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Our Ref
Your Ref

Date: 25 January 2023

Dear Councillor,

Housing and Community Services Committee

A Meeting of the **Housing and Community Services Committee** will be held at **Council Chamber**, Civic Offices, Civic Way, Swadlincote on **Thursday, 02 February 2023 at 18:00**. You are requested to attend.

Yours faithfully,

Chief Executive

To:- **Labour Group**

Councillor Rhind (Chair), Councillor Mulgrew (Vice-Chair) and
Councillors Dunn, Heath, Richards and Shepherd.

Conservative Group

Councillors Corbin, Ford, Lemmon, Patten, Redfern and Smith

Independent Group

Councillors Roberts



AGENDA

Open to Public and Press

- 1** Apologies and to note any Substitutes appointed for the Meeting.
- 2** To receive the Open Minutes of the following Meetings:

18 August 2022 **4 - 7**

29 September 2022 **8 - 11**

17 November 2022 **12 - 17**
- 3** To note any declarations of interest arising from any items on the Agenda
- 4** To receive any questions by members of the public pursuant to Council Procedure Rule No.10.
- 5** To receive any questions by Members of the Council pursuant to Council procedure Rule No. 11.
- 6** HRA BUDGET AND RENT SETTING 2023-24 AND FINANCIAL PLAN TO 2033 **18 - 39**
- 7** HOME UPGRADE GRANT PHASE 2 **40 - 44**
- 8** REGULATOR OF SOCIAL HOUSING-TENANT SATISFACTION INDICATORS **45 - 51**
- 9** COMMITTEE WORK PROGRAMME **52 - 55**

Exclusion of the Public and Press:

- 10** The Chairman may therefore move:-
That in accordance with Section 100 (A)(4) of the Local Government Act 1972 (as amended) the press and public be excluded from the remainder of the Meeting as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that there would be disclosed exempt information as defined in the paragraph of Part I of the Schedule 12A of the Act indicated in the header to each report on the Agenda.
- 11** To receive the Exempt Minutes of the following Meetings:

18 August 2022

29 September 2022

17 November 2022

- 12** To receive any Exempt questions by Members of the Council pursuant to Council procedure Rule No. 11.
- 13** ROSLISTON FORESTRY CENTRE UPDATE
- 14** ENVIROMENTAL EDUCATION PROJECT CONTRACTS AND FUNDING

HOUSING & COMMUNITY SERVICES COMMITTEE

DRAFT NOTES

18 August 2022

OPEN

PRESENT:

Labour Group

Councillor Rhind (Chair) and Councillor Mulgrew (Vice-Chair) and Councillors Dunn, Richards, and Shepherd

Conservative Group

Councillors Ackroyd, Dawson, Ford, Lemmon, Patten and Redfern

Independent Group

Councillor Roberts

In attendance

Councillor Smith and Councillor Wheelton

HCS/15 **APOLOGIES**

The Committee was informed that apologies had been received from Councillor Redfern (Conservative Group).

HCS/16 **DECLARATIONS OF INTEREST**

The Committee was informed that Councillors Ford and Patten had personal interests by virtue of being County Councillors.

HCS/17 **QUESTIONS FROM MEMBERS OF THE PUBLIC UNDER COUNCIL PROCEDURE RULE NO 10**

The Committee was informed that no questions from Members of the Public had been received.

HCS/18 **QUESTIONS BY MEMBERS OF THE COUNCIL UNDER COUNCIL PROCEDURE RULE NO 11**

The Committee was informed that no questions from Members of the Council had been received.

MATTERS DELEGATED TO COMMITTEE**HCS/19 CORPORATE PLAN 2020-24: PERFORMANCE REPORT (2022-2023 QUARTER 1 – (1 APRIL TO 30 JUNE)**

The Strategic Director (Corporate Resources) introduced the report to the Committee and outlined the indicators that related to the Committee highlighting the community groups, spend management and housing measures that were not on target. It was further noted that no additional risks had been added.

The Head of Housing addressed the Committee regarding hard to let properties and issues that impacted on reletting vacant properties. The Committee was informed that it took an average of 144 days to relet a property and the main issues was the electrical checking process for which a new protocol had recently been introduced. It was further noted that following comments received from Audit regarding the issuing of certificates to enable properties to be let a new software system had been introduced and staff training undertaken.

Members raised queries regarding the letting of bungalows, the impact of the cost of living crisis and hard to let properties.

The Head of Housing informed the Committee that there was very little demand for 1 bedroom bungalows and that the greatest demand was 2 bedroom properties. It was further noted that there was expected to be an increased demand from private tenants but the Council does support these residents and offer advice regarding their rights as a private tenant in the first instance. The Head of Housing clarified that hard to let properties included lower floor 1 bedroom flats, that were reserved for people over the age of 60 and that a reclassification of properties would be required.

RESOLVED:

- 1.1 *The Committee approved progress against performance targets set out in the Corporate Plan 2020 - 2024.***
- 1.2 *The Risk Register for the Committee's services were approved.***

HCS/20 FINANCIAL CONTRIBUTION TOWARDS AN ACTIVE SCHOOLS PARTNERSHIP PE & SCHOOL SPORT APPRENTICE THROUGH AMBER VALLEY SCHOOL SPORT PARTNERSHIP (AVSSP)

The Head of Cultural and Community Services delivered the report to the Committee outlining the main benefits of the role and the arrangements covered by the Service Level Agreement.

RESOLVED:

- 1.1** *The Committee approved a financial contribution set out in section 4 of the report, towards funding a PE and School Sport Apprentice post to be employed directly by the Amber Valley School Sports Partnership (AVSSP).*
- 1.2** *The Committee approved the recruitment of further PE and School Sport Apprentice's through any appropriate partner moving forwards subject to service demand*

HCS/21 **COMMUNITY AND ENVIRONMENTAL PARTNERSHIPS GRANT SCHEME**

The Community Partnership Officer presented the report to the Committee and sought approval for the grants to be awarded as recommended within the report.

RESOLVED:

The Committee accepted the recommendations of the Community and Environmental Partnership Grant Scheme Assessment Panel, to award a grant as detailed in section 4 of the report.

HCS/22 **COMMITTEE WORK PROGRAMME**

The Strategic Director (Corporate Resources) presented to report to the Committee.

RESOLVED:

The Committee considered and approved the updated work programme.

HCS/23 **LOCAL GOVERNMENT ACT 1972 (AS AMENDED BY THE LOCAL GOVERNMENT [ACCESS TO INFORMATION] ACT 1985)**

The Chairman may therefore move:

That, in accordance with Section 100(A)(4) of the Local Government Act 1972 (as amended), the press and public be excluded from the remainder of the Meeting as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that there would be disclosed exempt information as defined in the paragraphs

of Part 1 of the Schedule 12A of the Act indicated in brackets after each item.

ANY EXEMPT QUESTIONS RECEIVED BY MEMBERS OF THE COUNCIL PURSUANT TO COUNCIL PROCEDURE RULE NO 11

The Committee was informed that no exempt questions from Members of the Council had been received.

BETTER CARE FUNDING ALLOCATION – FINANCIAL POSITION

RESOLVED:

That the Committee approved the recommendations in the report.

The meeting terminated at 18:35 hours

COUNCILLOR G RHIND

CHAIR

HOUSING & COMMUNITY SERVICES COMMITTEE

29 September 2022

OPEN

PRESENT:

Labour Group

Councillor Rhind (Chair) and Councillor M. Mulgrew (Vice-Chair) and Councillors Heath, Tilley, Shepherd and Southerd

Conservative Group

Councillors Dawson (Substitute for Cllr Ford), Lemmon, Patten, Redfern and Smith

In attendance

Councillor Wheelton,

HCS/26 **APOLOGIES**

The Committee was informed that apologies had been received from Councillor Dunn and Councillor Richards (Labour Group), Councillor Ackroyd and Councillor Ford (Conservative Group) and Councillor Roberts (Independent Group)

HCS/27 **MINUTES**

The Open Minutes of the Meetings held on 6 January 2022, 27 January 2022, 10 March 2022, 19 April 2022 and 1 June 2022, were approved as a true record and signed by the Chair.

HCS/28 **DECLARATIONS OF INTEREST**

The Committee was informed that Councillor Shepherd declared a personal interest in Item HCS/ 31 by virtue of involvement with the Citizens Advice.

HCS/29 **QUESTIONS FROM MEMBERS OF THE PUBLIC UNDER COUNCIL PROCEDURE RULE NO 10**

The Committee was informed that no questions from Members of the Public had been received.

HCS/30- **QUESTIONS BY MEMBERS OF THE COUNCIL UNDER COUNCIL PROCEDURE RULE NO 11**

The Committee was informed that no questions from Members of the Council had been received.

MATTERS DELEGATED TO COMMITTEE

HCS/31 SDDC SUPPORTED VOLUNTARY & COMMUNITY SECTOR ORGANISATIONS: OVERVIEW REPORTS 2021-22

The Head of Cultural and Community Services presented the report to the Committee and delivered an overview of the work and organisations that had been supported and the amount of funding that had been received.

Members raised queries regarding the Service Level Agreements and organisations that can be considered for funding.

The Strategic Director (Corporate Resources) clarified that a list of those organisations to be considered for funding was looked at each year at the Budget setting stage and that Members, if they so wish to, could recommend other organisations to be considered to receive and further noted that the process for Service Level Agreements could be brought back to the Committee.

RESOLVED:

1.1 The Committee noted the work carried out during 2021/22 in South Derbyshire by the Voluntary and Community Sector (VCS) organisations supported financially by the Council.

HCS/32 FIELDS IN TRUST PROTECTION OF GREEN SPACES

The Head of Cultural and Community Services presented the report to the Committee and noted the intention to protect Cadley and Eureka parks. It was explained how the report outlined what the status meant and the benefits it would bring in safeguarding the futures of parks.

Councillor Southerd commended the report and enquired about the status of Maurice Lea Park and Swadlincote Woodlands.

The Head of Cultural and Community Services informed the Committee that Maurice Lea Park was classed as common land and that Swadlincote the Woodland would be looked into but may be considered to be nature reserve status.

Members acknowledge the benefits the areas brought to the communities and discussed the benefit of a map that outlined the different types of green areas in the District along with information about which land was in the ownership of the Council and which were Parish Council land.

RESOLVED:

- 1.1 The Committee approved protection of Cadley Park and Eureka Park with a Fields in Trust deed of dedication designation.***

HCS/33 **CATERING CONCESSION OPPORTUNITIES ON PARKS AND GREEN SPACES**

The Head of Cultural and Community Services, presented the report to the Committee noting that the recommendations would enhance parks and green spaces in the District and how concessions to provide cakes snacks drinks would be considered whilst creating a new income stream for Authority and a new experience for residents.

Members commended the report and agreed it was an excellent idea and discussed a number of different options to be considered.

RESOLVED:

- 1.1 The Committee supported the introduction of Catering Concessions on selected parks and green spaces within the urban area of Swadlincote.***

HCS/33 **COMMITTEE WORK PROGRAMME**

The Strategic Director (Corporate Resources) presented to report to the Committee.

RESOLVED:

The Committee considered and approved the updated work programme. For 11

HCS/34 **LOCAL GOVERNMENT ACT 1972 (AS AMENDED BY THE LOCAL GOVERNMENT [ACCESS TO INFORMATION] ACT 1985)**

The Chairman may therefore move:

That, in accordance with Section 100(A)(4) of the Local Government Act 1972 (as amended), the press and public be excluded from the remainder of the Meeting as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that there would be disclosed exempt information as defined in the paragraphs of Part 1 of the Schedule 12A of the Act indicated in brackets after each item.

MINUTES

The Exempt Minutes of the Meetings held on 27 January 2022, 10 March 2022, 19 April 2022 and 1 June 2022 were received.

ANY EXEMPT QUESTIONS RECEIVED BY MEMBERS OF THE COUNCIL PURSUANT TO COUNCIL PROCEDURE RULE NO 11

The Committee was informed that no exempt questions from Members of the Council had been received.

ROSLISTON FORESTRY CENTRE STAFFING

RESOLVED:

That the Committee approved the recommendations in the report.

The meeting terminated at 18:30 hours

COUNCILLOR G RHIND

CHAIR

HOUSING & COMMUNITY SERVICES COMMITTEE

17 November 2022

OPEN

PRESENT:

Labour Group

Councillor Rhind (Chair) and Councillor M. Mulgrew (Vice-Chair) and Councillors Dunn, Richards, Shepherd and Southerd (Substitute for Councillor Heath)

Conservative Group

Councillors Corbin, Ford, Patten, Redfern and Smith

In attendance

Councillor Wheelton,

HCS/38 **APOLOGIES**

The Committee was informed that apologies had been received from Councillor Heath (Labour Group) and Councillor Lemmon (Conservative Group) Roberts (Independent Group)

HCS/39 **DECLARATIONS OF INTEREST**

The Committee was informed that Councillor Ford declared a person interest in item HCS/45 by virtue of being a County Councillor.

HCS/40 **QUESTIONS FROM MEMBERS OF THE PUBLIC UNDER COUNCIL PROCEDURE RULE NO 10**

The Committee was informed that no questions from Members of the Public had been received.

HCS/41- **QUESTIONS BY MEMBERS OF THE COUNCIL UNDER COUNCIL PROCEDURE RULE NO 11**

The Committee was informed that no questions from Members of the Council had been received.

MATTERS DELEGATED TO COMMITTEE**HCS/42 CORPORATE PLAN 2020-24: PERFORMANCE REPORT (2022-2023 QUARTER 2 – (1 APRIL TO 30 SEPTEMBER))**

The Strategic Director (Corporate Resources) introduced the report noting that relets was the only measure in the red and that improvement was expected. Changes to the Risk Register were also noted for the Committee.

The Head of Housing addressed the Committee regarding the reletting of Council Properties and explained that the issue had been exacerbated by the shortage of skilled labour, the condition of vacated properties and the introduction of a new system in relation to gas and electrical safety checks and certification. The Committee was also informed that the contractor improving the turn around time for vacated properties and the Council could claim for loss of rental income if targets were not met. The Head of Housing also confirmed that progress was being made and that a plan was being developed to make further improvements.

Members sought clarity regarding timelines for the plan and the improvement of relet times.

The Head of Housing confirmed that the report regarding the plan would be before the Committee in April 2023 and that work was being undertaken to improve the turnaround relet times and the back log of void properties was expected to be dealt with before the end of the financial year. The Committee was informed that the use of new software could enable times to be allocated to each process related to the reletting of properties but caveated this by explaining that they were not always linear and that repairs were only part of the process.

Members requested information to demonstrate how the number of relet days would be brought down.

The Head of Housing confirmed that a chart containing the information requested would be shared with Members in the near future.

RESOLVED:

- 1.1 The Committee approved progress against performance targets set out in the Corporate Plan 2020 - 2024.***
- 1.2 The Committee reviewed the Risk Register for the Committee's services.***

HCS/43 SWADLINCOTE WOODLANDS UPDATE

The Head of Cultural and Community Services presented the report to the Committee and summarised the progress for the application for Local Nature Reserve status along with an update on improved signage. The Head of Cultural and Community Services sought approval for the recommendations within the report.

Members thanked the Head of Cultural and Community Services for the speed in which this had been dealt with speed dealt and acknowledged the benefits this would bring for the residents.

RESOLVED:

- 1.1 Members noted that the Local Nature Reserve status for Swadlincote Woodlands had been granted and the Committee approved protection of Swadlincote Woodlands with a Fields in Trust deed of dedication designation.***

HCS/44 REPURPOSING OF SHOPMOBILITY GRANT TO SOUTH DERBYSHIRE CVS

The Community Partnership Officer presented the report to the Committee and outlined the request from South Derbyshire CVS following a decision to provide a wider more accessible service that included a mini bus service one day week responsive to needs if bookings which would be a change to the purpose of grant. It was noted that the service was originally designed to include 5 mobility scooters but now the proposal was to keep 1 as demand had dropped however this could only be secured if the Council could provide a storage facility in the Town Centre.

Members supported the proposal and stated that weekend access to the scooter should be considered.

RESOLVED:

- 1.1 The Committee considered the proposal (attached to the report as Appendix 1) from South Derbyshire CVS to repurpose the Shopmobility Service into a wider, more inclusive accessible community transport service.***
- 1.2 The Committee accepted the proposal in order that a new Service Level Agreement be drawn up and the 2022/23 grant of £12,123 (previously paid to South Derbyshire CVS to operate the Shopmobility service) be paid to support the delivery of the widened accessible community transport service on a trial basis for a year.***

1.3 The Committee approved that a limited Mobility Scooter Service be retained on a trial basis as part of the repurposed Shopmobility proposal.

1.4 The Committee considered the request from South Derbyshire CVS for secure storage for one mobility scooter at the Council Offices or other suitable Council premises in Swadlincote town centre (If there was a desire from Committee for South Derbyshire CVS to continue with a limited Mobility Scooter service).

HCS/45 **COMMUNITY AND ENVIRONMENTAL PARTNERSHIP GRANT SCHEME**

The Community Partnership Officer presented the report to the Committee and summarised the applications for which grant approval was sought.

RESOLVED:

1.1 The Committee accepted the recommendations of the Community and Environmental Partnership Grant Scheme Assessment Panel, to award grants as detailed in section 4 of the report.

HCS/46 **ADOPTION OF MEMORIAL BENCH SCHEME**

The Head of Cultural and Community Services addressed the Committee and outlined the report and sought support for the recommendation with in the report.

RESOLVED:

1.1 The Committee supported the introduction of a Memorial Bench Scheme for District Council managed cemeteries, parks and green spaces.

HCS/47 **BEAT THE STREET**

The Head of Cultural and Community Services presented the report to the Committee outlining the activities during the initial 12 month period that intended to encourage school children to take part in active travel and to visit outdoor places of interest. It was noted that the scheme had been endorsed by Sport England who had funded 40% of the costs. The Committee was informed that the launch of the scheme would coincide with the 2023 Easter Holidays and the opening of Cadley Park.

Members commended the report and fully supported the scheme and felt that information should be shared with all Members of the Council.

Members raised queries regarding replacement cards.

The Head of Cultural and Community Services explained that there would be an App that cards would be linked to and where replacement cards could be requested as well as a facility in libraries for new cards

RESOLVED:

1.1 The Committee approved the financial contribution from earmarked reserves to fund the 12 month physical activity and active travel intervention project called Beat the Street.

HCS/48 **COMMITTEE WORK PROGRAMME**

The Strategic Director (Corporate Resources) presented to report to the Committee.

RESOLVED:

The Committee considered and approved the updated work programme. For 11

HCS49 **LOCAL GOVERNMENT ACT 1972 (AS AMENDED BY THE LOCAL GOVERNMENT [ACCESS TO INFORMATION] ACT 1985)**

The Chairman may therefore move:

That, in accordance with Section 100(A)(4) of the Local Government Act 1972 (as amended), the press and public be excluded from the remainder of the Meeting as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that there would be disclosed exempt information as defined in the paragraphs of Part 1 of the Schedule 12A of the Act indicated in brackets after each item.

ANY EXEMPT QUESTIONS RECEIVED BY MEMBERS OF THE COUNCIL PURSUANT TO COUNCIL PROCEDURE RULE NO 11

The Committee was informed that no exempt questions from Members of the Council had been received.

PREMISES IN MELBOURNE

RESOLVED:

That the Committee approved the recommendations in the report.

LONG TERM LEASE TO EGGINTON PARISH COUNCIL

RESOLVED:

That the Committee approved the recommendations in the report.

LAND AT NETHERSEAL

RESOLVED:

That the Committee approved the recommendations in the report.

**DELETION OF QUANTITY SURVEYOR POST CREATION OF FINANCE
AND CONTRACTS OFFICER**

RESOLVED:

That the Committee approved the recommendations in the report.

The meeting terminated at 19:15 hours

COUNCILLOR G RHIND

CHAIR

REPORT TO:	HOUSING AND COMMUNITY SERVICES COMMITTEE	AGENDA ITEM: 8
DATE OF MEETING:	02 FEBRUARY 2023	CATEGORY: RECOMMENDED
REPORT FROM:	STRATEGIC DIRECTOR (CORPORATE RESOURCES)	OPEN
MEMBERS' CONTACT POINT:	CHARLOTTE JACKSON charlotte.jackson@southderbyshire.gov.uk	DOC: s/finance/committee/2022-23/feb/HCSCommittee
SUBJECT:	HRA BUDGET AND RENT SETTING 2023-24 AND FINANCIAL PLAN TO 2033	REF:
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: HC 01

1.0 Recommendations

- 1.1 That options for Council House Rents for 2023/24 detailed in **Appendix 1** are considered and a preferred option is agreed for 2023/24.
- 1.2 That the proposed revenue income and expenditure for 2023/24, for the Housing Revenue Account (HRA) are considered and approved.
- 1.3 That the HRA is kept under review and measures identified to mitigate the financial risks detailed in the report and to maintain a sustainable financial position.
- 1.4 That the final HRA position **Appendix 2** and rent options **Appendix 1** is approved and referred to Finance and Management Committee on 9 February 2023.

2.0 Purpose of the Report

- 2.1 As part of the annual financial cycle, the report details the HRA's base budget for 2023/24, with a comparison to the current year, 2022/23. In addition, the report details the updated 10-year financial projection for the HRA following a review during the annual budget round.
- 2.2 The report also sets out details of the proposed rent levels for 2023/24 in accordance with Government directions. The Government have announced a rent cap for 2023/24 of 7%, after consideration of other options of 3% and 5%.
- 2.3 Therefore, the current HRA Budget and financial projection models the impact of each of four options. The options highlighted in the report are 0%, 3%, 5% and 7% increases in rental income. Clearly, there are potentially several other

options available within this range up to a maximum of 7%. The Committee is requested to agree their preferred option.

3.0 Detail

The Position Entering the 2023/24 Budget Round

- 3.1 During the current financial year, the financial position of the HRA has been reviewed and updated to reflect changes to the staffing structure previously approved plus the budget out-turn position for 2022/23.
- 3.2 The latest position reported in November 2022, highlighted that large deficits were projected, due to be funded from the HRA Reserve. Dependant on the decision for rental increases in 2023/24 as demonstrated in Appendix 1 the lowest point is reached in 2026/27 where the estimated reserve falls to £1.5m.
- 3.3 This shows the worst-case scenario with no increase in rents and voids remaining at the current level throughout 2023/24. This would reduce the Reserve close to the statutory minimum set for the HRA of £1m. The following year, HRA reserves recover to £2.5m. This is due to the reduction in debt repayment funds. The level of reserves does not leave a big contingency for any unforeseen issues.
- 3.4 Clearly, the higher the rent rise and the quicker the reduction in voids, will have a greater beneficial impact on the sustainability of the HRA in the longer-term.

Formulating the 2023/24 Base Budget

- 3.5 Budgets are generally calculated on a “no increase basis,” i.e. they are maintained at the same level as the previous year adjusted only for known changes, price increases and variations due to contractual conditions, etc.
- 3.6 In addition, budgets are also subject to a base line review which is used to justify proposed spending. This process places responsibility on budget holders to justify their spending budgets by specifying their needs in a more constructed manner. This is supported by the Financial Services unit, who analyse recent trends across services compared to current budgets.

On-going Service Provision

- 3.7 The budgets are based substantively on a continuation of existing service provision (in respect of staffing levels, frequency, quality of service, etc.).
- 3.8 The full year effects of previous year’s restructures and budget savings have been included, with any non-recurring items removed.

Base Budget 2023/24

- 3.9 The HRA's Base Budget and longer-term financial projection up to 2032/33 is detailed in Appendix 2. A projection of this length is considered good practice for the HRA to ensure that future debt repayments and capital expenditure are affordable for the longer-term sustainability of the Council's housing stock.
- 3.10 The following table provides an overall summary of the HRA's cost of services with a comparison to the approved 2022/23 budget, excluding the rental income.

HOUSING REVENUE ACCOUNT - BUDGET SETTING 2023/24			
	Proposed Budget 2023/24 £'000	Approved Budget 2022/23 £'000	Movement £'000
Non-Dwelling Income	-107	-124	17
Other Income	-190	-169	-21
Supporting People Grant	-130	-130	0
General Management	2,226	2,067	159
Supporting People	994	946	48
Responsive	1,777	1,724	53
Planned Maintenance	1,761	1,810	-49
Bad Debt Provision	131	125	6
Interest Payable & Receivable	1,362	1,453	-91
Earmarked Reserve	-45	0	-45
Service costs			77
Depreciation	4,844	4,213	631
Total Cost of Service	12,623	11,915	708

- 3.11 The above table shows that the HRA's budget is estimated to increase from 2022/23 to 2023/24 by £708K. Excluding depreciation which is an accounting adjustment and not a cost to the Council, the actual increase in expenditure proposed in the budget is £77k.
- 3.12 The main variances are summarised in the following table.

	Movement £'000
Depreciation	631
General Fund Recharges	116
Housing Programme Manager Recharge	51
Employee Costs	26
Computer Maintenance	31
Utilities	15

Materials	11
Professional fees	12
Council Tax	8
Tools & Equipment Purchase	7
Repairs and Maintenance	4
Income	3
Interest Payable	-91
Insurance	-71
Earmarked Reserves	-45
Budget Increase	709

Staffing Costs

- 3.13 A pay award is not included within the Base Budget at this stage as no official notification has been submitted to the Council.
- 3.14 The MTFP was updated in November 2022 to include a pay award for 2022/23 and also includes a provision for a potential pay award increase of 3.5% per year for all employees from 2023/24.
- 3.15 Incremental salary increases are included within the MTFP each year and are expected ahead of the Budget round.
- 3.16 Base salary costs have increased between years due to Direct Labour Organisation (DLO) transferring from Craft JNC pay scales to the National Joint Council (JNC) spinal column points, as approved at Finance and Management Committee in April 2022.

General Fund Recharges

- 3.17 The total impact of the increase in HRA recharges is £116k and after a full review of all charges, the following table details the movement by General Fund service area.

	Movement £'000
Head of Finance	27
Head of Business Change & ICT	15
Head of Legal & Democratic	4
Strategic Director (Corporate Resources)	9
Head of Organisational Development & Performance	18
Head of Customer Services	14
Head of Corporate Property	7
Head of Operational Services	22
	116

- 3.18 The increases for each area represent the rise in the costs for providing direct support from each of the service areas. The biggest increase is due to staff costs resulting from the recent pay award, and the increased rates of inflation added to costs of service.

Repairs and Maintenance

- 3.19 Repairs and Maintenance costs have remained consistent in line with the existing planned maintenance schedule.

Interest Payable and Receivable

- 3.20 The overall movement in interest payable and receivable shows the increase in receivable income, due to the current interest rates yielding higher returns on the Councils Investment Portfolio. The budget for interest payable remains static at £1.5m, until the next repayment of £10m in March 2024 for the scheduled debt taken out as part of self-financing.

Insurance

- 3.21 Insurance savings (£71k) are the result of the Council's tendering of its insurance services as reported in November.

Computer Maintenance Agreements

- 3.22 Increases to licence and maintenance fees are expected year on year in line with inflation and is included within the MTFP at 2.5%. The financial year has recorded record highs in inflation resulting in licenses and maintenance agreements increasing by 10.1%, the £31k budget increase reflects this percentage uplift.

Void Dwellings

- 3.23 The impact of void properties not only effects the income losses as noted earlier in the report, but also costs the HRA. When dwellings become void, they are subject to Council Tax charges the increase (£8k) in budget is due to the high levels of voids currently experienced. The costs of utilities have also been increased (£15k) to allow for the increased costs of prepayment meter, standing charges and to allow for refurbishment works to be carried out.

Other Factors

- 3.24 The following detail is for information on the HRA position and are not variances between budgeted years.

Depreciation

- 3.25 The increase is due to the revaluation of all Council dwellings in March 2022 which will be depreciated in accordance with accounting practice.
- 3.26 Depreciation is calculated on the existing use value and age of each property in the HRA. This is designed to ensure that the Council sets-aside sufficient resources to maintain and replace properties in future years.

Council House Rents

- 3.27 As detailed in **Appendix 1** the impacts on Housing Revenue General Reserves are illustrated by calculations for rental increases by percentage and allowance of void properties.
- 3.28 Percentage increases range from 0% to the Government's rental cap of 7%. Each of these calculations are then shown with the impact on rental income dependant on the percentage level of voids expected in the year.
- 3.29 The void levels in Appendix 1 are presented in three different variations as detailed below.

	2023.24	2024.25	2025.26	2026.27	2027.28	2028.29
Assumed voids %	3.41% (100)	2.39% (70)	1.71% (50)	1.71% (50)	1.71% (50)	1.71% (50)
Assumed voids %	2.39% (70)	2.39% (70)	1.71% (50)	1.71% (50)	1.71% (50)	1.71% (50)
Assumed voids %	1.71% (50)	1.71% (50)	1.71% (50)	1.71% (50)	1.71% (50)	1.71% (50)

- 3.30 The Medium-Term Financial Plan (MTFP) includes a 3% increase of rental income in 2023/24 with a void level of 1%. Each of the increases are measured against the MTFP as presented in November 2022.
- 3.31 The following table illustrates the increase in weekly rents for each of the increase options.

Government Cap %	Weekly Rental Increase between		Average rental increase per week	Average weekly property rent
0%	£0.00	£0.00	£0.00	£84.38
3%	£1.84	£4.00	£2.53	£86.91
5%	£3.06	£6.67	£4.22	£88.60
7%	£4.29	£9.34	£5.91	£90.29

- 3.32 This excludes temporary accommodation and new build/acquisition as these rents are higher and also not comparable with prior years due to timing on the introduction of the rent.
- 3.33 Prevailing Government guidance allows rent levels to increase by CPI plus 1% each year. However, the Government were concerned that the current level of CPI is too high and have issued a Direction on the Rent Standard 2023 to cap increases on Social Housing Rents at 7%.
- 3.34 The MTFP in Appendix 2, assumes that the rent will increase by 3.0% in 2023/24 and remains at that level each year. The volatile fiscal markets make assumption of CPI difficult to predict, however experts predict that inflation will

level off in 2024/25 to around 2%. It is considered that a 3.0% increase is deemed to be a prudent assumption.

3.35 **Appendix 1** demonstrates how the various levels of increases in rental income for 2023/24 affect the £1m statutory balance over the life of the Plan. This also highlights the potential (depending on the level of increase) for investment into the housing stock, in line with the Housing White Paper and enable additional environmental options not previously deemed affordable to be a consideration.

3.36 The impact on rental income and the varying levels of voids for 2023/24 are summarised below:

Assumed Void Level	Voids 3.41% (100)	Voids 2.39% (70)	Voids 1.71% (50)
	2023.24 £'000	2023.24 £'000	2023.24 £'000
MTFP Rent at 3% Increase	-13,124	-13,124	-13,124
Rent at 0% increase	-12,493	-12,625	-12,713
Total Impact	631	499	411
	2023.24 £'000	2023.24 £'000	2023.24 £'000
MTFP Rent at 3% Increase	-13,124	-13,124	-13,124
Rent at 3% increase	-12,868	-13,004	-13,094
Total Impact	256	120	30
	2023.24 £'000	2023.24 £'000	2023.24 £'000
MTFP Rent at 3% Increase	-13,124	-13,124	-13,124
Rent at 5% increase	-13,066	-13,256	-13,348
Total Impact	58	-132	-224
	2023.24 £'000	2023.24 £'000	2023.24 £'000
MTFP Rent at 3% Increase	-13,124	-13,124	-13,124
Rent at 7% increase	-13,368	-13,509	-13,603
Total Impact	-244	-385	-479

MTFP assumes 3% rent increase & voids 1%

3.37 This highlights how the different void levels impact the income against each percentage increase. The level of voids is not optional, but more a reflection on the success of the Council House letting and Void Properties Report as reported in January 2023 at Overview and Scrutiny Committee.

3.38 There is a requirement that the statutory balance on the HRA must be at least £1m in any one year and where there appears to be a risk to that balance, measures have to be taken to ensure that the Council reviews costs and income to ensure the HRA is sustainable.

- 3.39 The General reserve balance has been impacted by the loss of Careline income from 2024/25 which has resulted in nearly £1.2m deduction to the reserve. Although the loss of income is under review, at this stage the increased rental income included in the MTFP has covered the impact.
- 3.40 Right to Buy (RTB) losses forecasted have remained in line with the budget 2022/23 with 6 sales recorded to date. Losses have reduced to a forecast of 18 from 2023/24.
- 3.41 It is likely that this assumption is too low, but the forecast does not currently take into account any future properties purchased or built by the Council over the Plan beyond 2022/23. A programme of new build homes and acquisitions is, however, currently under discussion with the Council House Development Group with a view to updating Members once all options have been considered. This forecast of income losses is a worst-case scenario but will be kept under review.
- 3.42 Rental income for HRA garages has been proposed in the fees and charges to increase at the same level as Dwellings.

Capital Expenditure and Debt Repayment

- 3.43 Proposed capital expenditure is based on stock condition survey data and the fluctuation in required expenditure year-on-year and is included within the MTFP.
- 3.44 The contribution to the Debt Repayment Reserve is profiled in line with capital expenditure to not only ensure that the HRA General Reserve does not fall below the statutory £1m but to also have available funds to repay debts as they become due. The contribution and repayment of debt is included within the MTFP.
- 3.45 Due to the approved agreement under self-financing to repay debt of £30m from 2022 to 2027, the HRA has significant pressure over the next five years to generate enough in reserve to afford the repayments. The debt repayment contribution is included over the life of the MTFP.
- 3.46 The Council has an on-going capital programme and properties generally have a substantial useful life if maintained properly. Although the depreciation charge is included as a cost charged in the net operating income of the HRA, it is reversed out when calculating the overall surplus or deficit on the HRA.
- 3.47 However, under accounting regulations, the annual amount of capital expenditure, plus sums set-aside to repay debt, need to be equal to or greater than the depreciation charge for the year. This is effectively testing that the Council is properly maintaining and financing the liabilities associated with its housing stock.

- 3.48 Where the depreciation charge is higher than actual capital expenditure/debt repayment, the HRA would be charged with the difference in that particular year. For 2023/24, expenditure is in excess of depreciation.

The Longer-term Financial Projection

- 3.49 Following the introduction of the self-financing framework for the HRA in 2012, this generated a surplus for the HRA as the Council was no longer required to pay a proportion (approximately 40%) of its rental income to the Government in accordance with a national redistribution framework.
- 3.50 This released resources, which in the early years of the Housing Business Plan, were available for capital investment in the existing stock, together with resources for New Build. Surpluses in later years are to be used to repay the debt that the Council inherited in return for becoming “self-financing” and to continue a programme of capital maintenance in future years.
- 3.51 The HRA budget and projection is based on the principles that the HRA will carry a minimum unallocated contingency of at least £1m as a working balance and that sufficient resources are set-aside in an earmarked reserve to repay debt as instalments become due.

HRA Reserves

- 3.52 The HRA has 5 separate reserves as detailed in the following table.

General Reserve	Held as a contingency with a minimum balance of at least £1m.
New Build Reserve (Capital Receipts Reserve)	Accumulated Capital Receipts pending expenditure on building new properties/acquisition of properties. The financial model assumes that these are drawn down each year to finance new build or acquisition ahead of any further borrowing. The carrying balance from year to year remains low.
Debt Repayment Reserve	Sums set-aside to repay debt; contributions to the Reserve started from 2016/17 in accordance with the debt repayment profile.
Major Repairs Reserve	A Capital Reserve with sums set-aside each year for future programmed major repairs on the housing stock. A large balance is accruing in this reserve to be utilised against future capital and environmental works.
Earmarked Reserve	Sums set-aside for future replacement of vehicles for the Direct Labour Organisation.

The Updated Financial Position

- 3.53 Following the base budget review, the 10 year Financial Plan for the HRA has been reviewed and updated, however it omits changes to rental income

pending agreement. The updated 10-year Financial Plan for the HRA will be presented at Finance and Management Committee on the 9th February 2023 following the actual calculations of rental income. This is detailed in **Appendix 2**.

- 3.54 The General Reserve remains above the statutory £1m for the duration of the 10-year projection. Irrespective of the agreement in rental income the balance is predicted to remain above the statutory level.
- 3.55 After review of the capital programme, sums are being set-aside in the Major Repairs Reserve to ensure that future capital improvements can be funded. A revised stock condition survey has been completed and an update regarding profiling of the works over the next 30 years was reported during 2019/20.
- 3.56 There are a number of sites in development for acquisition pending future approvals, however the Capital Receipts Reserve is set to increase each year due to receipts from the sale of houses under the Right to Buy Scheme. The reserve has increased in line with the expected losses of properties through RTB noted earlier in the report.

Debt Repayments and Borrowing

- 3.57 The Council took on the management of debt valued at £58m in 2012. No additional borrowing has been required. The current level of debt is £48m following the first repayment of £10m in March 2022.
- 3.58 The following debt repayments are due over the life of the current financial plan:
- 2023/24 - £10m
 - 2026/27 - £10m
 - 2031/32 - £10m
- 3.59 The financial projection to 2031/32 shows that these repayments can be met. The next repayments are not then due until 2032/33.

Key Variables and Assumptions

- 3.60 The Financial Plan is based on certain assumptions in future years regarding what are considered to be the key variables. These are summarised in the following table.

Cost inflation	2.5% per year. This is lower than the current level of inflation with the volatile fiscal markets assumption of CPI are difficult to predict and economic experts predict that inflation will level off in 2024/25 to around 2%. A provision of 2.5% in the short-term is considered prudent to reflect that prices for materials in the building industry tend to rise quicker than average inflation.
Annual rent increases	CPI + 1% - Capped in 2023/24 due to high inflation (to be announced) 3% per year thereafter.

Council house sales – “Right to Buys”	18 from 2023/24 and going forwards. Targets set by the Government in calculating the self-financing settlement expect sales of 10 per annum.
Interest Rates	Fixed until 2024 after the second tranche of £10m due in 2023/24. There after the interest will reduce and remain fixed until the next payment in 2026/27.

Financial Risks

3.61 The main risks to the HRA are considered to be those as detailed in the following sections.

Future Rent Levels

3.62 The biggest risk in the Financial Plan is considered to be future rent levels. Government guidance expects the rent levels to increase by CPI plus 1% each year. The MTFP assumes that the rent will increase by 3.0% in 2023/24 and remains at that level each year.

3.63 The HRA is dependent on rental income (currently £13m per year) for its resources. Even small variations in rent changes can have significant implications in monetary terms for the Financial Plan over the longer-term.

Right to Buys

3.64 A decrease in current properties from sales continues to be built into the Budget and Financial Plan and this reflects the current level of sales. Therefore, the HRA will continue to generate resources for further new build and acquisition in the future, although on-going rental income is lost.

3.65 The main risk relates to a sudden surge in sales which has been apparent in recent years; although this generates capital, the loss in on-going rental income could have a much more adverse impact on the HRA which has now been built into the MTFP at a higher level.

Supporting People

3.66 Derbyshire County Council has confirmed the extension of the current contract until March 2024 after that it will no longer support the Careline service.

3.67 The MTFP has removed the contribution of £130k per annum from March 2024. Service provision is currently under review and a new working model will be reported to the Committee during 2023.

3.68 In addition to the loss of income, there are likely to be significant costs incurred for the transfer of the service from analogue to digital. The estimated costs are still unknown but further detail will be included in a report to the Committee during 2023.

Impairment

- 3.69 Impairment is an accounting adjustment that reflects a sudden reduction in the value of an asset. An asset becomes impaired where a one-off event (e.g. fire, vandalism, etc.) causes significant damage or there is a significant change in market conditions, which reduces the value of the asset.
- 3.70 In accordance with accounting regulations, provision has to be made in an organisation's accounts for the loss in an asset's value through impairment. However, as with depreciation, this is purely an accounting exercise for local authorities. Impairment charges are reversed out of revenue accounts to ensure that it does not affect the "bottom line" and Rent (in the HRA's case) payable by Council Tenants.
- 3.71 The Government has been reviewing this accounting treatment to bring local authorities into line with other organisations in accordance with International Reporting Standards. This has been challenged by the relevant professional bodies.
- 3.72 Large impairment adjustments are rare. In addition, impairment needs to affect the wider asset base. For example, damage to one property would not affect the overall value of the Council's stock, which is currently valued at £130m in total.
- 3.73 If there was a wider event affecting many properties however, this would lead to an impairment charge. It is considered that the most likely scenario is a sudden fall in property values as this would affect the overall valuation of the stock. The potential for impairment charges could have serious implications for all housing authorities and this is why it has been challenged.

Changes in Central Government Policy

- 3.74 Although the HRA continues to operate under a self-financing framework, Central Government retain the power to change policy in many areas which can impact upon the Financial Projection.

Universal Credit (UC)

- 3.75 A greater number of Council tenants are now receiving Universal Credit and not Housing Benefit. There is a risk that this change leads to an increase in rent arrears.
- 3.76 Housing Benefit is paid directly to a tenant's Rent Account where this is due. In a system of Universal Credit, the benefit element is effectively paid direct to the Tenant, and this gives the potential for tenants to default on their rent payments and increases rent arrears.
- 3.77 The rebate directly received from Housing Benefit by the HRA has noticeably reduced during 2022/23 compared to 2021/22.

3.78 The debt position at this stage is lower than in last financial year. Rent arrears have decreased over the year by £78k from March 2022. This is due to a review of debt recovery and new processes for collecting rent arrears being introduced.

Rent Levels

3.79 As part of Welfare Reform, rent charges from Registered Providers have been scrutinised and a standard format of charges has been updated within the Rent Standard 2020.

3.80 The Council is currently reviewing the impact of the Rent Standard and will report to Committee with an updated Rent Policy during 2023.

3.81 In accordance with the statutory provisions, the final HRA Budget 2023/24 and proposed rent level will be reported for approval at Finance and Management Committee on 9th February 2023.

Effect on Individual Tenants

3.82 The effect on tenants will be reported once confirmation of the actual rent increase has been agreed. The calculation on the potential effects of rental increases per tenant is illustrated in 3.31.

4.0 Financial Implications

4.1 As detailed in the report.

5.0 Corporate Implications

Employment Implications

5.1 None.

Legal Implications

5.2 None.

Corporate Plan Implications

5.3 The proposed budgets and spending included in the HRA provides the financial resources to enable on-going services and Council priorities to be delivered.

Risk Impact

5.4 The Financial Risk Register is detailed in the Medium-Term Financial Plan and financial risks specific to the HRA are detailed in Section 3.

6.0 Community Impact

Consultation

- 6.1 There is no statutory requirement to consult with tenants or other stakeholders, although it is considered good practice to do so. Traditionally, the Council has disseminated proposals through Area/Community Forums and via a presentation at the South Derbyshire Partnership Board. Many authorities do consult formally regarding their budget proposals and medium-term financial plans prior to setting budgets, using panels, representative groups, etc. as a way of fully engaging local people.

Equality and Diversity Impact

- 6.2 None.

Social Value Impact

- 6.3 None.

Environmental Sustainability

- 6.4 None.

7.0 Conclusions

- 7.1 That the proposed base budgets are scrutinised and approved to provide the financial resources for continuation of service delivery.

8.0 Background Papers

- 8.1 None.

Assumed Void Level	Voids 3.41% (100)	Voids 2.39% (70)	Voids 1.71% (50)	Voids 1.71% (50)	Voids 1.71% (50)	Voids 1.71% (50)	Voids 1.71% (50)	Voids 1.71% (50)	Voids 1.71% (50)	Voids 1.71% (50)
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	2023.24 £'000	2024.25 £'000	2025.26 £'000	2026.27 £'000	2027.28 £'000	2028.29 £'000	2029.30 £'000	2030.31 £'000	2031.32 £'000	2032.33 £'000
MTFP Rent at 3% Increase	-13,124	-13,433	-13,749	-14,073	-14,403	-14,740	-15,085	-15,437	-15,797	-16,184
Rent at 0% increase	-12,493	-12,928	-13,327	-13,641	-13,963	-14,292	-14,627	-14,970	-15,321	-15,679
Total Impact	631	505	422	432	440	448	458	467	476	505

General Reserve Balance (MTFP)	-3,355	-2,768	-2,556	-2,002	-3,026	-4,033	-5,426	-6,762	-8,480	-10,538
Impact to General Fund Reserve (MTFP)	-2,724	-2,263	-2,134	-1,570	-2,586	-3,585	-4,969	-6,295	-8,004	-10,033

	2023.24 £'000	2024.25 £'000	2025.26 £'000	2026.27 £'000	2027.28 £'000	2028.29 £'000	2029.30 £'000	2030.31 £'000	2031.32 £'000	2032.33 £'000
MTFP Rent at 3% Increase	-13,124	-13,433	-13,749	-14,073	-14,403	-14,740	-15,085	-15,437	-15,797	-16,184
Rent at 3% increase	-12,868	-13,316	-13,726	-14,051	-14,382	-14,720	-15,066	-15,420	-15,781	-16,149
Total Impact	256	117	23	22	21	20	19	17	16	35

General Reserve Balance (MTFP)	-3,355	-2,768	-2,556	-2,002	-3,026	-4,033	-5,426	-6,762	-8,480	-10,538
Impact to General Fund Reserve (MTFP)	-3,099	-2,651	-2,533	-1,979	-3,005	-4,014	-5,407	-6,744	-8,463	-10,504

	2023.24 £'000	2024.25 £'000	2025.26 £'000	2026.27 £'000	2027.28 £'000	2028.29 £'000	2029.30 £'000	2030.31 £'000	2031.32 £'000	2032.33 £'000
MTFP Rent at 3% Increase	-13,124	-13,433	-13,749	-14,073	-14,403	-14,740	-15,085	-15,437	-15,797	-16,184
Rent at 5% increase	-13,066	-13,575	-13,993	-14,323	-14,661	-15,006	-15,359	-15,719	-16,087	-16,463
Total Impact	58	-142	-244	-250	-258	-266	-274	-282	-290	-279

General Reserve Balance (MTFP)	-3,355	-2,768	-2,556	-2,002	-3,026	-4,033	-5,426	-6,762	-8,480	-10,538
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Impact to General Fund Reserve (MTFP)	-3,297	-2,910	-2,800	-2,252	-3,284	-4,299	-5,700	-7,044	-8,770	-10,817
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	2023.24 £'000	2024.25 £'000	2025.26 £'000	2026.27 £'000	2027.28 £'000	2028.29 £'000	2029.30 £'000	2030.31 £'000	2031.32 £'000	2032.33 £'000
MTFP Rent at 3% Increase	-13,124	-13,433	-13,749	-14,073	-14,403	-14,740	-15,085	-15,437	-15,797	-16,184
Rent at 7% increase	-13,368	-13,769	-14,182	-14,607	-15,045	-15,497	-15,961	-16,440	-16,934	-17,442
Total Impact	-244	-336	-433	-534	-642	-757	-876	-1,003	-1,137	-1,258

General Reserve Balance (MTFP)	-3,355	-2,768	-2,556	-2,002	-3,026	-4,033	-5,426	-6,762	-8,480	-10,538
Impact to General Fund Reserve (MTFP)	-3,599	-3,103	-2,989	-2,536	-3,668	-4,790	-6,303	-7,765	-9,616	-11,796

Assumed Void Level	Voids 2.39% (70)	Voids 2.39% (70)	Voids 1.71% (50)	Voids 1.71% (50)	Voids 1.71% (50)	Voids 1.71% (50)	Voids 1.71% (50)	Voids 1.71% (50)	Voids 1.71% (50)	Voids 1.71% (50)
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	2023.24 £'000	2024.25 £'000	2025.26 £'000	2026.27 £'000	2027.28 £'000	2028.29 £'000	2029.30 £'000	2030.31 £'000	2031.32 £'000	2032.33 £'000
MTFP Rent at 3% Increase	-13,124	-13,433	-13,749	-14,073	-14,403	-14,740	-15,085	-15,437	-15,797	-16,184
Rent at 0% increase	-12,625	-12,928	-13,327	-13,641	-13,963	-14,292	-14,627	-14,970	-15,321	-15,679
Total Impact	499	505	422	432	440	448	458	467	476	505

General Reserve Balance (MTFP)	-3,355	-2,768	-2,556	-2,002	-3,026	-4,033	-5,426	-6,762	-8,480	-10,538
Impact to General Fund Reserve (MTFP)	-2,856	-2,263	-2,134	-1,570	-2,586	-3,585	-4,969	-6,295	-8,004	-10,033

	2023.24 £'000	2024.25 £'000	2025.26 £'000	2026.27 £'000	2027.28 £'000	2028.29 £'000	2029.30 £'000	2030.31 £'000	2031.32 £'000	2032.33 £'000
MTFP Rent at 3% Increase	-13,124	-13,433	-13,749	-14,073	-14,403	-14,740	-15,085	-15,437	-15,797	-16,184
Rent at 3% increase	-13,004	-13,409	-13,726	-14,051	-14,382	-14,720	-15,066	-15,420	-15,781	-16,149
Total Impact	120	24	23	22	21	20	19	17	16	35

General Reserve Balance (MTFP)	-3,355	-2,768	-2,556	-2,002	-3,026	-4,033	-5,426	-6,762	-8,480	-10,538
Impact to General Fund Reserve (MTFP)	-3,235	-2,744	-2,533	-1,979	-3,005	-4,014	-5,407	-6,744	-8,463	-10,504

	2023.24 £'000	2024.25 £'000	2025.26 £'000	2026.27 £'000	2027.28 £'000	2028.29 £'000	2029.30 £'000	2030.31 £'000	2031.32 £'000	2032.33 £'000
MTFP Rent at 3% Increase	-13,124	-13,433	-13,749	-14,073	-14,403	-14,740	-15,085	-15,437	-15,797	-16,184
Rent at 5% increase	-13,256	-13,575	-13,993	-14,323	-14,661	-15,006	-15,359	-15,719	-16,087	-16,463
Total Impact	-132	-142	-244	-250	-258	-266	-274	-282	-290	-279

General Reserve Balance (MTFP)	-3,355	-2,768	-2,556	-2,002	-3,026	-4,033	-5,426	-6,762	-8,480	-10,538
Impact to General Fund Reserve (MTFP)	-3,487	-2,910	-2,800	-2,252	-3,284	-4,299	-5,700	-7,044	-8,770	-10,817

	2023.24 £'000	2024.25 £'000	2025.26 £'000	2026.27 £'000	2027.28 £'000	2028.29 £'000	2029.30 £'000	2030.31 £'000	2031.32 £'000	2032.33 £'000
MTFP Rent at 3% Increase	-13,124	-13,433	-13,749	-14,073	-14,403	-14,740	-15,085	-15,437	-15,797	-16,184
Rent at 7% increase	-13,509	-13,833	-14,259	-14,596	-14,940	-15,292	-15,651	-16,018	-16,393	-16,777
Total Impact	-385	-400	-510	-523	-537	-552	-566	-581	-596	-593

General Reserve Balance (MTFP)	-3,355	-2,768	-2,556	-2,002	-3,026	-4,033	-5,426	-6,762	-8,480	-10,538
Impact to General Fund Reserves (MTFP)	-3,740	-3,168	-3,066	-2,525	-3,563	-4,585	-5,992	-7,343	-9,076	-11,131

Assumed Void Level	Voids 1.71% (50)	Voids 1.71% (50)	Voids 1.71% (50)	Voids 1.71% (50)	Voids 1.71% (50)	Voids 1.71% (50)	Voids 1.71% (50)	Voids 1.71% (50)	Voids 1.71% (50)	Voids 1.71% (50)
	2023.24 £'000	2024.25 £'000	2025.26 £'000	2026.27 £'000	2027.28 £'000	2028.29 £'000	2029.30 £'000	2030.31 £'000	2031.32 £'000	2032.33 £'000
MTFP Rent at 3% Increase	-13,124	-13,433	-13,749	-14,073	-14,403	-14,740	-15,085	-15,437	-15,797	-16,184
Rent at 0% increase	-12,713	-13,019	-13,327	-13,641	-13,963	-14,292	-14,627	-14,970	-15,321	-15,679
Total Impact	411	414	422	432	440	448	458	467	476	505

General Reserve Balance (MTFP)	-3,355	-2,768	-2,556	-2,002	-3,026	-4,033	-5,426	-6,762	-8,480	-10,538
Impact to General Fund Reserve (MTFP)	-2,944	-2,353	-2,134	-1,570	-2,586	-3,585	-4,969	-6,295	-8,004	-10,033

	2023.24 £'000	2024.25 £'000	2025.26 £'000	2026.27 £'000	2027.28 £'000	2028.29 £'000	2029.30 £'000	2030.31 £'000	2031.32 £'000	2032.33 £'000
MTFP Rent at 3% Increase	-13,124	-13,433	-13,749	-14,073	-14,403	-14,740	-15,085	-15,437	-15,797	-16,184
Rent at 3% increase	-13,094	-13,409	-13,726	-14,051	-14,382	-14,720	-15,066	-15,420	-15,781	-16,149
Total Impact	30	24	23	22	21	20	19	17	16	35

General Reserve Balance (MTFP)	-3,355	-2,768	-2,556	-2,002	-3,026	-4,033	-5,426	-6,762	-8,480	-10,538
Impact to General Fund Reserve (MTFP)	-3,326	-2,744	-2,533	-1,979	-3,005	-4,014	-5,407	-6,744	-8,463	-10,504

	2023.24 £'000	2024.25 £'000	2025.26 £'000	2026.27 £'000	2027.28 £'000	2028.29 £'000	2029.30 £'000	2030.31 £'000	2031.32 £'000	2032.33 £'000
MTFP Rent at 3% Increase	-13,124	-13,433	-13,749	-14,073	-14,403	-14,740	-15,085	-15,437	-15,797	-16,184
Rent at 5% increase	-13,348	-13,669	-13,993	-14,323	-14,661	-15,006	-15,359	-15,719	-16,087	-16,463
Total Impact	-224	-236	-244	-250	-258	-266	-274	-282	-290	-279

General Reserve Balance (MTFP)	-3,355	-2,768	-2,556	-2,002	-3,026	-4,033	-5,426	-6,762	-8,480	-10,538
Impact to General Fund Reserve (MTFP)	-3,580	-3,004	-2,800	-2,252	-3,284	-4,299	-5,700	-7,044	-8,770	-10,817

2023.24	2024.25	2025.26	2026.27	2027.28	2028.29	2029.30	2030.31	2031.32	2032.33
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	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
MTFP Rent at 3% Increase	-13,124	-13,433	-13,749	-14,073	-14,403	-14,740	-15,085	-15,437	-15,797	-16,184
Rent at 7% increase	-13,603	-13,930	-14,259	-14,596	-14,940	-15,292	-15,651	-16,018	-16,393	-16,777
Total Impact	-479	-497	-510	-523	-537	-552	-566	-581	-596	-593
General Reserve Balance (MTFP)	-3,355	-2,768	-2,556	-2,002	-3,026	-4,033	-5,426	-6,762	-8,480	-10,538
Impact to General Fund Reserves (MTFP)	-3,834	-3,265	-3,066	-2,525	-3,563	-4,585	-5,992	-7,343	-9,076	-11,131

HOUSING REVENUE ACCOUNT FINANCIAL PROJECTION - JANUARY 2023

	2022.23	2023.24	2024.25	2025.26	2026.27	2027.28	2028.29	2029.30	2030.31	2031.32	2032.33
	Proposed Budget £'000	Forecast £'000	Forecast £'000	Forecast £'000	Forecast £'000	Forecast £'000	Forecast £'000	Forecast £'000	Forecast £'000	Forecast £'000	Forecast £'000
INCOME											
Rental Income	-12,893	-13,124	-13,433	-13,749	-14,073	-14,403	-14,740	-15,085	-15,437	-15,797	-16,184
Non-Dwelling Income	-124	-106	-130	-133	-137	-140	-144	-148	-151	-155	-159
Supporting People Grant	-130	-130	0	0	0	0	0	0	0	0	0
Other Income	-177	-190	-177	-177	-177	-177	-177	-177	-177	-177	-177
Total Income	-13,324	-13,550	-13,740	-14,059	-14,387	-14,720	-15,061	-15,410	-15,765	-16,129	-16,520
EXPENDITURE											
General Management	2,065	2,184	2,145	2,192	2,241	2,291	2,342	2,394	2,447	2,502	2,558
Supporting People	908	994	950	976	1,004	1,032	1,062	1,094	1,126	1,161	1,197
Responsive	1,678	1,777	1,755	1,797	1,840	1,884	1,928	1,974	2,021	2,070	2,120
Planned Maintenance	1,790	1,761	1,873	1,918	1,965	2,013	2,062	2,113	2,164	2,217	2,271
Bad Debt Provision	125	131	134	137	140	144	147	150	154	158	161
Interest Payable & Receivable	1,456	1,362	1,186	1,186	1,186	885	886	886	886	886	556
Depreciation	4,213	4,844	4,481	4,458	4,435	4,413	4,390	4,368	4,345	4,323	4,301
Net Operating Income	-1,089	-497	-1,216	-1,395	-1,576	-2,058	-2,244	-2,431	-2,622	-2,812	-3,356
Known variations:											
Reversal of Depreciation	-4,213	-4,844	-4,481	-4,458	-4,435	-4,413	-4,390	-4,368	-4,345	-4,323	-4,301
Capital Expenditure	1,620	1,433	1,877	1,916	1,847	2,182	2,261	2,489	2,403	1,805	2,301
Disabled Adaptations	300	300	300	300	300	300	300	300	300	300	300
Asbestos and Health & Safety Surveys	100	100	100	100	100	100	100	100	100	100	100
Debt Repayment - Balance of Depreciation	1,593	2,561	1,704	1,642	2,038	1,281	1,179	979	1,042	1,618	1,100
Major Repairs Reserve	600	550	600	600	250	650	650	600	600	600	600
Asset Replacement Earmarked Reserve	45	45	45	45	45	45	45	45	45	50	50

HOUSING REVENUE ACCOUNT FINANCIAL PROJECTION - JANUARY 2023

	2022.23 Forecast £'000	2023.24 Forecast £'000	2024.25 Forecast £'000	2025.26 Forecast £'000	2026.27 Forecast £'000	2027.28 Forecast £'000	2028.29 Forecast £'000	2029.30 Forecast £'000	2030.31 Forecast £'000	2031.32 Forecast £'000	2032.33 Forecast £'000
Additional Debt Repayment Transfer	2,500	2,100	1,500	1,300	1,850	750	750	750	1,000	800	1,000
Investment Income	-313	0	0	0	0	0	0	0	0	0	0
Capital works non-traditional properties	100	0	0	0	0	0	0	0	0	0	
Options Appraisal Smallthorne Place	23	0	0	0	0	0	0	0	0	0	0
Potential Pay Award	151	55	56	57	59	60	62	62	58	59	60
ICT Upgrades	30	30	30	30	0	0	200	0	0	0	82
Rent Loss Provision	65	66	68	69	71	73	74	76	78	80	0
Incremental Salary Increases	0	0	5	5	5	6	6	6	6	6	6
HRA Surplus (-) / Deficit	1,511	1,898	587	212	554	-1,024	-1,008	-1,393	-1,336	-1,718	-2,059

HRA General Reserve

HRA Reserve B/fwd	-6,494	-4,984	-3,085	-2,498	-2,286	-1,732	-2,756	-3,764	-5,156	-6,492	-8,210
(Surplus) / Deficit for year	1,511	1,898	587	212	554	-1,024	-1,008	-1,393	-1,336	-1,718	-2,059
HRA Reserve C/fwd	-4,984	-3,085	-2,498	-2,286	-1,732	-2,756	-3,764	-5,156	-6,492	-8,210	-10,268

RESERVES

Debt Repayment Reserve

Balance B/fwd	-1,600	-5,693	-14	-3,218	-6,160	-48	-2,079	-4,008	-5,737	-7,779	-197
Depreciation balance	-1,593	-2,561	-1,704	-1,642	-2,038	-1,281	-1,179	-979	-1,042	-1,618	-1,100
Transfers to reserve	-2,500	-2,100	-1,500	-1,300	-1,850	-750	-750	-750	-1,000	-800	-1,000
Repayment of loan	0	10,000	0	0	10,000	0	0	0	0	10,000	0
Reserve C/fwd	-5,693	-354	-3,218	-6,160	-48	-2,079	-4,008	-5,737	-7,779	-197	-2,297

Earmarked Reserve

Balance B/fwd	-401	-298	-298	-73	-118	-163	-208	-253	-298	-63	-113
Vehicle Replacement Transfer to Reserve	-45	-45	-45	-45	-45	-45	-45	-45	-45	-50	-50
Software Upgrade	148	45	0	0	0	0	0	0	0	0	0

Asset Replacement	0	0	270	0	0	0	0	0	280	0	0
Reserve C/fwd	-298	-298	-73	-118	-163	-208	-253	-298	-63	-113	-163

HOUSING REVENUE ACCOUNT FINANCIAL PROJECTION - JANUARY 2023

	2022.23	2023.24	2024.25	2025.26	2026.27	2027.28	2028.29	2029.30	2030.31	2031.32	2032.33
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Major Repairs Reserve											
Balance B/fwd	-4,457	-5,157	-6,542	-7,142	-7,742	-7,992	-8,642	-9,292	-9,892	-10,492	-11,092
Transfers to reserve	-600	-550	-600	-600	-250	-650	-650	-600	-600	-600	-600
Earmarked non-traditional properties	-100	0	0	0	0	0	0	0	0	0	0
Reserve C/fwd	-5,157	-5,707	-7,142	-7,742	-7,992	-8,642	-9,292	-9,892	-10,492	-11,092	-11,692
New Build Reserve											
Capital Receipts B/fwd	-2,935	-3,376	-3,991	-4,602	-5,214	-5,826	-6,437	-7,049	-7,660	-8,272	-8,884
Acquisitions in year	280	0	0	0	0	0	0	0	0	0	0
RTB Receipts in year	-721	-615	-612	-612	-612	-612	-612	-612	-612	-612	-612
Borrowing in year	0	0	0	0	0	0	0	0	0	0	0
Balance c/fwd	-3,376	-3,991	-4,602	-5,214	-5,826	-6,437	-7,049	-7,660	-8,272	-8,884	-9,495

REPORT TO:	HOUSING AND COMMUNITY SERVICES COMMITTEE	AGENDA ITEM: 7
DATE OF MEETING:	02 FEBRUARY 2023	CATEGORY: RECOMMENDED
REPORT FROM:	STRATEGIC DIRECTOR (SERVICE DELIVERY)	OPEN
MEMBERS' CONTACT POINT:	MATT HOLFORD – HEAD OF ENVIRONMENTAL SERVICES	DOC:
SUBJECT:	HOME UPGRADE GRANT PHASE 2	REF:
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: HCS02

1. Recommendations

- 1.1 That the Committee approves the bid made to Midlands Net Zero Hub (MNZH) for £2,178,000 for Home Upgrades Grant Phase 2 funding to decarbonise and improve energy efficiency in off-gas private sector properties.

2. Purpose of Report

- 2.1 To advise the Committee of the content of a bid made to MNZH to invest in the private sector housing stock in South Derbyshire under the Home Upgrades Grant and the proposed next steps.

3. Background

- 3.1 The Council has previously submitted three rounds of successful bids to support the ambitions contained in the Climate and Environmental Action Plan to decarbonise the private sector housing stock in South Derbyshire and to reduce fuel poverty.
- 3.2 These bids consisted of Local Authority Delivery Phase 1b (LAD1b), Local Authority Delivery Phase 2 (LAD2), Local Authority Delivery Phase 3 (LAD3) and Home Upgrades Grant Phase 1 (HUG1).
- 3.3 Details of all of the bids are contained in the previous Committee Reports referred to in the References section at the end of this report and progress with the projects are referred to in the annual report from the Corporate Environmental Sustainability Group.
- 3.4 In September 2022, the government announced a new funding stream, Home Upgrades Grant Phase 2 (HUG2).
- 3.5 The aim of the funding is to provide energy efficiency upgrades and low carbon heating via local authority funding, to households in England that:
 - are low income
 - are off the gas grid
 - have an Energy Performance Certificate (EPC) between D and G

- 3.6 Up to £700 million of funding is being made available to local authorities to help them deliver HUG 2 until March 2025. Funding will be released to successful local authorities in the financial years 2023 to 2024 and 2024 to 2025.

4. HUG2 Details

- 4.1 Eligible households for receipt of HUG2 must either:
- Have a combined gross annual household income of no more than £31,000 which must be capable of being verified by the local authority; or
 - Be located in an eligible area. Households living in the most economically deprived neighbourhoods (income deciles 1- 3) will be automatically eligible for upgrades, provided they live in off-gas grid properties rated EPC band D or below. The government has published a list of eligible postcode areas.
- 4.2 HUG2 applies to off-gas grid domestic dwellings only (defined as being mainly heated by electricity, oil, coal, LPG, or solid fuels).
- 4.3 Social Housing is allowed to be included up to a maximum of 10% and only as part of area based retrofit of mixed tenure housing;
- 4.4 Park homes are also eligible but should make up less than 10% of the total homes treated per project;
- 4.5 Eligible measures are any energy efficiency and heating measures compatible with the Standard Assessment Procedure (SAP) that will help improve the energy performance of homes. Fossil fuel based heating systems are ineligible (including hybrid heat pumps).
- 4.6 A fabric first approach of insulation and heat loss prevention measures is required, in line with the principles of PAS 2035.
- 4.7 Measures have been categorised as grade A, B, or C, according to various considerations, including strategic fit, value for money, and the size of the roll out expected under HUG 2.
- 4.8 Grade A measures, which includes insulation, draft proofing, heat pumps, central heating, heating controls and battery storage, must represent at least 60% of measures costs per LA project, whilst grade C measures cannot represent more than 10% of measures costs per LA project.
- 4.9 HUG 2 has introduced new distinct capital cost caps for energy efficiency and low carbon heat. Cost caps are based on property characteristics (archetype and wall type). The energy efficiency cost cap ranges from £3k-24k dependent on property archetype and characteristics. The clean heat cost cap ranges from £5k-14k based on property archetype. The total cost cap for a home will therefore range from £3-38k.

5. Funding Sources

- 5.1 The window for bid submissions for HUG2 to BEIS opened at the end of September 2022, with a bid submission date of 18 November 2022.
- 5.2 Shortly after the bid window opened, the Council was approached by Midlands Net Zero Hub informing us of their intention to submit a regional bid of up to £140m. MNZH invited the Council to be a partner in the Midlands regional bid and offered an indicative allocation of £1,111,000 for South Derbyshire if the regional bid was successful.

- 5.3 SDDC officers initially began developing an evidence base and project delivery plan to submit a direct bid to BEIS, which included bid development meetings with facilitators at Turner and Townsend.
- 5.4 As the practicalities of the delivery of the project became clearer, it was apparent that an independent bid from SDDC would score relatively poorly when compared against the scoring criteria published by BEIS.
- 5.5 At this point officers turned to the offer from MNZH and in response to the partnership offer, SDDC proposed what was considered to be an ambitious counter-proposal for a project requiring funding of £2,178,000.
- 5.6 MNZH accepted the proposal and included it within a Midlands regional bid to BEIS.
- 5.7 An announcement is expected in January 2023.

6. South Derbyshire HUG Phase 2 proposals

- 6.1 South Derbyshire District Council completed a comprehensive, desktop housing stock condition survey in 2019 which obtained property level data of all 44,210 properties in the District.
- 6.2 This dataset identified that 23,723 properties in South Derbyshire (53.7%) have a current EPC rating. A total of 4,288 (18.1%) of current EPC ratings are in the range E to G of which 67.6% are owner occupied (2,900), 26.1% are rented (1,119), 6.3% are social housing (269).
- 6.3 The Council has identified 3,068 properties within South Derbyshire which are within an IMD decile postcode area rated 1 to 3 and have an EPC rating of D to G or no current EPC and which are in an off-gas postcode area.
- 6.4 In South Derbyshire there are 36 off-gas postcodes defined as IMD 1 to 3 which each contain 30 or more properties which have no EPC or are EPC D to G. These 36 postcode areas will be the target of marketing activity for HUG2.
- 6.5 Marketing and lead generation will be delivered through our appointed Customer Access Journey provider and will include Council branding and links to relevant Council webpages to provide assurance.
- 6.6 Lead generation will involve postal and face to face interaction with the occupiers of the specific targeted properties; community centred marketing in the target areas including the Fantastic Homes interactive van; promotion at high footfall local events including Liberation Day and Party in the Park; online marketing through SDDC website and SDDC facebook and twitter feeds.
- 6.7 10% of the HUG2 project will be targeted at park homes. We already have nine applications from park homes residents for green homes grants and which cannot be accommodated under the conditions of the existing grant funding for LAD3 or HUG1.
- 6.8 Lead generation will also be provided by direct referral via the Councils Private Sector Housing Team who on average provide direct support to 170 households per year and also act as a signposting services for key partners such social services, hospital discharge, CVS and GP Practice Care Co-ordinators.

- 6.9 The Customer Access Journey will provide enquiry support prior to the submission of client expressions of interest or HUG2 applications. This will be via a dedicated phone-line and on-line portal.
- 6.10 On receipt of expressions of interest the Customer Access Journey will provide advice including Pre-EPC phone support, home visits, bill and tariff advice and signposting to alternative sources of capital support (e.g. Eco4 flex). The LAD1b and LAD 2 bids have already targeted areas with the highest numbers of properties with an EPC rating of E to G and in deprivation decile 1 to 5.
- 6.11 The LAD2 bid aims to deliver improvements to 110 properties in South Derbyshire.

7. Financial Implications

- 7.1 Major beneficial. The project will bring a further £2,178,000 of investment into South Derbyshire's private sector housing stock.
- 7.2 This will represent a medium-term investment in the local energy retrofit market, thus boosting the green economy. It will also deliver a long-term investment in the local housing stock with the associated financial and carbon savings described earlier in the report.

8. Corporate Implications

- 8.1 **Employment.** A Low Carbon Homes team was created in 2022 in order to provide a specialist dedicated resource to support the delivery of low carbon improvements in the private sector and to combat fuel poverty.
- 8.2 The Low Carbon Homes team was created on the basis that it would be self-funding by way of successfully securing external funding. Acceptance of the bid will enable the Low Carbon Homes Team to continue for a further two years and in doing so will enable the two full time posts within the Team to continue.
- 8.3 **Legal.** The bid will be subject of a Memorandum of Understanding between MNZH and the Council. The MoU sets out a reporting framework which will need to be completed by the Low Carbon Homes Team in order to satisfy MNZH that the project aims are being met.
- 8.4 **Corporate Plan implications** – The proposals align with the key Corporate Plan theme of 'Our Environment' as well as the two key aims of "Strive to make South Derbyshire District Council carbon neutral by 2030" and "Work with residents, businesses and partners to reduce their carbon footprint".
- 8.5 **Risk impact** - None

9. Community Implications

- 9.1 **Consultation.** The bid directly contributes to action DSP4 of the Councils Climate and Environment Action Plan. This Action Plan has already been the subject of consultation and approval.
- 9.2 **Equality and Diversity.** Positive.
- 9.3 **Social Value Impact.** Positive.
- 9.4 **Environmental Sustainability.** Positive

10. Conclusion

10.1 The report seeks the Committee's endorsement of the HUG2 bid and acceptance of the funding offer from MNZH.

11. References

[Housing and Community Services Committee, 28 January 2021](#)

[Housing and Community Services Committee, 3 June 2021](#)

[Housing and Community Services Committee, 30 September 2021](#)

[Housing and Community Services Committee, 19 April 2022](#)

REPORT TO:	HOUSING AND COMMUNITY SERVICES COMMITTEE	AGENDA ITEM: 8
DATE OF MEETING:	02 FEBRUARY 2023	CATEGORY: (
REPORT FROM:	STRATEGIC DIRECTOR SERVICE DELIVERY	OPEN
MEMBERS' CONTACT POINT:	PAUL WHITTINGHAM. Paul.Whittingham@southderbyshire.gov.uk	DOC:
SUBJECT:	REGULATOR OF SOCIAL HOUSING-TENANT SATISFACTION INDICATORS	
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: HCS01

1.0 Recommendations

- 1.1 That all Council tenants are invited to take part in an annual satisfaction survey for the year 2023/24.
- 1.2 That after the survey, subsequent annual surveys are carried out based on a representative sample of tenants
- 1.3 That the first three years surveys are completed by externally procured market research specialists.

2.0 Purpose of the Report

- 2.1 This report updates the Committee with progress with preparing for the Regulator of Social Housing (RSH) new regulatory framework which was outlined in a report on 28th January 2021.
- 2.2 The report also confirms the new suite of Tenant Satisfaction Measures that all Registered Social Landlords are required to collect annually from 1st April 2023 and how the Council will collect this information.
- 2.3 The report proposes an initial “census” style survey of all tenants with subsequent surveys based on a statistically and demographically representative sample of tenants.

3.0 Executive Summary

- 3.1 The Government published “The Social Housing White Paper-The Charter for Social Housing Residents” in 2020. This was presented to the Housing and Community Services Committee on 28th January 2021.

- 3.2 The White Paper confirmed that a new suite of Tenant Satisfaction Measures (TSMs) would be introduced by the Regulator of Social Housing. (RSH)
- 3.3 These indicators were published in November 2021. This report outlines the indicators and proposes the methodology by which the Council will collect this data from tenants.

4.0 **Detail**

- 4.1 In November 2021, the Housing Regulator published “Reshaping Consumer Regulation our Principles and Approach” outlining the four key areas of regulation
- Principles and outcomes
 - Standards
 - Our consumer regulation approach
 - Tenant satisfaction measures

The principles on which regulation will be carried out are :

Co-regulatory – landlords are responsible for meeting the regulatory standards, with landlords supporting their tenants to shape and scrutinise service delivery, to hold them to account and for understanding their performance, telling the regulator if they are not meeting a standard.

Proportionate – when assessing whether landlords meet the standards and if regulatory action may be needed, the Regulator considers the impact of the issue.

Risk based – our regulatory engagement and actions are targeted according to the risk of standards not being met and the impact that this has on the tenants of that landlord.

Assurance based – we seek assurance from landlords about whether they meet the standards. In other words, the responsibility is on landlords to demonstrate their compliance . Where landlords do not provide that assurance, this will be reflected in the judgements that are reached.

Outcome focused – The standards set out the outcomes landlords are expected to achieve, in that:

- Social housing is well managed
- Tenants’ complaints are dealt with efficiently and effectively.
Tenants are treated with fairness and respect and their diverse needs are considered.
- Social housing stock meets the decent homes standard.
- Landlords ensure social housing meets health and safety requirements and consider safety in the management of housing.
- Landlords comply with tenancy law and regulations and avoid unnecessary evictions.
- Tenants have access to information to hold their landlords to account.
- Tenants have opportunities to influence the decisions and priorities of their landlords with respect to their housing.
- Landlords take account of the views of tenants in the management of their homes.
- Landlords work with other agencies to contribute to the safety and well

being of the areas in which the homes they are responsible for are situated.

4.2 The Regulator has confirmed six themes now contained within its Consumer Standards .

- Safety
- Quality
- Neighbourhood
- Transparency
- Engagement and Accountability
- Tenancy

The Regulator has also confirmed that their approach to Consumer regulation will involve:

Consumer inspections – either as part of a planned programme of gathering assurance, or where we are responding to information that standards are not being met

Reactive engagement – responsive follow up on information that indicates a potential breach of the standards

Desk -top reviews – reviewing information about landlords' performance from the tenant satisfaction measures and a range of other sources

Data returns – a wide range of information is already collected from landlords

In September 2022 the Housing Regulator also published the final suite of Tenant Satisfaction Measures . There are 22 Measures that cover the regulatory themes. Twelve are Tenant Perception Measures to be captured through a satisfaction survey.

Table 1 :Summary of Tenant Satisfaction Measures to be collected by survey

Reference	Measure
TP01	Overall satisfaction
TP02	Satisfaction with repairs
TP03	Satisfaction with time taken to complete most recent repair
TP04	Satisfaction that the home is well maintained
TP05	Satisfaction that the home is safe
TP06	Satisfaction that the landlord listens to tenant views and acts upon them
TP07	Satisfaction that the landlord keeps tenants informed about things that matter to them
TP08	Agreement that the landlord treats tenants fairly and with respect
TP09	Satisfaction with the landlord's approach to handling complaints

TP10	Satisfaction that the landlord keeps communal areas clean and well maintained
TP11	Satisfaction that the landlord makes a positive contribution to neighbourhoods
TP12	Satisfaction with the landlord's approach to handling anti-social behaviour

This data must be collected annually either from a survey of all tenants or of a representative sample.

- 4.3 The remaining Tenants Satisfaction Measures will be generated from internal/management information

Table 2 Satisfaction Data to be collected from existing Management Information

Reference	Measure
CH01	Complaints relative to the size of the landlord
CH02	Complaints responded to within Complaint Handling Code timescales
NM01	Anti-social behaviour cases relative to the size of the landlord
RP01	Homes that do not meet the Decent Homes Standard
RP02	Repairs completed within target timescale
BS01	Gas safety checks
BS02	Fire safety checks
BS03	Asbestos safety checks
BS04	Water safety checks
BS05	Lift safety checks

Most of this information is already collected by the Council. Work is underway to ensure that it will be collected in the format required by the RSH from 1st April 2023

The results of the survey and the internal management information are to be submitted & published annually. The first results will be submitted in the summer of 2024. They will form the basis of an Annual Compliance Report which will be presented to the Housing and Community Services Committee.

- 4.4 The RSH has prescribed the technical requirements for carrying out the perception survey. It must be completed as a "single integrated survey" which asks all of the perception questions. These questions have got to be asked using the prescribed wording and offer the same choice of responses. Which is: "taking everything into account, how satisfied or dissatisfied are you with the service provided by [your landlord]?" Very satisfied, Fairly satisfied, Neither satisfied nor dissatisfied, Fairly dissatisfied or Very dissatisfied

- 4.5 Providers are also required to ensure that they employ a suitable level of expertise to design and apply a survey methodology to generate tenant perception measures in a way that meets the requirements of this document” Furthermore, whilst landlords can choose to conduct surveys and calculate the perception measures in-house, or through external contractors they must ensure that the measures are collected and reported in accordance with the Market Research Society Code of Conduct Providers must also ensure that calculations used to generate perception measures have been subject to an appropriate level of verification and validation.
- 4.6 The Council will also need to ensure that the results of the survey are representative of the relevant tenant population and be able to check this by age, ethnicity, household size and property type.
- 4.7 A trial survey was carried out by the Housing team using the previous suite of regulatory questions and offering either paper based or online response options to tenants. Whilst this did not incur any additional external consultancy fees it highlighted other issues with completing a large-scale perception survey. The sending and receiving of paper surveys was both costly and time consuming. The construction of a simple database and manual input of completed forms onto this was also time consuming. Once completed there was no capacity within the team to carry out the level of analysis and verification that the guidance requires. Similarly, it is unlikely that an in-house survey would meet the requirements of the Market research Society Code of Conduct. Therefore, as with previous large scale tenant satisfaction surveys, it is proposed to tender the completion of an initial annual survey of all tenants, with a further two years sample survey to be included in the tender. The survey will consist of no more than the twelve Regulatory questions along with a request for some additional personal and demographic information which is necessary to meet the representative requirements of the guidance and also to help frame the sample size for future surveys. This will provide a robust starting point for the Council in this new regulatory framework.

5.0 Financial Implications

- 5.1 It is anticipated that the cost of outsourcing the Satisfaction Survey and analysis for the first three years will be around £33000. This is already provided for within the Housing Services Budget.

6.0 Corporate Implications

Employment Implications

- 6.1 There are no direct employment implications contained within this report

Legal Implications

- 6.2 There are no direct legal implications contained within this report.

Corporate Plan Implications

- 6.3 The new suite of Tenant Satisfaction Measures are in line with the aims within the Councils Corporate Plan to:
Deliver excellent services:
Ensure consistency in the way the Council deals with its service users. Have in place methods of communication that enable customers to provide and receive information. Ensure technology enables us to effectively connect with our communities
Support and safeguard the most vulnerable
With partners encourage independent living and keep residents healthy and happy in their homes. Promote health and wellbeing across the district. Improve the condition of housing stock and public buildings.

Risk Impact

- 6.4 The new suite of Tenant Satisfaction Indicators has a direct impact on addressing risk SD3 Property Safety identified in the Councils Service Delivery Risk Register.

7.0 Community Impact

Consultation

- 7.1 The new suite of indicators was discussed in draft form with the South Derbyshire District Council Tenants Voice Group.

Equality and Diversity Impact

- 7.2 The RSH requires Housing Providers to ensure that the results of the new Tenant Satisfaction Measures are representative of the local tenant's community.

Social Value Impact

- 7.3 Completing TSM surveys is a major contribution towards the aims expressed in the White Paper, "to raise the standard of social housing and meet the aspirations of residents throughout the country, today and in the future. It speaks to safety, to quality, to family, to life free from the blight of crime and anti-social behavior".

Environmental Sustainability

- 7.4 There are no direct environmental impacts within this report.

8.0 Conclusions

- 8.1 The completion of an Annual TSM survey is now a regulatory requirement.
- 8.2 A comprehensive survey is necessary in the first year of the regulatory regime to provide a robust baseline for future satisfaction surveys.
- 8.3 It will be necessary to externally procure the provision of the survey, data collection and analysis of the results in order to meet the requirements of the Regulator For Social Housing.

9.0 **Background Papers**

Housing White Paper – Report to Housing and Community Services Committee
28th January 2021

Notes:

- * Category – Please see the Committee Terms Of Reference in [Responsibility for Functions - Committees](#). This shows which committee is responsible for each function and whether it has delegated authority to make a decision, or needs to refer it elsewhere with a recommendation.
- ** Open/Exempt - All reports should be considered in the open section of the meeting, unless it is likely that exempt information would be disclosed. Please see the [Access to Information Procedure Rules](#) for more guidance.
- *** Committee Terms Of Reference in [Responsibility for Functions - Committees](#).

REPORT TO:	HOUSING AND COMMUNITY SERVICES COMMITTEE	AGENDA ITEM: 9
DATE OF MEETING:	02 FEBRUARY 2023	CATEGORY: DELEGATED
REPORT FROM:	STRATEGIC DIRECTOR (SERVICE DELIVERY)	OPEN
MEMBERS' CONTACT POINT:	DEMOCRATIC SERVICES 01283 595 5848/5722 democraticservices@southderbyshire.gov.uk	DOC:
SUBJECT:	COMMITTEE WORK PROGRAMME	REF:
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: G

1.0 Recommendations

1.1 That the Committee considers and approves the updated work programme.

2.0 Purpose of Report

2.1 The Committee is asked to consider the updated work programme.

3.0 Detail

3.1 Attached at Annexe 'A' is an updated work programme document. The Committee is asked to consider and review the content of this document.

4.0 Financial Implications

4.1 None arising directly from this report.

5.0 Background Papers

5.1 Work Programme.

Housing and Community Services Committee – 02 February 2023 Work Programme

Work Programme Area	Date of Committee meetings	Contact Officer (Contact details)
Reports Previously Considered By Last 5 Committees		
Service Plan 2022/23	1 June 2022	James Taylor Communications Manager (01283 228705)
Corporate Plan 2020-24: Performance Report (2020-2021 Quarter 4 – (1 April to 31 March)	1 June 2022	Jennifer Doughty Corporate Performance and Policy Officer (01283) 228746
Recruitment Of Active Schools' Partnership (Asp) Bikeability Instructor	1 June 2022	Ian Gee Active Schools Partnership Officer (07472310737)
Derbyshire County Council Consultation On Independent Living Service Provision	1 June 2022	Paul Whittingham Head of Housing (01283) 595984
Corporate Plan 2020-24: Performance Report (2022-2023 Quarter 1 – (1 April to 30 June)	18 August 2022	Clare Booth Corporate Performance & Policy Officer (01283) 595788
Financial Contribution Towards An Active Schools Partnership PE & School Sport Apprentice Through Amber Valley School Sport Partnership (AVSSP)	18 August 2022	Ian Gee Active Schools Partnership Office (01283) 288751
Community and Environmental Partnerships Grant Scheme	18 August 2022	Sally Hemsley Community Partnership Officer (01283 (595894)

SDDC Supported Voluntary & Community Sector Organisations: Overview Reports 2021-22	29 September 2022	Sally Hemsley Community Partnership Officer (01283 595894)
Fields In Trust Protection of Green Spaces	29 September 2022	Chris Worman Parks and Green Spaces Manager 01283 595774
Catering Concession Opportunities on Parks and Green Spaces	29 September 2022	Chris Worman Parks and Green Spaces Manager 01283 595774
Corporate Plan Performance Report Q2	17 November 2022	Clare Booth Corporate Performance & Policy Officer (01283) 595788
Swadlincote Woodlands Local Nature Reserve Status	17 November 2022	Chris Worman Parks and Green Spaces Manager 01283 595774
Repurposing of Shopmobility Grant to South Derbyshire CVS	17 November 2022	Sally Hemsley Community Partnership Officer (01283 595894)
Community and Environmental Partnership Grant Scheme	17 November 2022	Sally Hemsley Community Partnership Officer (01283 595894)
Adoption of Memorial Bench Scheme	17 November 2022	Chris Worman Parks and Green Spaces Manager 01283 595774
Beat the Street	17 November 2022	
Service Base Budgets	05 January 2022	Charlotte Jackson Head of Finance (01283 595901)
Housing Revenue Account Budget and Rent Level 2023-24	05 January 2022	Charlotte Jackson Head of Finance (01283 595901)

Decarbonisation Wave 2 Grant Funding	05 January 2023	Paul Whittingham Head of Housing (01283) 595984
Provisional Programme of Reports To Be Considered by Committee		
Housing Regulator -new tenant satisfaction measures	02 February 2023	Paul Whittingham Head of Housing (01283) 595984
HRA Budget and Rent Setting 23/24 and Financial Plan to 2033	02 February 2023	Charlotte Jackson Head of Finance (01283) 595901
Home Upgrades Grant Phase 2 Bid	02 February 2023	Matt Holford Head of Environmental Services (01283) 595856
Foundations adaptations services review	09 March 2023	Paul Whittingham Head of Housing (01283) 595984
Tenancy Strategy and Tenancy Policy	09 March 2023	Paul Whittingham Head of Housing (01283) 595984
Development and refurbishment Options Appraisals	25 April 2023	Paul Whittingham Head of Housing (01283) 595984
Health and Housing Strategy 2021-23	TBC	Eileen Jackson Strategic Housing Manager (01213) 595763
Policy on Access to Allotments	TBC	Head of Cultural & Community Services 07917 541274
Careline Services Digital Switch Strategy	TBC	Paul Whittingham Head of Housing (01283) 595984