

ITEM No ...2.....

REPORT TO: NEIGHBOURHOOD REGENERATION, HOUSING AND ESTATE
MANAGEMENT COMMITTEE – 13 MAY 2024

REPORT ON: HOUSING REPAIRS AND RELET RECOVERY PLAN

REPORT BY: EXECUTIVE DIRECTOR OF NEIGHBOURHOOD SERVICES

REPORT NO.: 139-2024

1.0 PURPOSE OF REPORT

1.1 To seek approval for the proposed approach to addressing the existing backlog in housing repairs and relets.

2.0 RECOMMENDATIONS

2.1 It is recommended that elected members:

- a. approve the proposals contained within the report.
- b. note the ongoing work to transform the repairs delivery service model.

3.0 FINANCIAL IMPLICATIONS

3.1 The Executive Director of Corporate Services has advised that the overall cost associated with the implementation of the recovery plan and addressing the current budget overspends included in the approved budget would amount to £4.845m and it is proposed it would be funded by the items below. It is emphasised that this is an estimate and the actual cost incurred will be determined by the level of necessary repairs and maintenance work together with conditions of the void properties.

Detail	Description	£000
Capital Financing Costs	Lower than anticipated borrowing required to fund the Capital Programme in 2023/24 will result in savings in loan repayments and interest.	650
Planned Maintenance	Prioritise costs in relation to repairs and relets over any non-urgent external cyclical maintenance / environmental improvements. It is noted this saving reflects circa 20% of the overall budget available for these items in 2024/25.	500
Staff Costs	Defer the filling of staff vacancies (£200k) and recharge a proportion of the costs of the Housing Asset Management Unit (£500k) to HRA Capital Budget 2024/25.	700
Property	Recharge costs in relation to significant relets works to HRA Capital Budget 2024/25.	400
Renewal & Repair Fund	Fund balance of costs from this reserve. It is noted that the projected balance of this amounts to circa £7.2m as at 31 March 2024,	2,595
Total		4,845

- 3.2 It is noted the costs above that are recommended to be recharged to Capital in 2024/25 have not been reflected in the latest HRA Capital Budget although this will be reflected in the review of the HRA Capital Budget 2024/25 that will come back to members for approval in due course.
- 3.3 The cost of provision of services for Homelessness are included within the Other Housing Service that forms part of the Neighbourhood Services (General Fund) Budget. It is recognised that any reduction in the volume of bed and breakfast or temporary accommodation utilised will have a financial impact in terms of both the expenditure and income involved with providing this service. It is not possible to fully quantify the financial impact on this budget at this stage.
- 3.4 It should be noted that the above figures represent the estimated cost of fully implementing these proposals and addressing the current budget overspends included in the approved budget. The overall financial impact of these proposals will be closely monitored and reported to elected members as part of the established budget monitoring arrangements throughout the period of the implementation of the recovery plan. Any costs in relation to future years budgets will be considered as part of the review of the 2025/26 HRA Revenue Budget that will be submitted to elected members for approval later this year.

4.0 BACKGROUND

- 4.1 The Covid-19 lockdown had a significant impact on every landlord's ability to carry out repairs for tenants, and to relet vacant properties. At the time of the first lockdown at the end of 2019/20, the Council made plans for the delivery of priority services to ensure the safety of tenants and staff. These successfully focussed on procedures for gas safety, emergency repairs and homelessness services. However, the inability to carry out routine and planned maintenance led to the creation of a substantial backlog of outstanding repairs to both tenanted and void properties.
- 4.2 The initial approach to dealing with these impacts on the service was set out in the Covid-19 Recovery Plan (Article XIV of the minute of the meeting of the Policy and Resources Committee of 24th August 2020). This set out a two-stage approach to recovery; with the first phase to focus on restarting the Housing Capital Programme, and the re-introduction of day to day repairs and maintenance across the housing portfolio. The second longer term phase was envisaged to take up to three years post lockdown as it involved a comprehensive review of the repairs and maintenance policy, priorities, and expenditure.
- 4.3 The consequences of the reduction in the number of lets of permanent housing, at the same time as the Housing Options service was experiencing a significant increase in demand for emergency accommodation, created sustained pressure within the homelessness system. This led to a substantial increase in the level of temporary accommodation which needed to be provided, to ensure that the Council met its statutory obligations towards homeless people. This included the use of bed and breakfast accommodation for the first time in many years.
- 4.4 The ongoing impact of the continued pressures on the homelessness system was highlighted in the Year 4 review of the Rapid Rehousing Transition Plan (Article V of the minute of the meeting of the Neighbourhood Regeneration, Housing and Estate Management Committee of 4th December 2023 refers).
- 4.5 This described how, despite the range of the initiatives and partnerships being deployed to prevent and tackle homelessness, it has not been possible to achieve the plan's initial objective to reduce the number of temporary accommodation places by around 150 units. It outlined how a reduction in permanent lets had contributed to an increase in the average length of stay in temporary accommodation of almost 60 days

by the end of 2022/23 from the baseline position of 200. It also highlighted how the average is higher for households containing children (c.240 days).

- 4.6 A further impact of the restrictions during the Covid period was noted in Audit Scotland's Best Value thematic report 2022/23 (Article V of the minute of the meeting of the City Governance Committee of the 19th of February 2024). This identified rent loss due to empty Council housing as an area where performance had deteriorated from 2018/19 to 2021/22; with the percentage of rent lost due to voids almost doubling from 1.5% to 2.8%. It commented that this performance reflected national challenges during this period. It estimated that the rent loss figure for 2023/24 will be 2.7%.
- 4.7 The impact of the restrictions on carrying out repair and investment work, coupled with continuing recruitment shortfalls, has also had several adverse consequences. The reduction in capital works during the Covid 19 period meant that investment programmes, which would have prevented the need for subsequent reactive repairs due to component failure, were not able to proceed. This resulted in a deterioration in property conditions and increased pressures on the repairs service. In addition, the volume of reactive repairs which were not able to be actioned led to a reduction in tenant satisfaction levels with the repair service from 89.1% in 2018 to 78.9% in 2021.
- 4.8 At the City Governance Committee held on 19th February 2024 (Article II – Council Housing Crisis refers) it was agreed that officers should be asked to report with recommendations as possible on the following issues:
- The forecast implications for Dundee City Council of the Scottish Government's proposals for the Affordable Housing Supply Programme in 2024-25 and future years, including the impact on grants for the Council to build new homes.
 - The current and forecast implications for Dundee City Council of the Land and Buildings Transaction Tax and Additional Dwelling Supplement (Article II of the Minute of Meeting of the Neighbourhood Services Committee – 26 September 2022 refers).
 - The current and forecast levels of Dundee City Council housing voids and the action being taken to reduce these levels.
 - The potential use of uncommitted balances to purchase homes on the open market and/or build new homes to reduce Dundee City Council's housing waiting list."
- 4.9 At the present time the Council has not yet received formal notification of the funding changes to the Affordable Housing Supply Programme for Dundee City. The Scottish Government has indicated that the reduction is likely to be in line with the overall national figure of 26%. It has stated that work is currently being carried out to review the impact on the AHSP. Until the outcome of this is known it will not be possible to carry out a forecast of the impact on the Council's ability to either build, or acquire, new homes as both of these are dependent on the availability of grant funding. A report outlining the proposed changes to the Strategic Housing Investment Plan 2023-28 will be brought back for members consideration as soon as the relevant information is available.
- 4.10 The issue of the implication for Dundee City Council of LBTT and ADS has been resolved by the Scottish Government which introduced legislation to remove the requirement for Councils to pay this tax, with effect from the 1st April 2024.
- 4.11 The focus of this report is, therefore on building on the existing workstream which was started in late 2023 to tackle the backlogs in repairs and relets.

5.0 CURRENT POSITION

- 5.1 Given the significance of these pressures, there has been a continued focus on improving repairs and re-lets performance to mitigate the financial and other impacts. A range of measures has been put in place including: utilising overtime to increase the available trades resource to catch up on the backlog; subcontracting of works packages; and a recruitment drive to grow the workforce in key trades where there are recognised shortages across the UK.
- 5.2 As a result there has been a level of improvement in both repairs performance and tenant satisfaction levels. The Mid-Year Progress Report for 2023/24 for the Neighbourhood Services Plan (Article IV of the minute of the meeting of the City Governance Committee of the 22nd January 2024) showed an increase in the percentage of reactive repairs carried out within timescales at 80.23% (compared to 78.9% in 2022/23). In addition, the time taken to complete emergency repairs reduced to 4.56 hours, compared to 5.99 hours for 2023/24; under the target of 6 hours. Furthermore, in the most recent satisfaction survey carried towards the end of 2023, 86% of tenants reported that they were very or fairly satisfied with the repairs service.
- 5.3 At the same time, work has been ongoing to improve the efficiency of the re-let process through service redesign in advance of the introduction of the new integrated housing management and repairs system. This has included the:
- introduction of a “fit to view” stage which allows prospective tenants to see a property when it is nearing completion, subject to health and safety precautions. This enables the tenant to get ready for their move earlier and sign for the property as soon as it has been inspected, reducing void rent loss for the HRA and length of stay in temporary accommodation for people who are being allocated a property due to homelessness.
 - development of a targeted approach between housing and construction services staff to the prioritisation of repairs to void properties. This is based on identifying properties for which there is strong applicant demand, rather than focussing on properties based on the length of time they have been empty.
 - restructuring within Construction Services to create four area based empty property teams.
- 5.4 Despite these improvements there remain significant backlogs in both response repair volumes and empty properties. There currently over c.4,800 outstanding repairs within the system. This continues to be a source of frustration for those tenants who may have been waiting several months to have a repair completed. The number of empty Council houses has, however, reduced from the total of 542 reported to the City Governance Committee on the 19th of February 2024, to 490 (including complex voids). This is still above the pre-Covid level of c.200 vacant properties as an average running total.

6.0 PROPOSALS

- 6.1 Although there are signs of progress, there is a need to intensify our approach to recovering performance given the financial and wider impacts of the backlog. To achieve this, it is proposed that Construction Services should solely focus its trades resources on work to the Councils housing stock for a period of approximately twenty weeks. Although Construction services would continue to carry out some Capital works during this time, workforce resources would be targeted at clearing the backlog in response repairs and relets. This would enable it to clear the backlog in response repairs and reduce the number of empty properties to below the pre-Covid level of c.200 by the end of October 2024.

From October onwards, Construction Services would then fully resume work on Housing Capital Programme works, including the window programme and planned maintenance. It had already been identified that there would be a need to carry out a review of the Housing Capital programme for 2024/25, in order to factor in new priorities and reschedule projects carried forward from 2023/24. This would also cover the re-phasing of planned investment. In addition, a review of programme delivery to identify opportunities to release trades resources through greater use of sub-contracting has been carried out. This has identified a number of opportunities where external capacity could be used to free up internal resources, including in programmes for complex electrical rewiring and urgent roof repairs.

- 6.2 Alongside the delivery of the proposed programme to remove the repairs and relet backlog, work will continue to modernise the design and delivery of the repairs service to deliver greater levels of customer satisfaction and value for money.
- 6.3 The Council is making significant investment in the modernisation of the IT systems within Housing and Construction Services. A review of the timescales for this system implementation will be carried out with a view to having a robust project plan in place by the autumn.
- 6.4 Construction Services will also take forward a number of workstreams in key areas to ensure that its underlying operating model is efficient and effective. These will include:
- a review of fleet management
 - a review of stores to ensure that trades operatives have access to the right amount, and type, of materials at the right time.
 - an increased focus on supporting staff to maximise attendance at work rates.
- 6.5 As well as delivering business efficiencies, the modernisation of the repairs service will deliver a range of improvements for tenants by:
- prioritising customer convenience by operating a repairs by appointment service which will give tenants morning or afternoon slots for work to be done, as well as improving communication through text reminders of appointment times.
 - increasing the % of repairs completed right first-time performance by improving the accuracy of repairs orders through the introduction of a diagnostic tool for Customer Services staff, ensuring that the appropriate tradesperson is allocated to the job and that they have the necessary equipment and materials.
 - providing a quicker response where problems do occur. The lack of an integrated system and single source of real time information on each repair means that identifying and rectifying the cause of a repairs service failure for the tenant can be time consuming. This is especially an issue for more complex jobs. Ensuring that reliable information is available in real time will improve the quality of the advice and information we provide to tenants.

7.0 POLICY IMPLICATIONS

- 7.1 This report has been subject to an Integrated Impact Assessment to identify impacts on Equality & Diversity, Fairness & Poverty, Environment and Corporate Risk. An impact, positive or negative, on one or more of these issues was identified. An appropriate senior manager has checked and agreed with this assessment. A copy of the Integrated Impact Assessment showing the impacts and accompanying benefits of / mitigating factors for them is included as Appendix 1 to this report.

8.0 CONSULTATION

- 8.1 The Council Leadership Team and Dundee Federation of Tenants Associations were consulted in the preparation of this report and agree with its contents. Initial discussions regarding these proposals have taken place with both staff and Trades Union representatives. Further structured engagement is planned to take place as part of the implementation of the proposed approach.

9.0 BACKGROUND PAPERS

- 9.1 None.

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Executive Director of Neighbourhood Services

Olga Clayton
Interim Head of Housing & Construction

25 April 2024

Integrated Impact Assessment

Committee Report Number: 139-2024

Document Title: Housing Repairs and Relet Recovery Plan

Document Type: Service

Description:

Report on service improvement plan focussing on two key areas, namely relets and repairs. Report highlights the current position, proposals for change and timescale for delivery.

Intended Outcome:

To drive up performance and improve outcomes for tenants and residents in Dundee. Specific intended outcomes for relets would impact on homelessness in the City by reducing the number of people in temporary accommodation, achieving the objectives set out in the Rapid Rehousing Transition Plan and reducing void rent loss. By returning void properties to permanent lets, we can eliminate the numbers of people staying in B&B accommodation and therefore the subsequent breaches of the Unsuitable Accommodation Order.

Specific intended outcomes for repairs would be to see a reduction in the 4784 total number of repairs currently outstanding, allow us to set targets to sustain the improved performance and reduce the response times for our tenants having their repairs completed. This will provide us with a more positive performance outcome against our statutory indicators in the annual return on the charter.

Period Covered: 13/05/2024 to 13/05/2024

Monitoring:

Void performance monitored through monthly senior management meetings and through objectives in quality conversations. Repairs performance will be monitored through monthly repairs operations group and governance board with Construction Services.

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Equality, Diversity and Human Rights

Impacts & Implications

Age: Positive

The reduction in both the backlog of repairs and voids will have a positive impact on all tenants and residents across the city.

Disability: Positive

The reduction in both the backlog of repairs and voids will have a positive impact on all tenants and residents across the city.

Gender Reassignment: No Impact

Marriage & Civil Partnership: No Impact

Pregnancy & Maternity: No Impact

Race / Ethnicity: No Impact

Religion or Belief: No Impact

Sex: No Impact

Sexual Orientation: No Impact

Are any Human Rights not covered by the Equalities questions above impacted by this report?

No

Fairness & Poverty

Geographic Impacts & Implications

Strathmartine:	Positive
Lochee:	Positive
Coldside:	Positive
Maryfield:	Positive
North East:	Positive
East End:	Positive
The Ferry:	Positive
West End:	Positive

Positive Implications: The reduction in both the backlog of repairs and voids will have a positive impact on all our tenants across the whole of city.

Household Group Impacts and Implications

Looked After Children & Care Leavers: Positive

The reduction in void numbers specifically will have a positive impact on Care Experienced children and young people as it will provide us with properties that can be allocated through the housing protocol for this group of people.

Household Group Impacts and Implications

Carers: Positive

Having properties that are free from disrepair will have a positive impact on all household groups

Lone Parent Families: Positive

Having properties that are free from disrepair will have a positive impact on all household groups

Single Female Households with Children: Positive

Having properties that are free from disrepair will have a positive impact on all household groups

Greater number of children and/or young children: Positive

Having properties that are free from disrepair will have a positive impact on all household groups

Pensioners - single / couple: Positive

Having properties that are free from disrepair will have a positive impact on all household groups

Unskilled workers or unemployed: No Impact

Serious & enduring mental health problems: Positive

Having properties that are free from disrepair will have a positive impact on all household groups

Homeless: Positive

Reducing the backlog of void properties will provide more available options for people who are currently experiencing homelessness without a home of their own and eliminate the number of unsuitable accommodation breaches for people staying in B&B accommodation.

Drug and/or alcohol problems: No Impact

Offenders & Ex-offenders: No Impact

Socio Economic Disadvantage Impacts & Implications

Employment Status: No Impact

Education & Skills: No Impact

Income: No Impact

Caring Responsibilities (including Childcare): No Impact

Affordability and accessibility of services: No Impact

Fuel Poverty: Positive

Addressing the backlog of repairs will ensure our properties are wind and watertight with all reported outstanding repairs rectified. This could include repairs to properties that would improve the fuel poverty levels for people in our houses.

Cost of Living / Poverty Premium: Positive

Where outstanding repairs exist that impact the cost of fuel/energy for our tenants, having the repairs addressed will have a positive impact in this area

Connectivity / Internet Access: No Impact

Income / Benefit Advice / Income Maximisation No Impact

Employment Opportunities: No Impact

Education: No Impact

Health: Positive

There are documented, known benefits for people who live in properties that are free from disrepair on the positive impact this has on their health and wellbeing.

Life Expectancy: No Impact

Mental Health: No Impact

Overweight / Obesity: No Impact

Child Health: Positive

There are documented, known benefits for people who live in properties that are free from disrepair on the positive impact this has on their health and wellbeing.

Neighbourhood Satisfaction: Positive

Reducing the number of void properties and completing the backlog of repairs will improve satisfaction for tenants which will then have a positive knock on effect to neighbourhoods also. Properties in neighbourhoods that have been void for a long period of time can be a blight on communities so the reduction in the number of void properties and the improvement in the turnaround of these properties will have a positive impact.

Transport: No Impact

Environment

Climate Change Impacts

Mitigating Greenhouse Gases: No Impact

Adapting to the effects of climate change: No Impact

Resource Use Impacts

Energy efficiency & consumption: No Impact

Prevention, reduction, re-use, recovery or recycling of waste: No Impact

Sustainable Procurement: No Impact

Transport Impacts

Accessible transport provision: No Impact

Sustainable modes of transport: No Impact

Natural Environment Impacts

Air, land & water quality: No Impact

Biodiversity: No Impact

Open & green spaces: No Impact

Built Environment Impacts

Built Heritage: No Impact

Housing: Positive

Reducing the void numbers and completing the backlog of repairs will have a positive impact on all housing across the city as it will ensure that we have the time and resource required to deliver a more efficient and effective service, improving overall customer satisfaction and condition of .

Is the proposal subject to a Strategic Environmental Assessment (SEA)?

No further action is required as it does not qualify as a Plan, Programme or Strategy as defined by the Environment Assessment (Scotland) Act 2005.

Corporate Risk

Corporate Risk Impacts

Political Reputational Risk: Positive

Reducing the number of void properties and addressing the backlog of repairs will improve current performance which will have a positive impact on political reputation

Economic/Financial Sustainability / Security & Equipment: Positive

Financial stability could be positively impacted by the reduction of using temporary accommodation and B&Bs

Social Impact / Safety of Staff & Clients: No Impact

Technological / Business or Service Interruption: No Impact

Environmental: No Impact

Legal / Statutory Obligations: Positive

We have a statutory duty in relation to repairs for our properties. While we are currently meeting those duties but by addressing the repairs backlog we will improve performance further which is recorded as part of our Annual Return on the Charter.

Organisational / Staffing & Competence: No Impact

Corporate Risk Implications & Mitigation:

The risk implications associated with the subject matter of this report are "business as normal" risks and any increase to the level of risk to the Council is minimal. This is due either to the risk being inherently low or as a result of the risk being transferred in full or in part to another party on a fair and equitable basis. The subject matter is routine and has happened many times before without significant impact.

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