

SERVICE UPDATE

This is a joint report prepared by Heads of Service. The report provides Operational Board Members with a general overview and update on current issues.

Head of Housing Management

Since my last report the majority of housing management services have now resumed albeit with some being carried out differently to avoid unnecessary contacts.

At present most of the staff are working from home, this will continue to be their base for the timebeing. At the present we have no plans at present to re-open local offices. However, we continue to listen to Government guidelines and are working alongside Derby City Council colleagues when considering our future plans. We are making careful and considered changes taking into account the risks to tenants and staff and ensuring that all appropriate safety measures are in place.

We have continued to communicate with customers through a variety of methods and found these to be effective. Estate and flat inspections began again on 22 June 2020. Essential visits resumed on 15 July 2020.

The consultation around the Customer Engagement and Community Development strategy is now underway. The plan is ambitious but also challenging given the current restrictions that are in place. However, we aim to consult with as many people as possible and are working hard to overcome the barriers that exist by finding alternative methods of communication.

This strategy is closely linked with the Communications strategy which was due to be presented at the September board. However, upon reflection we have recognised how closely it links with the Customer Engagement and Community Development strategy and therefore feel that the consultation and rewrite of both strategies need to be in line. We are therefore extending the consultation to consider the Communications Strategy. Both the updated Customer Engagement and Community Development strategy and the Communications strategy will be presented at the next board in December.

Head of Finance and Income

Income Management

Arrears Update

As at week ending Sunday 19th July 2020 (rent week 15), the current tenants rent arrears position is just under £2.1m. Same time last year they were £1.41m this is an increase of just under £700k on the year before. We were expecting a £100k increase, through natural increases linked to the switch from Housing Benefit to Universal Credit over a year. The

resulting £600k we are attributing mainly to the effects of COVID, the increase in additional universal credit cases and residual arrears linked to the extra weeks rent in 2019/20.

We continue to benchmark our performance against figures produced by Housemark. At Q1, the £1.8m arrears figure is in line with where Housemark project Derby to be. This is around £0.4m lower than what the arrears would be if the national average arrears percentage level was applied.

The actual level of income collected is very good considering the situation, in actual cash terms we have collected more non-Housing Benefit income in Q1 2020/21 at £7.5m compared to the same period last year at £7.2m. Housing Benefit levels are consistent.

Current arrears are increasing as the Coronavirus lockdown takes effect having an impact on tenant's employment and incomes. Many tenants have had to claim universal credit either because they have lost their job or been furloughed. Some of these tenants had been waiting for income and therefore not in a position to pay the rent until wages are received or benefits claimed processed. We are now at a stage where monies have been received and some have started paying and others have not. There are also tenants who have not had a real difference in their income due to Covid but still have not paid or responded to our efforts to contact them. Although court and eviction action is still suspended, now until at least 23rd August.

The impact from Coronavirus effect began to take effect in the middle of March and had a big say on the 2019/20 yearend arrears figure. At the end of the year the current arrears were just over £1.7m compared with the original target of £1.6m. Prior to March we were doing well on controlling rent arrears levels and forecasting an end of last year outcome of 1.4m.

Other Information

During the last few months Income Recovery Officers have continued to contact tenants who are not paying to try and understand their current position and advise them accordingly on claiming universal credit and other benefits as well as discussing when payments possibly could begin so we can have further conversations then. Many tenants found this approach helpful.

Due to the governments suspension of evictions there have been no evictions carried out since the start of April. There had also been no notices served up to the start of July which was a corporate stance. From 1st July initial arrears letters can be sent and notices considered for non-paying tenants.

Currently the whole team are working from home and essential works are still delivered. Some services are on hold, these include:

- Enforcement/warning letters
- Applying for court hearings
- Applying for eviction warrants
- Home visits
- Office Appointments

Other areas of work such as looking at other arrears prioritisation computer systems such as Mobyssoft have been stalled by the crisis and will have to wait until things improve before recommencing looking further into the product.

Welfare Reform Team

The Coronavirus crisis lead to a dramatic increase (a tenfold increase) in Universal Credit (UC) claims around the end of March and start of April. The Derby increase was consistent with the national picture. The weekly numbers now are at a more manageable levels, at around 25 tenants per week.

The winding down and eventual ending of the furlough scheme in October, along with the redundancies in Derby, already announced by major employers such as Rolls Royce will impact on the workloads going forward. How much impact is hard to predict.

All the team (bar one employee) is home working and the service to tenants is pretty much a full service. We are not currently able to maintain our presence at the Job Centre based in the Council House.

We are still waiting for some feedback from the Harrogate pilot on the mass migration pilot, but we think Derby's migration of existing legacy benefit claimants to Universal Credit is likely to happen sometime during 2021.

Universal Credit Statistics

Highlights of tenants on UC

- 2,579 tenants on UC
- 38% on APA's (where DWP pay directly to Landlord the housing claim for weekly rent costs)
- 28% on Direct Deduction (where a deduction from the UC claim is paid direct to Landlord to cover rent arrears)
- 775 tenants (31%) with no arrears or in credit on their rent account
- £378k income claimed "automatically" from DWP each month via APA's & Direct Payments

As at 20 th July 2020	Number	Gross Arrears
UC singles	969	£413,909
UC couples *(includes 12 mac)	184	£67,565
UC families *(includes 2 mac)	1,426	£646,210
Total	2,579	£1,127,684
Gross UC arrears	1,804	£1,127,684
Cases with no arrears/credits	775	£156,359
Net UC arrears	2,579	£971,325
Average arrears per UC Case (£1,127,684/2,579)	2,579	£437
Alternative Payment Arrangements (APA) – per month	978	£337,609
Direct Deduction (DD) – per month	711	£40,338
Total	1689	£377,947

*mac (mixed age couples)

Derby Advice

Macmillan Specialist Welfare Rights Project

We have been successful in getting the Macmillan project extended from 31/12/2020 until 31/12/2021. Under the current testing financial conditions for charities, we are pleased that Macmillan have prioritised the funding for this project. This project delivers specialist welfare rights to cancer patients in Derby and despite the interruption to cancer treatment the project has continued to work well via telephone advice during the Covid pandemic

D2N2' Money Sorted' project

This externally funded project delivers budgeting support and financial capability skills to residents of Derby that are furthest away from the workplace. We have exceeded our targets for this project in the last quarter despite the extra challenges we have faced in supporting the project participants during the lockdown

Support to Rolls Royce / Other companies

Derby Advice have been included in the 'partner offer' of support and advice to both the employees and employers in response to the announced redundancies at Rolls Royce and other employers in the City. This has been coordinated through the Council's redundancy task force

Appeal tribunals

The welfare rights team represent tenants and residents of Derby at appeal tribunals to challenge incorrect benefit decisions. These are usually heard in a court setting. Tribunals were suspended at the beginning of the lockdown. From mid-May the tribunals have been heard by telephone. This has been quite problematic for some appellants that we are representing, but the outcomes have still been successful. The numbers of appeals have been lower than normal, but we are hoping that Her Majesty's Court and Tribunal Service will begin to increase capacity

Money Advice – money & debt advice to tenants

Referrals to the Money Advice Team from our Income Collection Team were around half the normal levels during the period where enforcement action was suspended. For example, in June we have received 64 first tier referrals and 9 complex specialist referrals for debt advice. We expect the referrals to increase from July onwards, now that some external creditors are beginning recovery/enforcement action again plus the Income Team will re-commence collection letters etc. in July.

OBC (overall benefit cap) cases

We have used some capacity with staff time to contact all tenants who are subject to the benefit cap to offer them advice and budgeting support. We are part way through this exercise and have contacted 30 out of 56 cases.

Staff development

We have five staff who have signed up to do the free National Energy Action “Giving fuel debt advice” course. This is a Level 2 City and Guilds Qualification and consists of 3 half day webinars, followed by an exam. This will supplement the range of advice we can provide to tenants.

Accountancy

The last three months have been concentrated on the March 2020 year end accounts and the external audit.

The final audit with BDO took place, remotely for the first time, which normally takes two weeks to complete in the end took nearly five, mainly because providing information remotely was more time consuming with Skype calls, document sharing and numerous emails. The accounts were taken to Audit Committee on 29th June and have been recommended to Board to approve at the meeting on 30th July.

There was substantial additional work required this year, linked to the uncertainty nationally the COVID impact is having on businesses, around assessing Derby Homes’ “going concern” status. This is around the company’s ability to operate for at least a further 12 months and we did a lot of forecasting around cashflows, cash availability and “stress testing” Derby Homes’ budgets. Thankfully this was fully accepted by the Auditors.

Our new members of the team have also been included with the year-end process, again via remote training through Skype meetings and document sharing, however this is something new to all of us.

From 1st August, the Accounts Payable has switched management reporting lines from the Supply Chain team in Repairs to us. This returns this team to Accountancy, which was the case prior to the Derby Homes Accountancy team TUPE transferring to the Council back in 2012. This change will formalise in practice what has operationally been happening since the Accountancy team returned to Derby Homes last summer.

We continue to work from home and are now in a position where virtually a full service is available again. Delivery is slightly different to before, such as budget monitoring meetings with Managers commenced in July via Skype, whereas before they would have been face to face.

Rental Control

The annual rent variation for 100 Derby Homes owned properties was completed on time. We have a longer-term project to review service charges and consider their eligibility for both Housing Benefit and Universal Credit support. Under Universal Credit, there are some service charges that are not covered for support, which are supported by Housing Benefit. Therefore, when a tenant switched from Housing Benefit to Universal Credit, they are worse off in relation to the service charge. Consequently, we are assessing these service charges and looking to minimise the impact on Universal Credit supported tenants. We are currently reviewing the combined Concierge / CCTV / Cleaning service charge at Rivermead House. We won’t be changing the overall charge, but we may split this charge down, to maximise Universal Credit eligibility. Obviously, tenants and leaseholders will be informed as required. All the team are continuing to work from home and service levels are continuing. We are carrying out regular ‘check-up’ calls via telephone or skype along with providing support to any staff members that are finding the isolation of working from home an issue.

Leasehold

The team are continuing to work from home and all coping well.

In July we received an increase in the number of leaseholders making contact to chase outstanding communal repairs, it is hoped that this will settle down now routine repairs are being carried out.

Also, an increase in solicitor enquires now sales are starting to get back to normal, again this is to be expected and should return to a more 'normal' level once backlogs have been cleared.

Across both teams - all tasked are being covered with some processes adapted and streamlined to fit the new 'norm'.

Head of Housing Options and Homelessness

Success of the Holiday Inn offer for Rough Sleepers

Derby Homes success in securing and operating the Holiday Inn Express located on Pride Park, in response to the call from Luke Hall to bring "everyone in" concluded on the 19th June. In total there were over 140 unique guests that stayed overnight at the hotel with daily numbers typically between 45-50 staying. This wasn't without its challenges, as we supported and kept safe some of the city's most vulnerable and entrenched rough sleepers. Guests have also received daily Covid-19 checks and support from our commissioned Paramedic.

As we closed the hotel, an offer of accommodation was made to all of the guests still resident there with the help and support of all our partners in the city. As we move through the recovery phase of the Pandemic, with the challenge of 'keeping everyone in' we have an opportunity to reflect and build on what has been achieved; higher levels of engagement, new multi-agency collaboration and an opportunity to do things differently, building on what we have learnt.

There will be no 'hard stop' to this pandemic. We should therefore be planning on the basis of ongoing process rather than an 'exit' strategy.

Housing First

Having profiled the needs of our rough sleeper cohort, there is a need to try something different for those who repeatedly fail to sustain all types of accommodation, becoming habitual rough sleepers, many with entrenched behaviours and traumatic life experiences.

Housing First is a simple concept – rough sleepers are given a home through an unconditional tenancy, with significant wraparound support to help them overcome problems such as addiction or mental health issues, without the need to access temporary accommodation first. The wraparound support is not conditional, but based on choice, with significant support hours needed, particularly early on to gain trust and confidence. This approach has proven to be a huge success in Finland, all but ending street homelessness over the last 30 years. Many areas in the UK have adopted and adapted this model, including London, Manchester and Liverpool, to support the most challenging and entrenched rough sleepers with positive sustainment levels ranging from 70% upwards

A small 'Housing First' pilot presents an opportunity for Derby Homes to re-purpose 6 self-contained 1-bedroom flats with enhanced wraparound support being provided by both Riverside Housing and Action Housing. Both support providers will adopt a trauma informed

approach to build trust and confidence over time, with trained and dedicated support workers.

Day to Day

Following on from our last update staff sickness levels in the day to day team have remained low and we have continued to provide a first-rate service to our customers. The Plumbers, Electricians and Joinery trades have all continued to provide an essential and urgent repairs services to ensure our customers are Safe, Warm and Dry.

We have also been supported on an ad hoc basis by the Roofers, Bricklayers and Plasterers also in making safe emergency situations.

15 June – Our next phase of operation was to plan in all the suspended jobs from the 23 March 2020 which equated to over 3000 jobs. This involved the Planning Team contacting our customers and manually offering appointments, planning these on our Works Scheduling system, secondly revising our Risk Assessments and Operating Procedures and training all of our of front line workforce. This was with a view to starting non-essential non-contact works such as Roofing, Fencing and Groundworks initially.

1 July - We opened up our computer systems for our customers to report non-urgent repairs works online using our Customer Portal

15 July - We opened up our phone lines for our customers to report all repairs directly for all repair priorities. We have also reinstated works carried out by sub-contractors to provide support and also specialist services such as Damp Proofing, Groundworks, Refurbishment of double glazed units and Window/ Door replacements

The Surveying team are offering a full range of services to our customers to carry out inspections, mutual exchanges and technical support to other colleagues. All Surveyors have been allocated days in which they carry out inspections, this has worked well with the CST allowing flexibility for other staff to carry out home working and cover in time of peak demand.

There have been some issues with regard to shortages of materials such as plaster, which has meant that we have had to try and obtain materials from other sources. This has not impacted greatly on our performance and we are hopeful that the situation will improve as more manufacturers and suppliers re-open.

Void Repairs

The voids team has continued to run a full service despite some staff issues relating to Covid-19.

Where previously the voids team were focusing mainly on voids to help the most vulnerable and homeless and partially those at risk, the team are now carrying out void repairs to all void properties to meet the allocation requirements.

The team have restarted the active voids team meeting with the allocations team on a fortnightly basis to ensure we prioritise works on properties with the most demand.

There has been a decrease in voids throughout the first quarter due to coronavirus, however numbers of voids have now started to return to normal levels.

As with the issues in Day to Day team we have also experienced issues with materials particularly with regard to kitchen products. This has been down to furloughing. As workers return to work we are expecting this issue to improve.

Electrical Servicing

Electrical Testing in properties was suspended on 23rd March and re-commenced on July 15th. At the time of commencement there were 305 Electrical Test overdue and 260 Electrical Repairs following the safety check outstanding.

The objective is to reduce those numbers ASAP. The Electrical Team with the help of a contractor have excelled in their performance and at the end of July there are 246 Electrical tests Overdue and 189 Repairs outstanding.

Currently access is averaging at 75%. During days of difficult access the planners are working hard to arrange alternative tests and repairs with tenants and where this has not been achievable the Electrical team are assisting other departments.

The Electrical Team remain 100% compliant with Emergency Light and Fire Alarm servicing.

Gas Servicing

We have continued to carry out a full gas breakdown service to ensure all tenants have heating during the pandemic. We have received assistance from our contractors to ensure we can provide a full service to our customers. From the 1st August when shielding for vulnerable people ends we are prioritising the properties that were given new dates, in line with the guidelines, to make sure they are serviced on the appointed date. Throughout this crisis we have still maintained 100% compliance.

Gas Heating Installation

Although gas heating installations ceased at the start of the closedown the installation team have still been fitting heating systems in voids and properties where boilers have failed and cannot be repaired. From July 15th the heating upgrade programme has now been reinstated and we have all teams back working normally.

Water Safety (legionella)

Throughout the current pandemic we have carried on the programmed sampling and testing regime in the buildings that required it. We have also made sure that all void properties have had a Water Risk Assessment carried out before the property is let.

Head of Governance and Corporate Support

Health & Safety

The effects of covid-19 have had a huge impact on the health, safety and welfare of both staff and customers and will continue to do so for the foreseeable future.

We have carried out risk assessments relating to covid-19 and the risks to staff and customers. We continue to review these as circumstances and information changes.

Our COVID-19 risk assessments and current guidance from the Government, HSE and Public Health England do not require face masks (RPE) to be worn for any of our tasks where we are able to maintain social distancing. However, we recognise that some staff wish to wear a face covering for their own peace of mind. We have also found that some customers are unwilling to let staff into the property if they are not wearing a face covering. Where staff have a face fitted Sundstrom mask this will meet all the requirements if they choose to wear a mask. However, we do understand that these can become uncomfortable if worn for extended periods.

We have obtained some washable reusable face coverings to issue to staff that will cover this area of reassurance. These meet the government's recommendations for face coverings. We have been clear that If staff are carrying out work that would normally require Respiratory Protective Equipment (RPE) these face coverings will not meet that requirement and they must wear their normal RPE.

We continue to maintain adequate supplies of COVID-19 related PPE. We have provided clear guidance and training for staff on the appropriate and safe use of PPE.

We are working with Managers and teams on strategies for, where appropriate, resuming areas of the business with appropriate health and safety considerations and controls in place to maintain safe working.

Head of Capital Works Update

This update, across all Teams within the Capital Works Division, summarises the main issues impacting on the Team following the restart of works, after the Covid-19 Lockdown.

Estates Maintenance Team

The Service was discussed in depth at the December 2019 meeting, this is the first 'real' update since then due to the pandemic and the suspension of many areas of our work.

The Streetpride Team after some initial disruption during the first few weeks of lockdown, recovered its numbers to support a core cleaning service to communal areas and make progress in delivering the Grounds Maintenance and Gardening Services.

Understandably the delivery of the five new ride-on mowers was delayed but the equipment was delivered at the end of May 2020 and has been well received.

Despite the above set backs performance is encouraging. At the time of writing this report the majority of communal areas have had 7 grass cutting visits (against an average of 9 over the past three years) and the Domestic Gardens, 5 visits.

Further, during the second half of the growing season, the service will benefit from:

- the return of 4 staff from Covid isolation
- the additional productivity delivered by the new equipment
- the appointment of a new Grounds / Arboriculture Manager, who starts during August 2020.

The December 2019 report did include proposals for additional staffing requested by Streetpride that was to be considered as a budget pressure for 2021/22. Currently the Service is still operating with 5 vacancies (Streetpride struggled to recruit to all vacant posts just prior to Lockdown). This is the best position the service has been in this year. Post

lockdown and with the state of the economy and increasing levels of unemployment, there is a good chance these posts will be filled. This situation coupled with the disruption to the service consequent to Covid19 lockdown means that we are not able to substantiate any requirement for additional staffing.

A recommendation would be that this decision be postponed until 2021/22, awaiting the productivity output of a full staffing establishment and understanding the benefits gained from the improved equipment.

An update report on the Estates Pride Programme 2021/21 is included elsewhere in the Operation Board Papers.

Planned Maintenance Team

All Programmes have now resumed on site. The following table lists the restart dates:

1st June	Home Decoration Scheme
3 rd June	Re-Roofing - Cowsley (JAL Roofing)
8 th June	Re-Roofing - Cowsley (Avonside Roofing)
8 th June	Repairs Prior to Painting (A&M)
15 th June	External Wall Insulation (Westville)
29 th June	External Redecoration (Bell Group)
12 th July	External Door Programme (Nationwide)

Throughout the period, our lifting equipment contractors, Prism and Stannah, provided a servicing and repair service, subject to access restrictions, with Prism providing a 24/7 standby service to deliver hoists / stairlifts for customers discharged from local hospitals. Both contractors are now able to carry new equipment installations.

The contractors on the major programmes by value, roofing and windows, are confident that they can catch up the time lost during the lockdown, through the deployment of additional labour resources onto the Derby Homes Contracts. Proactive contract management will ensure that these works are delivered as original programmed.

Capital Projects Team

All Programmes have now resumed on site.

Acquired Properties Work

During the period of Lockdown, the Capital Works Team focused on turning around empty homes, and used the time an opportunity to make progress on passive voids and the work to newly acquired homes. A schedule of properties currently subject to work, is listed below.

Kitchen / Bathroom / Wet Rooms / Adaptations Works

All workstreams restarted on 3August 2020. The Kitchen Programme is initially starting to be delivered with two teams , however this will be increased to four over the coming months to ensure the annual delivery requirement of 750 kitchens / year over the next five years, is achieved.

New Build Works

The works to the War Memorial Village / Carson Road / Hatfield Road / Gerard Street are all restarted on site with the first three programmed for completion by the date of the Operational Board Meeting.

Supply Chain Issues

Progress on all sites is dependent of the availability of materials and their availability continues to present problems, with the following supplies affected by shortages:

- Plaster and plasterboard;
- Floorboards and Skirtings
- External timber items such as fence panels and posts;
- Paints and coatings for external use;
- Bagged cement and concrete.

The Team are working with our supply chain partner, Buildbase, to improve supplies but the situation remains difficult especially as the rest of the construction industry reopens. Many manufacturers decided to halt production in the early stages of Lockdown are now “playing catch-up and haven’t caught up yet” with renewed demand. It is stressed that this is a national issue – not one that is just affecting Derby Homes.

Our current kitchen supplier Rixonway has merged with their partner company Magnet. We are currently working through the new arrangements but we expect the outcomes to be positive. The work alongside our customers to review the kitchen offer has been incorporated into our conversations with Magnet and will be carried forward into the new contract negotiations in April 2021.

Development Team

The Team continued to work with our consultants in preparing scheme feasibility reports, designs and working drawings for future new build projects, such that a prompt start can be made when the projects currently on site are completed.

In addition, the Development Team are also reviewing the risks for new projects that were due to start during the Summer 2020 but will now be delayed. Projects include:

- Demolition of Chesapeake Community Centre – before licences expire.
- Agreeing commencement on site dates for Crompton Street, Blagreaves Avenue, Cummings Street and Whitaker Street.
- Completing design work for Barlow Street flats and Grange Avenue bungalows, both projects that we are keen to get into the planning process as soon as possible.

If Board Members or others would like to discuss this report ahead of the meeting please contact

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