

<b>18 September 2019</b>		<b>ITEM: 10</b>
<b>Council</b>		
<b>Report of the Cabinet Member for Housing</b>		
<b>Wards and communities affected:</b> All	<b>Key Decision:</b> Non-applicable	
<b>Report of:</b> Councillor Barry Johnson, Cabinet Member for Housing		
<b>This report is public</b>		

## 1. Introduction

- 1.1. This report outlines the Housing service and provides an overview of key challenges and opportunities facing the Council not only in its role as a social landlord but also as a provider of a range of other statutory services relating to homelessness prevention and relief, housing advice and private sector enforcement.
- 1.2. This document also identifies a range of key external factors which have affected and shaped service delivery throughout the 2018/19 financial year and sets out the financial position for the Housing Revenue Account and General Fund budgets within Housing.

## 2. Service Overview

- 2.1. The Housing service provides a range of statutory and landlord functions, utilising rental income through the Housing Revenue Account as well as smaller General Fund budgets. The Housing service interacts with around 10,000 households in the Borough directly through the provision of tenancy and leasehold management services, and additional households through the housing advice and options, homelessness and private sector housing functions.
- 2.2. The key functions which the Housing service are responsible for delivering include:
  - Tenancy management activities, including tenancy audits, sign-ups and exit inspections, and other day-to-day interactions with the Council's tenants for both general needs and sheltered housing properties.
  - Caretaking and estate services for many of the blocks and communal spaces across the borough
  - Rent collection, financial inclusion and welfare advice
  - Ongoing repairs and maintenance of Housing stock and assets
  - Monitoring and maintaining over 300 CCTV cameras across the borough
  - Tackling domestic abuse, hate crime and other safeguarding issues

- The investigation, management and implementation of enforcement action for anti-social behaviour issues
- Capital investment programmes delivering improvements to Housing stock and assets, such as the Transforming Homes programme.
- Homeownership services, including the administration of Right to Buy applications and leasehold management
- Tenant and leaseholder engagement through forums, community activities and other events
- The administration of the Council's Housing Register and the allocation of properties in line with the Allocations Policy
- The prevention and relief of homelessness in line with the Homelessness Reduction Act 2017, as well as the provision of temporary accommodation for households, for example those which are homeless or have been displaced through emergency or disrepair
- Management of three council run Travellers' sites, including rent collection
- Mediation, enforcement and licensing activity for private sector landlords and tenants

2.3. The majority of Housing services use the Northgate Housing Management System as the central system for administering, managing and monitoring the range of functions.

### 3. **Performance in 2018/19**

3.1. The performance dashboard for Housing is designed to ensure that key objectives are identified for reporting across three distinct sections:

- Corporate Performance Indicators (CPI) – Captures the contribution of the Housing service to the corporate suite of performance indicators, including measures such as budget variance, complaints received and upheld, and sickness absence. The targets for these indicators mirror the corporate targets.
- Key Performance Indicators (KPI) – A suite of service critical performance indicators designed to measure key outputs of the Housing service, including measures such as gas check compliance and tenant satisfaction with primary functions of the service.
- Local Performance Indicators (LPI) – An extensive suite of service level indicators which measure the outputs of individual teams within the Housing service, as well as tenant satisfaction with specific services such as repairs, caretaking and grounds maintenance.

3.2. The Housing performance scorecard is updated on a monthly basis and performance is reviewed at management team and directorate performance management meetings. The suite of key performance indicators and corporate performance indicators are reported at Performance Board, forming part of the quarterly performance report which is taken to Corporate Overview and Scrutiny Committee.

3.3. Tenant satisfaction surveys are completed by an independent research contractor which specialises in satisfaction surveys for the Housing sector.

Satisfaction levels are measured using a 5 point scale (excellent, good, fair, poor and very poor) and only excellent and good ratings are included in the satisfaction rate.

### 3.4. Corporate Performance Indicators

- 3.4.1. The Housing Revenue Account continued to balance through the 2018/19 financial year. The position of the Housing General Fund at the end of the 2018/19 was 15.2% above budget, equating to £97,726.
- 3.4.2. There was a reduction of 13% in the number of Housing related complaints received during 2018/19 in comparison with the 2017/18 financial year which equates to 7 fewer complaints per month, on average. Additionally there was a 1.3% reduction in the percentage of complaints upheld in 2018/19 compared with 2017/18.

### 3.5. Key Performance Indicators

Key Performance Indicators				
KPI	Performance Indicators	2017-18	Target 2018-19	YTD
KPI01	% General Satisfaction of Tenants With Neighbourhoods / Services Provided by Housing	70%	75.00%	68.0%
KPI02	% Satisfaction of Tenants With Transforming Homes (Contractor & Programme)	NEW	85.00%	87.5%
KPI03	% of Repairs Completed Within Target	97.5%	95.00%	97.7%
KPI04	% Rent Collected	98.5%	98.0%	98.8%
KPI05	Average Time to Turnaround / Re-let Voids (in days)	30.6	28.0	26.64
KPI06	% of Gas Service Checks Carried out Within Statutory Timescale	100%	100%	100.0%
KPI07	Number of "Family Connection" Homeless Households in Bed & Breakfast For Six Weeks or More	NEW	0.0	
KPI08	Number of Category 1 & 2 Hazards Removed as a Direct Result of Private Sector Housing Team Intervention	NEW	800	896

- 3.5.1. Satisfaction with Housing services had generally been below target during the first three quarters of the year, with analysis indicating that a key driver for this was a perceived lack of communication and engagement between the Housing service and tenants. As a result, measures were introduced in order to address this dissatisfaction including a communication plan, enhancements to Tenants Excellence Panel involvement in service delivery and a mailshot to all tenants at the end of January.

The mailshot contained information relating to the Tenants Excellence Panel, an invitation to the annual tenants conference in March 2019 and an infographic sheet containing key statistics. In February following the mailshot satisfaction with Housing services increased by a margin of 8.27% compared to the previous month, along with an increase in satisfaction with keeping tenants informed of 11.9%. Further plans to build on this progress include a regular e-newsletter for tenants and leaseholders as well as a wider ranging tenant satisfaction survey later in the year, helping the service to better understand tenants' needs.

- 3.5.2. Satisfaction with Transforming Homes remained high and was 87.5% for 2018/19. In 2018/19 two new contractors were successfully mobilised for the Transforming Homes programme. The programme investment in the existing stock was £10.06m, which saw further 1031 homes benefit from internal refurbishment including new kitchens, bathrooms and energy efficient boilers, bringing the total properties improved under this programme to 8734.
- 3.5.3. The percentage of repairs completed on target was consistently above the contractual target of 95% throughout the 2018/19 financial year with a particularly strong second half of the year, culminating in an outturn of 97.7%. This equates to a 0.2% improvement on the 2017/18 outturn and is 2.2% above the target.
- 3.5.4. Rent collection remained strong and was consistently above the profiled target throughout the 2018/19 financial year. The year-end outturn was 98.8% which was an improvement of 0.3% in comparison with 2017/18. This improvement is a significant achievement when considering the challenges faced in relation to the rollout of Universal Credit as well as a reduction in tenants paying via Housing Benefit, equating to an extra £3.7m to collect in cash terms. Despite this the number of evictions in 2018/19 reduced by 11 in comparison to 2017/18 and the Financial Inclusion Officers worked with 585 tenants to generate additional income of £126,436.
- 3.5.5. The average time to re-let empty properties improved significantly. During 2018/19 it took an average of 26.64 calendar days to re-let an empty property which was an improvement of 4 days in comparison with 2017/18. There has been a year-on-year improvement for this measure since the 2015/16 financial year when relets it took an average of 36 days. This means that the Housing service are able to generate more income and improve the tenant experience.
- 3.5.6. The Housing service remained 100% compliant with gas service checks carried out within the statutory timescale. The gas servicing contract was re-procured during 2018/19 and was awarded to a new contractor. The Asset Delivery Team worked to ensure compliance remained at 100% during the handover between contractors.
- 3.5.7. There has been a marked reduction in the number of family connection households in bed and breakfast accommodation for six weeks or more. In 2018/19 only 1 household surpassed the six week timescale compared to 41 households in the previous year, equating to a reduction of 98% in comparison with 2017/18.

### **3.6. Local Performance Indicators**

- 3.6.1. Tenant satisfaction with individual Housing services remained consistent with levels reported in 2017/18. Satisfaction with both the ASB and grounds maintenance services were both within a percentage point of last year's outturn.

Satisfaction with the Repairs service continued to improve. The overall satisfaction level in 2018/19 was 91.9% improving from 90.2% in 2017/18 and

featured the highest monthly satisfaction rate recorded to date with a score of 95.2% in January 2019.

A number of new tenant satisfaction LPIs were added to the scorecard for 2018/19. 71.5% of tenants were satisfied with the quality of their home, 74.2% were satisfied with the Caretaking service and 71.7% were satisfied with their Estates Officer.

- 3.6.2. 30 properties were recovered as a result of joint action with the Corporate Fraud Team in 2018/19 increasing from 23 last year. This uplift was as a result of an increased programme of visits alongside more targeted approaches to detecting fraud with the use of data.
- 3.6.3. The percentage of cases where homelessness was relieved was narrowly under the 30% target for the year at 29%. The percentage of homeless applications where a decision is made in 15 working days was under target throughout the year, affected by new legislative requirements, staff shortages and increased administration of casework. Further details can be found regarding the work to improve performance and customer experience in this service within section 5 of this report.

#### **4. Housing Development – New Build**

##### **4.1. HRA New Build Programme**

- 4.1.1. The Housing Revenue Account (HRA) new build programme will deliver in total 117 new Council homes for rent. The properties will be a mix of houses, low rise flats, maisonettes and bungalows. The budget for the programme is £32.53m as agreed within the HRA Capital Programme. HRA rents are being set at 70% of local market rents under the affordable rent regime, and all subject to a local housing allowance cap.
- 4.1.2. To reduce annual costs on the HRA for the new schemes it is proposed to utilise Right to Buy Receipts which would otherwise potentially need to be paid to the government along with interest at 4% above the base rate. Sufficient unallocated receipts of £9.8m have been identified to partially fund this programme.
- 4.1.3. Cabinet agreed on 13 March 2019 that a housing development pipeline be prepared to seek to deliver up to 500 new Council homes for Thurrock over the next 5 to 10 years to be funded within the Housing Revenue Account. This followed the Government's October 2018 announcement to abolish the HRA debt cap.
- 4.1.4. Individual Housing Revenue Account schemes that are funded and on-site are listed below and a brief commentary provided on Thurrock Regeneration Ltd.
- 4.1.5. **Tops Club, Argent Street, Grays**

The Tops Club scheme will provide 29 units of 1, 2, 3 bed flats and maisonettes all for rent within the HRA, together with an enhanced playground for residents. The scheme gained planning permission in January

2017. Demolition of the club took place in July 2018 and works are well underway. The building is expected to complete in February 2020. Discussions between Housing and Development teams are already underway prior to handover to ensure the properties can be let promptly.

#### **4.1.6. Claudian Way, Chadwell**

This is a 53-unit scheme consisting of a mix of bungalows, houses and low rise flats, all for rent within the HRA. Construction work is advancing with planned completion and handover in March 2020. As with the Tops Club development, dialogue is underway to ensure a smooth site handover and letting process.

#### **4.1.7. Calcutta Road, Tilbury**

This development of 35 flats is for people approaching retirement and beyond. The scheme accords with the 'HAPPI' principles ('Housing our Ageing Population – Panel for Innovation') which will ensure good design appropriate to the age group. A main contractor has been selected and pre-contract works are well underway to re-route existing underground services. The project programme is under review but completion is currently planned for December 2020.

#### **4.1.8. Thurrock Regeneration Ltd (TRL)**

Thurrock Regeneration Ltd (TRL) is a wholly owned company of Thurrock Council. The principal focus of the company is to support the achievement of the Council's wider regeneration goals through the delivery of specific schemes which support the delivery of new homes in the borough. The company has a strategic aim to develop 1,000 units over a five-year period, and a pipeline of sites continues to be developed and refined.

### **5. Key changes and programmes of work**

#### **5.1. Allocations Policy**

- 5.1.1. The Council has a legal obligation to allocate properties in line with a Housing Allocations Scheme formally adopted by the council which complies with current legislation, regulation and case law. A review of the Allocations Policy, introduced in 2013, was undertaken in 2018 in order to allow the policy to reflect recent changes.
- 5.1.2. Consultation activity regarding a number of key themes and proposed changes was undertaken, with a total of 1115 responses received. Those consulted with included the Council's tenants, Thurrock residents, Registered Providers in the area and other stakeholders such as the Clinical Commissioning Group (CCG), NHS Trusts and other officers of the Council. Consultees were engaged through a mixture of direct correspondence, online surveys, briefings and focus groups.
- 5.1.3. A range of changes were approved by Cabinet in January 2019, with a phased implementation of measures between April 2019 and April 2020 to both protect the qualification status of groups of applicants and provide a

grace period for others whose applications would be affected. The agreed changes included:

- amendments to strengthen the local connection qualification criteria,
- increases to the financial qualification thresholds to reflect the Thurrock housing market,
- the creation of a specific Sheltered Housing register and removal of 'adequately housed' Band 5 applicants from the housing register,
- additional support for working households in Thurrock by increasing the percentage of advertised properties which are reserved for this group, and introducing new qualification criteria for certain key workers to join the housing register,
- the introduction of annual reviews to ensure that housing register applications remain eligible and active.

5.1.4. As a result of the changes listed above which have already been implemented, there has been an 83.8% reduction in the number of new applications accepted between 1 April 2019 and 31 July 2019 (83) compared to the same dates of the previous year (513).

## 5.2. **Housing Solutions**

5.2.1. The Homelessness Reduction Act 2017, implemented in April 2018, represented a significant change to the rights of homeless people in England. This legislation placed new legal duties on councils to give people greater support in preventing and relieving homelessness.

Local Authorities are required to work more intensively with applicants for a longer period than before, whilst developing personalised housing plans detailing the steps which they and the Council would take to secure or retain accommodation. The main aim of the Act is to reduce street homelessness and the need to place certain households into temporary accommodation. The Council is allocating more resource to mediation and exploring options to engage landlords to prevent applicants becoming homeless.

5.2.2. The number of new homeless applications that were taken by the Council during 2018/19 totalled 1605, an increase of 15% from the previous year, with each officer managing a caseload of approximately 70 applications. The increase in households approaching and making applications has brought challenges to service delivery, in particular with regards to maintaining regular contact with applicants.

5.2.3. The number of families in temporary accommodation has risen from 158 households at the start of 2018/19 to 166 households at the end of the year. To meet the needs of the increasing number of households owed a homelessness duty, the Council has been required to make greater use of the private rented sector for both temporary placements and permanent accommodation, working with landlords to ensure that any accommodation they provide is safe, suitable and secure.

5.2.4. The Council provides financial support to establish temporary placements and private sector tenancies, most through the repayment of rent arrears or in

the form of paying rent deposits and guarantees made directly to landlords. In addition, the Council encourages landlords to offer longer-term tenancy agreements.

- 5.2.5. The Housing Solutions team closely and regularly monitor the use of costly temporary accommodation. There is continual work to reduce the use of the costliest form of temporary accommodation (nightly let private sector accommodation), instead seeking accommodation offered at a lower rate in order to mitigate the risk of overspend.
- 5.2.6. Particular effort has been given to maintaining low numbers of out-of-borough temporary accommodation placements by purchasing Brooke House which will increase the number of Council-owned temporary accommodation properties by ten. Further work is taking place to identify additional temporary accommodation units which could be managed by the Council, as well as activity to attract and retain landlords, however there remain a number of contributing factors which restricting the number of in-borough properties available for placements.
- 5.2.7. Firstly, rising private rental costs in Thurrock significantly impacts upon the affordability of accommodation in the borough. Further to this, the service works to avoid using bed and breakfast or accommodation with shared facilities, ensuring that children are not required to share bedroom space with parents and have access to appropriate cooking facilities. Across the 2018/19 year, an average of 19 households were in an out-of-borough placement at the end of each calendar month, representing 13% of total temporary accommodation placements. The below table illustrates performance regarding in- and out-of-borough placements across the 2018/19 year.

Location	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
In borough	135	122	125	116	118	118	117	119	127	130	132	139
Out of borough	23	23	19	13	7	11	13	13	21	31	26	27
<b>Total</b>	<b>158</b>	<b>145</b>	<b>144</b>	<b>129</b>	<b>125</b>	<b>129</b>	<b>130</b>	<b>132</b>	<b>148</b>	<b>161</b>	<b>158</b>	<b>166</b>
<b>% Out of borough</b>	<b>14.6</b>	<b>15.9</b>	<b>13.2</b>	<b>10.1</b>	<b>5.6</b>	<b>8.5</b>	<b>10.0</b>	<b>9.8</b>	<b>14.2</b>	<b>19.3</b>	<b>16.5</b>	<b>16.3</b>

- 5.2.8. As a result of the wider changes introduced by the Homelessness Reduction Act, the above outlined challenges and a review of the increase in households both approaching the Council for assistance and making applications, it was identified that an assessment of the service delivery model should be undertaken. This decision was made in order to ensure that front line officers have the skills and knowledge required to best assist households using the service, and that appropriate housing options were available to support the prevention aim.
- 5.2.9. The service has commissioned two sector experts (Shelter and the National Practitioner Support Service) to undertake reviews of the effectiveness and quality of the Housing Solutions function. The recommendations and general feedback provided through these studies will be used to inform the work currently being undertaken to develop the Homelessness Prevention and Rough Sleeping Strategy as well as an action plan of service improvements. A paper detailing the feedback from each review as well as recommended action will be presented to Housing Overview and Scrutiny Committee in October 2019.



### **5.3. Sheltered Housing Activity Programme**

- 5.3.1. The Sheltered Housing service aims to ensure that its tenants are able to live the best life they can for as long as they can with the freedom to live independently. The service strives to provide a culture of good health and wellbeing, enabling tenants to keep active and remain independent.
- 5.3.2. A review was undertaken which assessed the activity and exercise sessions for Sheltered Housing tenants being provided by an external supplier. It was identified that the numbers of tenants attending these sessions was low and that the classes did not appear to offer an inclusive approach to age, gender and differences in mobility.
- 5.3.3. An alternative approach was identified and has now been implemented which provides a broader range of activities for all Sheltered Housing tenants, regardless of age, gender or mobility. The activity classes are tailor made to the needs of tenants and provide an opportunity after the activity to stay and engage with each other.
- 5.3.4. The activity classes are delivered by Sheltered Housing officers and positive outcomes are monitored which will allow for the project to be continually assessed and inform work with partners in health to target specific and identified health and wellbeing programs in areas on a needs basis.
- 5.3.5. Positive outcomes to date have included a trebling in number of tenants attending classes, with a significant increase in the number of men who are participating. The increased attendance has also led to a reduction in social isolation within Sheltered Housing complexes with individuals engaging in their community who may not have done so before. Within July 2019, 137 classes were held across the 28 Sheltered Housing sites in the borough, attracting attendance of 678 tenants overall. There has also been a significant saving achieved through the new delivery model.

### **5.4. Private Housing Standards**

- 5.4.1. A key challenge faced by the Council is raising private housing standards throughout Thurrock, working with owners, landlords, letting agents and tenants to resolve problems associated with unsafe and substandard accommodation.
- 5.4.2. The number of customer service requests requiring intervention between landlord and tenant has increased to 333, partly due to a small number of landlords who ignore their obligations and knowingly let unsafe and overcrowded accommodation.
- 5.4.3. The Housing Act 2004 introduced the Housing Health and Safety Rating System, which determines the likelihood of a hazard occurring in a property over the next 12 months. Serious hazards are called Category 1 and the Council has a duty to take action. Less serious hazards are called Category 2 and the Council are able to take action but are not under a duty to do so.

- 5.4.4. At the end of 2018/19, the service exceeded its target of 800 and removed a total of 896 Category 1 and 2 hazards in the home. However, if the law is broken then enforcement action may be necessary to protect the public and environment. In addition, landlords of Houses in Multiple Occupation (HMO) have specific regulations they have to comply with such as ensuring communal areas are safe and appropriate fire detection is installed.
- 5.4.5. During 2018/19 further enforcement action was taken on 94 cases, including 60 Housing Act notices, 21 Environmental Protection Act notices, 4 Public Health Act notices and 5 prosecutions in total.
- 5.4.6. The Council has responded to changes in HMO licensing. In October 2018 the Government extended mandatory licensing of HMOs to smaller properties, meaning that shared houses of 5 people or more in 2 or more separate households required a licence. At the end of the reporting year 2018/19 the council had a total of 30 licensed homes on its public register, compared to 17 at the end of 2017/18. The total licensing fee income was £61,782 above the total of the previous year.
- 5.4.7. In December 2018 Cabinet approved additional licensing of HMOs let to 3-4 persons in certain parts of the borough to improve the quality of the HMO rental market. This discretionary scheme came into force on 1 June 2019 to run alongside the mandatory HMO licensing scheme for the next five years and. Strong partnership between Housing and Health can deliver savings to the NHS and improve resident health and wellbeing.
- 5.4.8. Public Health recommissioned the Private Housing Well Homes Project in November 2018. At the end of 2018/19 the project had reached over 183 vulnerable residents living in private properties with long term health conditions and made their homes safer by reducing the risk of ill health or accidents. The health cost benefits of housing improvements saved £100,833 to the NHS where these have been mitigated or removed.

## 5.5. **Fire Safety**

- 5.5.1. The Council continues to priorities health and safety of its residents including fire safety in its residential blocks, all fire risk assessments are up to date and the housing department are working through the recommendations arising from these. Additionally the ECFRS have been undertaking audits of the Council's high rises blocks in early August and this will continue over the next few weeks.
- 5.5.2. A new fire safety advice leaflet has been published by the Council for all tenants and leaseholders, a copy of the leaflet has been posted out to all Council owned properties. The Council have taken a proactive approach in regards to proposed changes for fire safety in social housing for resident engagement and fire safety features on the agenda in some resident engagement sessions. Some resident engagement sessions have been attended by relevant council officers and colleagues from ECFRS and this approach will continue with a view of residents to become more engaged with the Council to work in partnership to maintain safe buildings.

5.5.3. The Housing department has committed to delivering a fire door upgrade programme year on year for applicable properties to ensure our residents and their homes have the best level of protection in place is in regards to fire. This is a long term project, however a number of doors were upgraded in 2018/19 with a further 418 currently programmed for this year.

5.5.4. The Ministry of Housing, Communities & Local Government published a consultation on the proposal for the reform of the building safety regulatory system, the Council has provided a comprehensive response to this. The consultation closed on the 31st July 2019 and it is now is anticipated the ministry will publish a new regulatory framework in late 2019 with implementation for compliance to this starting in 2020 however, there will be a phased approach for building owners and landlords to meet the new regulations.

## 6. Financial Summary

### 6.1. General Fund

6.1.1. The 2019/20 financial position for the Housing General Fund is shown below as at 31 July 2019.

Service Area	2019/20 Budget	Actual to Date	Forecast Outturn	Forecast variance
	£000's	£000's	£000's	£000's
Homelessness	805	56	805	-
Private Sector Housing	182	101	182	-
Travellers Site Provision	(92)	(34)	(92)	-
	<b>895</b>	<b>123</b>	<b>895</b>	-

At this stage of the financial year, the Housing General Fund budget is forecast to be online.

6.1.2. As part of the 2019/20 budget setting process, growth was added to the Homelessness service in order to address some of the additional demands that have been placed on the service due to legislative changes. This funding has been used to finance a staffing restructure to create additional capacity. The service also secured £0.599m of central government funding for the financial year. However, as this is demand led budget, additional homelessness cases that arise during the year will have to be managed, where possible, within the overall budget provision.

6.1.3. There are no forecast variances in relation to the budgets for the provision of Travellers sites for the financial year. These budgets are dependant however on the collection of fees and charges income for rent and operating costs relating to the 64 plots dispersed across the sites.

### 6.2. Housing Revenue Account

6.2.1. The HRA Reserve position as at the 31<sup>st</sup> March 2019 is shown below:

<b>Reserve</b>	<b>Closing (£'000)</b>
HRA General Reserves	(2,175)
Development Reserve	(5,785)
One for One Receipts	(21,486)
Capital Reserve - Existing Stock	(1,991)
Non Ring-Fenced Capital Receipts	(4,411)
Housing Zones/Capacity Reserve	(1,274)

- The HRA General Reserve remains at £2.175m and is forecast to increase to £3m over time once the rent policy changes to rent increases in 2020/21.
- The Development Reserve is the allocation of funding to complete the agreed HRA new build schemes
- During 2018/19 there were 55 RTB sales which realised £4.6m in one for one receipts. £5.187m was used to finance capital expenditure in 2018/19.
- Some of the Transforming Homes planned works have been reprogrammed into the next financial year 2019/20 and will continue to be delivered under the new contract arrangements. The balance on the Capital Reserve will be utilised in 2019/20

6.2.2. £361k of additional Housing Capital Investment has been made to fire safety (£52k) financed from the non ring-fenced capital receipts from RTB Sales. A further £1.657m is allocated during 2019/20 to be invested on continued fire safety works.

### 6.3. HRA Revenue Position 2019/20

6.3.1. The 2019/20 financial position for the HRA is shown below as at the 31st July 2019.

6.3.2. Repairs and Maintenance costs related specifically to electrical testing have been identified as an in-year pressure. This is as a result of the volume of properties which are due for routine electrical compliance checks in this financial year, as well as the remedial repairs arising from this activity.

6.3.3. The introduction of Universal Credit has led to an increase in rent arrears. Measures are in place to mitigate the impact of this and approval has been sought from Digital Board to allow the implementation of a new software system. The cost of this will be contained within the HRA and a review of the bad debt provision will be carried out as a separate exercise. This is not currently shown as a pressure in the financial forecast as further analysis is being undertaken to quantify the full impact.

6.3.4. The financial pressures identified will be managed overall within the existing budgets as set out below:

<b>Service</b>	<b>2019-20 Budget</b>	<b>Forecast Outturn (Jun-19)</b>	<b>Variance to budget</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Development	178	178	0

Financing and Recharges	23,681	23,311	(370)
Repairs and Maintenance	12,126	12,496	370
Supervision and Management	12,357	12,357	0
Rent and Income	(48,342)	(48,342)	0
	0	0	0

6.3.5. In line with Government policy, the Council has applied a 1% rent decrease over the last three financial years with a further 1% reduction required in 2019/20. This has withdrawn resources available for capital investment.

#### 6.4. HRA Capital – Existing Stock

6.4.1. The allocated budget for Transforming Homes in 2019/20 is £10.540m. The new programme is now mobilising under the new contract arrangements. In addition, £542k has been set aside to undertake works to some of the Council's non-traditional properties. However, this only represents a portion of the overall required investment for the Council's non-traditional portfolio. A proposal is now being prepared for the full programme. This will be informed by a specialist survey on the current condition which is currently being procured. It is therefore likely that the majority of this £542 budget allocation will now fall into the next financial year.

6.4.2. The stock condition survey indicates an average annual investment requirement of £15m per year. This level of investment is not sustainable within the constraints of the HRA Business Plan.

#### 6.5. HRA Capital – New Build

6.5.1. The HRA New Build schemes at Claudian Way, Calcutta Road and Tops Club continue to be developed to completion.

6.5.2. Since the removal of the HRA debt cap, the Council are currently looking at the options available to undertake a significant HRA new build programme. This has currently been modelled on 500 units, the details of which are contained within the report to Cabinet in March 2019.

### 7. Conclusion

7.1. The Council continues to provide many key Housing services for tenants and residents across the borough. Performance in a number of areas remains strong and good progress has been made in others however further analysis and growth is required elsewhere, such as in specific categories of tenant satisfaction with services.

7.2. A number of key changes in service delivery have taken place, such as the Housing Allocations Policy Review and the Sheltered Housing Activity Programme. Other significant programmes of work are currently underway, namely the Housing Solutions Customer Excellence Programme. As evidenced in the above projects and especially through the work undertaken by the Private Sector Team, the safety and wellbeing of all residents of the borough, regardless of tenure, are of utmost importance to teams across the Housing service.

7.3. Work will continue to identify areas for refinement and improvement, in order to deliver value for money for Thurrock residents as well as a greater customer experience and overall levels of satisfaction for those using Housing services.

8. **Appendices to the report**

None