Group Manager stated that he was not aware of the case in question. However, any protocols in place should be applied to ensure that the correct liability was set and how the council should respond to queries and how cases were reviewed.

The SBC Director of Place and Community undertook to share information regarding procedures which had been implemented to prevent a recurrence of this situation with the Councillor outside the meeting.

- How would the Council ensure that the relevant professionals at the call centre would deal with callers' queries and requests promptly? Was the team's performance being monitored in a bid to reduce response times?

The SBC Interim Group Manager stated that savings could be achieved by moving processes online, however, a channel shift needed to be underpinned by the necessary technological support and resources. This would have cost implications which would require careful consideration and would need to bear in mind that some residents may be resistant to going online.

James Elliman Homes was a private limited company of the Council. Was it therefore liable for collections? Should losses incurred by the company be covered by the company or by the Council?

The SBC Director of Place and Community advised that James Elliman Homes was wholly owned by the Council, and if it failed then the Council's General fund would be affected. An exercise was underway to review James Elliman Homes. Poor collection rates related to its resident cohort, many of whom had difficult personal circumstances. The intention was that the company should be self-sufficient and rents should be collected.

The SBC Interim Group Manager stated that more engagement and better communication with tenants would reduce arrears chasing and free up resources.

- If James Elliman had been a housing association then it would have ensured that its tenants had accessed the relevant revenues and benefits.

## Customer and Community Scrutiny Panel - 08.12.21

In allowing the company to operate within its own budget, was the Council confident in the company's financial management strategies? Should the Council be cross charging the company?

The SBC Director of Place and Community explained that James Elliman was a wholly owned Council entity and that there was an SLA in place with various Council departments to provide services for the company. The team's time would be cross charged. The intention was that income received from tenants should cover all costs of the tenancy.

- A Member speaking under Rule 30 stated that the report stated that the council tax collection rate was 94.5% - therefore 5.5% had defaulted on their payments. Of these, what proportion were also applying to the Council's Council Tax hardship fund?

The SBC Interim Group Manager stated that he did not have those figures to hand. The figures related to in year collection, i.e., what amount was being billed for the current year and how much the service expected to collect this year. The run rate was normally 98.2% in the life of the debt. Applications to the hardship fund were very low.

- Had the collection rate fallen because more people were experiencing hardship or was this because the Council included PIP (Personal independence payments) payments when calculating an individual's income? Were PIP payments non-taxable? Were PIP payments taken into account when assessing an individual's eligibility for the hardship fund?

The SBC Interim Group Manager advised that there were two calculations - the banded council tax support scheme, which anyone could apply for, which took into account income and circumstances and there was the hardship fund. So if, for example, someone had a disability, then they would be entitled to claim an additional allowance. The hardship fund entailed assessing the claimant's circumstances in the round. Some issues in the current year resulted from the suspension of recovery action the previous year due to the pandemic. Therefore, current recovery action related to payments for a two year period, and some residents were struggling to pay this, while others could not get through to the service or were not engaging with it.

- Once a non-payer had been identified what was the process for the welfare team to support them?

When initial recovery was action taken, reminders were sent to encourage the resident to engage with the Council, there was signposting of support services available and a customer services offer enabling them to directly contact the Council or third sector support services.

**Resolved:** That the report be noted.

## 12. Forward Work Programme

## **Customer and Community Scrutiny Panel - 08.12.21**

**Resolved:** That the forward work programme be noted.

### **13. Date of Next Meeting**

25 January 2022.

Chair

(Note: The Meeting opened at 6.30 pm and closed at 9.38 pm)

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# **CUSTOMER & COMMUNITY SCRUTINY PANEL**

**25.01.22**

## INTRODUCTION

- **This presentation sets out:**
  - **Those aspects of the 2022/23 savings proposals which have changed since Scrutiny on 9 November 2021**
  - **Key risks / pressures**

## 2022/23 SAVINGS

- **Libraries** (Cllr Hulme) est. £400k
  - Redesign library service to make financial savings whilst complying with statutory duty to provide a comprehensive and efficient library service
  - A 12 week **public consultation** commenced on 28 October 2021 and **concludes on 20 January 2022**
  - A verbal update will be provided at Scrutiny on 25 January 2022

## 2022/23 SAVINGS

### **Leisure services (Cllr Akram)**

- A management fee totalling £1.595m/annum is payable in 2022/23
  - Contractual entitlement subject to change in Covid Law
  - We believe our provider is sufficiently able to operate despite Covid

### **Communities & Leisure (Cllr Akram) £452k**

- Discretionary spend to stop unless prevents higher cost to statutory services
  - £214k Community Development – tailor to Public Health (NHS funded)
  - £160k Youth Work – “prevent” case to use General Fund to be considered
  - £78k project costs – tailor to Public Health (NHS funded) where relevant

## 2022/23 SAVINGS

- **Customer Services** (Cllr Swindlehurst) - £161k
  - **Subject to capacity & capability review to be completed 28 Feb 22**
  - Deletion of Customer Excellence Lead post following resignation. Part saving in 2021/22, full saving in 2022/23
  - Reductions in staff answering the phones to 25 fte while improving our online offer – moving us towards digital by default

## 2022/23 SAVINGS

- **Berkshire Joint Archive arrangement (Cllr Swindlehurst) - £75k**
  - **Subject to practical alternative / asset disposal strategy**
  - Withdraw from Berkshire Joint Archive arrangement in Reading and instead make provision for storage of documents within SBC buildings
  - These are administrative documents including Deeds, leases, contract documents, financial information which must be retained for a period of time and such like
  - £25k of the £75k is our contribution to storage of Berkshire County Council records so is not achievable. Alternative savings plans need to be found

## 2022/23 SAVINGS

- **Accommodation (Cllr Carter) - £561k**
  - **Subject to capacity & capability review to be completed 28 Feb 22**
  - Restructure of accommodation team with deletion of vacant temporary accommodation and housing review officer posts.
  - Activities previously carried out by dedicated temporary accommodation officers to be carried out by specialist teams elsewhere within the Accommodation service under a new tenure blind system of working
  - Appropriate allocation of homelessness Grant Funding displacing use of the General Fund

## KEY RISKS / PRESSURES 2022/23

- Receipt of management fee from Leisure provider (EA) in 2022/23
- Controlling expenditure on Temporary Accommodation
- Acceptable level of customer call centre response / answer times
- Alternative savings need to be found to mitigate shortfall in savings not achievable from our Archiving arrangements

**SLOUGH BOROUGH COUNCIL**

**REPORT TO:** Customer & Community Scrutiny Panel

**DATE:** 25<sup>th</sup> January 2022

**SUBJECT:** Housing Rents and Charges for 2022/23

**CHIEF OFFICER:** Richard West  
Executive Director, place and community

**CONTACT OFFICER:** Trevor Costello  
Interim Housing Specialist

**WARD(S):** All

**EXEMPT:** NO

**APPENDICES:** Appendix A – Draft HRA Summary Financial Statement

**1 Summary and Recommendations**

1.1 This report sets out the changes in Housing rents and charges for 2022/23 which were considered by the Cabinet on 17<sup>th</sup> January 2022.

**Recommendations:**

The Panel is requested to scrutinise and comment on following decisions considered by the Cabinet on 17<sup>th</sup> January 2022:-

- (a) Council house dwelling rents for 2022/23 to **increase by 4.1% (CPI + 1%)** with effect from Monday 4<sup>th</sup> April 2022. This is in line with current government guidelines and legislation.
- (b) Garage rents, heating, utility and ancillary charges to **increase by 4.1% (CPI + 1%)** with effect from Monday 4<sup>th</sup> April 2022. This is based upon the September CPI figure.
- (c) Service charges to **increase by 4.1% (CPI + 1%)** with effect from Monday 4<sup>th</sup> April 2022. This is based upon the September CPI figure.

**Reason:** The proposed increases are in line with the government's policy statement of rents for social housing and the Regulator of Social Housing's in its Rent Standard 2020 – 2025.

The review of rents and subsequent increase in rental stream income stream is fundamental to the delivery of the HRA 30 year business plan.

## Comments of the Commissioners to Cabinet

*“The report is supported. It is essential that the service improvement identified in paragraphs 2.19 – 2.21 are implemented within the timeframe indicated to deliver efficiencies and service improvements indicated.”*

### 2 Report

2.1 This report sets out the context and implications for the council over the setting of housing rents and service charges for 2022/23.

2.2 The Slough Wellbeing Strategy aims to increase levels of satisfaction with local place and improve levels of happiness. It also aims to improve life chances of residents, by focusing on housing, poverty, education and employment.

The provision of high quality affordable homes and housing management services to residents will improve the strength and sustainability of communities. Through delivering the 30 business plan, the council is committed to maintaining and investing in its current stock and to enable delivery of new homes to continue to meet housing need and customers' aspirations.

2.3 Outcome 4 of the Five Year Plan 2020-2025 will be supported by the maximising of the rental income stream and asset value to the HRA and providing good quality, well maintained homes.

### Options considered

2.4 It's a contractual term within the council's periodic tenancy agreements and licences that rents and charges are to be reviewed on an annual basis. The process and extent of any review is governed by the Regulator of Social Housing's Regulatory Framework and Standards.

2.5 The council is entitled to review rents up to the maximum level of CPI + 1%. It is also entitled to recover reasonable expenditure incurred in delivering additional services to tenants in the management and maintenance of blocks and estates where they live. The council must maintain a level of rental and service charge income that enables it to continue to deliver good quality homes and neighbourhoods for residents to live in.

2.6 The council's medium term financial strategy requires that the maximum rental increase allowable be utilised and that service charge income is also increased to support the council's 30 year business plan and medium term financial strategy.

### Background

2.7 The council is a local housing authority. From April 2020, the implementation of annual rent reviews for local authorities came under the jurisdiction of the Regulator of Social Housing's Rent Standard 2020-25.

2.8 The Rent Standard continues the principle of setting new social rents using a formula based on location, size and value and relative local earnings. This will continue to be known as the formula rent. For existing properties, the rent charged at the end of the 2019/20 became their Limit Rent, and is the value that becomes the starting point for those properties under the standard.

- 2.9 Whereas the previous rent restructuring regime intended to provide for rents that were below their target or formula rent to increase gradually to its maximum allowable charge, current government policy of allowing both the current rent and the formula rent to increase by the same value each year will mean that rent convergence is paused until the rent increase percentage is greater than the formula rent increase percentage.
- 2.10 As a result of this change, some council rents will not reach their formula (or target) rent. Those properties can only reach their maximum formula rent upon change of tenancy.
- 2.11 Government still issues annual Rent Caps that set maximum rent levels by property size. There is no longer the average rent cap across all properties.

The figures for the 2022/23 year are shown in the table below alongside those for 2021/22 for comparison. It is confirmed that no property will breach its relative Rent Cap limit.

| Number of Bedrooms | 2021/22 Rent Cap per week | 2022/23 Rent Cap per week |
|--------------------|---------------------------|---------------------------|
| 1 and bedsits      | 148.88                    | 150.90                    |
| 2                  | 157.62                    | 159.76                    |
| 3                  | 166.38                    | 168.64                    |
| 4                  | 175.12                    | 177.51                    |
| 5                  | 183.89                    | 186.38                    |
| 6 or More          | 192.64                    | 195.25                    |

- 2.12 As at 31<sup>st</sup> December 2021, the council's HRA housing stock comprises:

| Number of bedrooms | Number of dwellings |
|--------------------|---------------------|
| Bedsit/Studio      | 248                 |
| 1                  | 2106                |
| 2                  | 1632                |
| 3                  | 1883                |
| 4                  | 154                 |
| 5                  | 33                  |
| 6                  | 6                   |
| Total              | 6059                |

- 2.13 The council is committed to setting rents using the Rent Standard guidance and proposes rent increases at no more than the CPI + 1% allowed by the Standard.
- 2.14 In terms of Service Charges the Policy Statement (on Rents for Social Housing) states that

*“Service charges are not governed by the same factors as rent. However, registered providers should endeavour to keep increases for service charges within the limit on rent changes, of CPI + 1 percentage point, to help keep charges affordable.”*

*“Where new or extended services are introduced, and an additional charge may need to be made, registered providers should consult with tenants.”*

- 2.15 Service charges should be set to cover the cost of those services that are only provided to a proportion of tenants and leaseholders and are often connected with communal facilities.
- 2.16 The council has historically applied a percentage-based uplift to service charge costs to reflect the increasing costs of providing services. Government expectation is that providers should try to limit increases in line with the basic rent figure, however, it recognises that there is a statutory entitlement to recover the reasonable costs of services that are provided. Costs for delivering services to tenants are increasing at an above-inflation rate through general market, labour and materials price.
- 2.17 In the 2020/21 financial year, for which figures were finalised in September 2021 for calculating leasehold end of year service charges, the council’s income and expenditure summary was as follows:

| Service Category                | Spent      | Income by tenure |           | Variance   |
|---------------------------------|------------|------------------|-----------|------------|
|                                 |            | Tenants          | Leasehold |            |
| Cleaning and Estate Services    | £846,917   | £806,353         | £146,326  | £105,762   |
| Health & Safety and Maintenance | £709,428   | £255,988         | £150,272  | (£303,168) |
| Heating and Lighting            | £191,523   | £143,489         | £29,871   | (£18,163)  |
| Totals                          | £1,747,868 | £1,205,830       | £326,469  | (£215,569) |

The council currently under-recovers actual service charge expenditure by £215,569 or 12.33%. The under-recovery is reduced when the administration charge levied to tenants for service charges administration is included – see below – which reduces the shortfall to £15,543, or 0.89% of expenditure. This under recovery supports the need to increase charges by 4.1% (CPI + 1%)

| Service Category      | Spent      | Tenants    | Leasehold | Variance  |
|-----------------------|------------|------------|-----------|-----------|
| Administration charge |            | £200,349   | £0        |           |
| Revised total         | £1,747,868 | £1,405,836 | £326,489  | (£15,543) |

- 2.18 For the 2022/23 year, it is proposed to implement an increase in service charges of 4.1%, being the September CPI figure plus 1%. This is in line with increases to rents and is necessary to track increasing costs of services being provided and to prevent any increase in the under-recovery of service charge expenditure net of the council’s administration charge.
- 2.19 Following the implementation of the new housing system in 2022/23, the council intends to fully review the cost of providing additional services to its stock and to identify proposals to address any variances with service charge recovery versus

cost of providing services on a block by block basis and to consult on proposals for changes to take effect from the 2023/24 rent year.

- 2.20 The implementation of the new NEC Housing IT System (formerly Northgate) has been delayed due to issues with staffing. The project team has been affected by vacancies arising from the departure of staff within service areas and challenges working as a dispersed project team as a result of covid restrictions. Progress with implementation has been delayed and the new housing system is anticipated to be live by Quarter 3 in the 2022/23 year.
- 2.21 Once implemented the new IT system will bring significant efficiencies as to how the council implements its rent and service charge changes. It will enable the council to provide greater detail on service charge calculation to all tenants and leaseholders and will support the comprehensive review of service charge setting processes 2023/24.

### **3. Implications of the Recommendation**

#### **3.1 Financial implications**

- 3.1.1 The proposals help to ensure that the council sets a balanced HRA annual budget and can deliver a capital programme within available resources.
- 3.1.2 A provisional financial statement for the 2022/23 HRA account is appended to this report. The council will publish a final statement in early 2022 as part of the ongoing work to stabilise the council's financial position and the completion of a revised medium term financial strategy for the HRA.
- 3.1.3 Rent setting contributes towards the council setting a balanced HRA annual budget and matches the capital programme to the available resources.
- 3.1.4 The HRA 30 year financial business plan has been updated to reflect the introduction of the CPI+1% increase for the 5 years starting on 6 April 2020. The impact on the 2022/23 forecast is an estimated rental income of £35.262m taking into account a voids rate of 1.5% and adjustment for Right to Buy and new build properties. This compares with a projected outturn income of £34.063m for 2021/22, giving an increase of £1.197m.
- 3.1.5 The proposed average weekly rent for HRA socially rented tenancies 2022/23 is £109.76. In 2021/22 it was £105.41. This represents an overall average increase for all council rents for 2022/23 of 4.1%.

#### **3.2 Legal implications**

- 3.2.1 Whilst a preliminary notice under Section 103 of the Housing Act 1985 is not required for periodic secure tenancies, the council is required to issue a Notice giving details of the proposed changes to rent and service charges (if any) and the date upon which those changes are to take effect. The council will issue Notice of changes to rent and service charges (if any) giving no less than four weeks' notice of the change. The change of rent and service charges is not considered a housing management matter, the changing of which would require a consultation process to take place. Consequently, Section 105 of the Housing Act 1985 does not apply.

- 3.2.2 The Local Government and Housing Act 1989 requires the council to maintain a ring-fenced budget for its housing stock related income and expenditure, known as the Housing Revenue Account. Section 76 requires the council during the months of January and February to formulate proposals which satisfy the requirements of this section relating to the income of the authority for the following year from rents and other charges and the expenditure in respect of the repair, maintenance, supervision and management of such properties.
- 3.2.3 Compliance with the Rent Standard 2020-2025 is required under the Regulator of Social Housing's regulatory framework. The council's rent review process continues to follow government's original rent restructuring and affordable rent setting policy and those of the Standard, which commenced in April 2020.
- 3.2.4 The timetable for implementation of the rent review allows for the requirement to issue four weeks' notice of review in line with the terms and conditions of the council's various tenancy and occupancy agreements.
- 3.2.5 The Policy statement on rents for social housing states the following on setting of service charges:

"2.34 In addition to their rent, tenants may also pay service charges. Rents are generally taken to include all charges associated with the occupation of a property, such as maintenance and general housing management services. Service charges usually reflect additional services which may not be provided to every tenant, or which may be connected with communal facilities rather than being particular to the occupation of a dwelling. Service charges are subject to separate legal requirements and are limited to covering the cost of providing the services.

2.35 Registered providers are expected to set reasonable and transparent service charges which reflect the service being provided to tenants. Tenants should be supplied with clear information on how service charges are set. In the case of social rent properties, providers are expected to identify service charges separately from the rent charge.

2.36 Service charges are not governed by the same factors as rent. However, registered providers should endeavour to keep increases for service charges within the limit on rent changes, of CPI + 1 percentage point, to help keep charges affordable.

2.37 Where new or extended services are introduced, and an additional charge may need to be made, registered providers should consult with tenants."

### 3.3 Risk management implications

- 3.3.1 The issuing of rent review notices in late February/early March 2022 and implementation of the rent review on the first Monday in April will ensure the rent review is actioned correctly and within prescribed timescales in order to deliver the projected increased rental stream income.
- 3.3.2 There are no other risk management implications.

### 3.4 Environmental implications

3.4.1 There are no environmental implications as a result of this report.

### 3.5 Equality implications

3.5.1 Pursuant to the Equality Act 2010 (“the Act”), the Council, in the exercise of its functions, has to have due regard to (i) eliminating discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; (ii) advancing equality of opportunity between those with a relevant protected characteristic and those without; and (iii) fostering good relations between those with a relevant protected characteristic and those without. The relevant protected characteristics are age, race, disability, gender reassignment, pregnancy and maternity, religion or belief, sex and sexual orientation. The duty also covers marriage and civil partnership, but to a limited extent.

When making decisions, the Council must take account of the equality duty and in particular any potential impact on protected groups.

### 3.6 Procurement implications

3.6.1 There are no procurement implications as a result of this report.

### 3.7 Workforce implications

3.7.1 There are no workforce implications as a result of this report. Tasks and workflows already sit within existing teams with no anticipated resource issues affecting delivery of the proposals.

### 3.8 Property implications

3.8.1 There are no physical property implications as a result of this report.

## **4. Background Papers**

4.1 Draft Financial Statement of HRA Expenditure – 2022/23

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**Slough Borough Council Housing Revenue Account( HRA) Medium Financial Plan 2021-22 to 2024-25**

|   | Budget<br>2021/22 | Budget<br>2022/23 | Budget<br>2023/24 | Budget<br>2024/25 |
|---|-------------------|-------------------|-------------------|-------------------|
| <b>Income</b>   |                   |                   |                   |                   |
| (1) Rent income - Dwellings   | (33,112)          | (35,262)          | (36,366)          | (38,167)          |
| Less Voids  | 516               | 546               | 561               | 587               |
| <b>Net rent income - Dwellings</b>                                  | <b>(32,596)</b>   | <b>(34,716)</b>   | <b>(35,805)</b>   | <b>(37,581)</b>   |
| (2) Non Dwellings - Shops, Garages etc                              | (1,647)           | (1,714)           | (1,766)           | (1,819)           |
| (3) Charges for Service & Facilities                                | (2,391)           | (2,495)           | (2,576)           | (2,711)           |
| <b>Total Income</b>   | <b>(36,633)</b>   | <b>(38,925)</b>   | <b>(40,147)</b>   | <b>(42,110)</b>   |
| <b>Expenditure</b>  |                   |                   |                   |                   |
| (4) Repairs & Maintenance   | 9,364             | 9,822             | 10,101            | 10,388            |
| (5) Supervision & Management  | 9,654             | 9,872             | 9,892             | 9,914             |
| (6) Rent Rates and Insurance  | 590               | 590               | 590               | 590               |
| (7) Special Services  | 1,040             | 1,091             | 1,123             | 1,157             |
| (8) Increase in Provision for Doubtful Debts                        | 1,338             | 1,338             | 1,338             | 1,338             |
| (9) Contingency Budget  | 850               | 0                 | 0                 | 0                 |
| (10) Depreciation   | 8,500             | 8,917             | 9,184             | 9,444             |
| <b>Total Operating Expenditure</b>                                  | <b>31,336</b>     | <b>31,629</b>     | <b>32,229</b>     | <b>32,831</b>     |
| <b>Net Cost of Service before interest Payable on HRA Debts</b>     | <b>(5,298)</b>    | <b>(7,296)</b>    | <b>(7,919)</b>    | <b>(9,280)</b>    |
| (11) Interest Payable on HRA Debts                                  | 4,603             | 4,555             | 4,555             | 4,555             |
| (13) Interest Receivable on HRA Balances                            | (25)              | (21)              | (28)              | (38)              |
| <b>Net HRA Deficit/(Surplus) for the year before debt repayment</b> | <b>(720)</b>      | <b>(2,762)</b>    | <b>(3,392)</b>    | <b>(4,763)</b>    |
| (12) Repayment of HRA Debt  | 10,000            | 0                 | 0                 | 0                 |
| <b>Net HRA Deficit/(Surplus) for the year</b>                       | <b>9,280</b>      | <b>(2,762)</b>    | <b>(3,392)</b>    | <b>(4,763)</b>    |
| <b>Reserves</b>   |                   |                   |                   |                   |
| (13) HRA Revenue balance - Brought Forward                          | (17,473)          | (8,193)           | (10,955)          | (14,347)          |
| Transfer from Reserve   |                   |                   |                   |                   |
| Housing Revenue Deficit/(Surplus) for the year                      | 9,280             | (2,762)           | (3,392)           | (4,763)           |
| <b>Balance - Carried Forward</b>                                    | <b>(8,193)</b>    | <b>(10,955)</b>   | <b>(14,347)</b>   | <b>(19,110)</b>   |

Notes

- (1) Dwelling rents are assumed to increase by 4.10% in line with the Rent Regulation determination
- (2) Non Dwellings - Shops, Garages are assumed increase in line with September 2021 CPI inflation of 0.5%
- (3) Voids rate - 1.5%
- (4) Service charges are assumed to increase by CPI plus 1% (4.1%) in line with September 2021 CPI inflation
- (5) Repairs & Maintenance are assumed to increase in line with the RPI increase of 4.9% in 2022/23 and 3% afterwards
- (6) Supervision & Management relate to staff and operational costs. Staffing costs are assumed to increase by 2% in 2022/23 and 2023/24
- (7) Special Services - Ground Maintenance. Building Cleaning, etc are assumed to increase by September 2021 inflation of 3.1%
- (8) The bad debt provision is assumed to increase to 4% of rental income in 2022/23 based expected increased risk of higher rent arrears due to the impact of Covid.
- (9) This is a contingency budget includes £3.5m for potential claims for compensation to tenants re water commission
- (10) Depreciation, this relates to funding of HRA Capital Programme
- (11) The debt costs are based upon the assumption that new housing is funded through a increase in borrowing at 1.59% and £2m for potential pension liability relating to the RMI contract
- (12) The HRA accounts for 2018-19, 2019-20 and 2019-20 are still subject to audit and therefore the HRA reserves are provisional and may be subject to further changes

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**SLOUGH BOROUGH COUNCIL**

**REPORT TO:** Customer & Community Scrutiny Panel

**DATE:** 25<sup>th</sup> January 2022

**CONTACT OFFICER:** Nick Pontone  
Democratic Services Lead  
**(For all Enquiries)** (01753) 875120

**WARDS:** All

**PART I**  
**FOR COMMENT AND CONSIDERATION**

**CUSTOMER & COMMUNITY SCRUTINY PANEL - WORK PROGRAMME 2021/22**

1. **Purpose of Report**

For the Panel to discuss its work programme for 2021-22.

2. **Recommendations/Proposed Action**

That the Panel review the work programme and potential items for scrutiny in 2021/22.

3. **The Slough Joint Wellbeing Strategy, the JSNA and the Five Year Plan**

3.1 The Customer & Community Scrutiny Panel, along with the Overview & Scrutiny Committee and other Scrutiny Panels combine to meet the local authority's statutory requirement to provide public transparency and accountability, ensuring the best outcomes for the residents of Slough.

3.2 The effective scrutiny of the council's decision making and work in the area of health and social care underpins the delivery of all four of the Joint Slough Wellbeing Strategy priorities:

- Starting Well
- Integration
- Strong, healthy and attractive neighbourhoods
- Workplace Health

3.3 The work of the Panel also reflects the following priorities of the Five Year Plan:

- Our residents will have access to good quality homes

#### 4. **Other Implications**

##### **(a) Financial**

There are no financial implications of proposed action.

##### **(b) Risk Management**

There are no risk management implications of proposed action.

##### **(c) Human Rights Act and other Legal Implications**

There are no Human Rights Act implications arising from this report.

##### **(d) Equalities Impact Assessment**

There are no Equalities implications arising from this report.

#### 5. **Supporting Information**

5.1 This work programme should cover all aspects of the Scrutiny Panel's remit:

- Customer Services
- Revenues and benefits
- Community & Neighbourhoods
- Learning, Skills & Employment
- Accommodation

5.2 The work programme is a flexible document which will be continually reviewed throughout the municipal year. It will be updated to take into account requests for consideration of issues from members of the Panel.

#### 6. **Conclusion**

This report is intended to provide the Panel with the opportunity to review its upcoming work programme and make any amendments it feels are required.

#### 7. **Appendices Attached**

A – Draft Work Programme for 2021/22 Municipal Year

#### 8. **Background Papers**

None.

**CUSTOMER & COMMUNITY SCRUTINY PANEL**  
**WORK PROGRAMME 2021/2022**

| Meeting Date   |
|--|
| 2 March 2022   |
| <ul style="list-style-type: none"><li>• Library Service Consultation Results</li></ul> |
| 6 April 2022   |
| <ul style="list-style-type: none"><li>•</li></ul>                                      |

Unprogrammed items

- Licensing of Homes of Multiple Occupation Update

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**MEMBERS' ATTENDANCE RECORD 2021/22**  
**CUSTOMER & COMMUNITY SCRUTINY PANEL**

| <b>COUNCILLOR</b>       | <b><u>08/07/21</u><br/><u>CANCELLED</u></b> | <b><u>21/10/21</u><br/><u>MOVED TO</u><br/><u>09/11/21</u></b> | <b>09/11/21</b> | <b><u>08/12/21</u><br/><u>Joint with</u><br/><u>O&amp;S</u></b> | <b>25/01/22</b> | <b>02/03/22</b> | <b>06/04/22</b> |
|-------------------------|---|--|-----------------|---|-----------------|-----------------|-----------------|
| Begum<br>(Chair)        |   |  | P               | P   |                 |                 |                 |
| Muvvala<br>(Vice-Chair) |   |  | P               | P   |                 |                 |                 |
| Ajaib                   |   |  | P               | Ab  |                 |                 |                 |
| Ali                     |   |  | P               | P   |                 |                 |                 |
| Hussain                 |   |  | Ap              | Ap  |                 |                 |                 |
| Kaur                    |   |  | P               | P   |                 |                 |                 |
| Minhas                  |   |  | P               | P   |                 |                 |                 |
| Mohammad                |   |  | P               | P   |                 |                 |                 |
| Sandhu                  |   |  | P               | Ab  |                 |                 |                 |

P = Present for whole meeting    P\* = Present for part of meeting    Ap = Apologies given    Ab = Absent, no apologies given

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