



Report to Policy Committee

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Report of: *Ajman Ali (Executive Director, Operational Services)*

Report to: *Housing Policy Committee*

Date of Decision: *14th September 2023*

Subject: *Council Housing Disrepair – position statement*

Has an Equality Impact Assessment (EIA) been undertaken?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
If YES, what EIA reference number has it been given? <i>(Insert reference number)</i>				
Has appropriate consultation taken place?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Has a Climate Impact Assessment (CIA) been undertaken?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Does the report contain confidential or exempt information?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>

Purpose of Report:

This report provides an update on Council Housing disrepair cases and an update on our early resolution implementation plan.

Recommendations:

- That the Housing Policy Committee notes the report

Background Papers:

(Insert details of any background papers used in the compilation of the report.)

Lead Officer to complete:-	
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.
	Finance: <i>Helen Damon</i>
	Legal: <i>Andrew Smith</i>
	Equalities & Consultation: <i>Louise Nunn</i>
	Climate: <i>N/A – no climate-related implications within this update</i>
	<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>
2	EMT member who approved submission: <i>Ajman Ali</i>
3	Committee Chair consulted: <i>Cllr Douglas Johnson</i>
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Committee by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.
	Lead Officer Name: <i>Dean Butterworth</i>
	Job Title: <i>Head of Service, Housing and Neighbourhoods Service</i>
Date: <i>21st August 2023</i>	

1. PROPOSAL

1.1 This report outlines the historic and current caseload for disrepair case management and outlines the current position with regards to case numbers, legal costs and performance. It also provides a summary of the ongoing improvement targets and actions agreed by the Disrepair Strategy Group.

1.2 Caseloads

Caseloads for disrepair have steadily increased since 2018. Disrepair cases have increased not only due to a pause of non-urgent repair work in 2020 due to COVID19 but also due to changes in legalisation. Our Legal Team advised us back in 2021 that in their professional opinion we will continue to see cases increase.

1.3 There are several reasons why they feel we have seen a large increase in the volume of Disrepair cases. These include:

- a) **The Homes (Fitness for Habitation) Act 2018** – this applies to all tenancies since 20 March 2020. It places additional repairing obligations on landlords to keep its properties ‘fit for human habitation’ and free from hazards. There is only an actual breach, and the Council are liable, if the property is uninhabitable.
- b) **Changes to funding of Personal Injury (PI) claims** – under court reforms solicitors can now only claim fixed fees for PI cases. This makes that area of works less attractive. Claims Farmers view Disrepair as ‘the new PPI’ and an area where social landlords are vulnerable. As there is not currently a fixed fee regime, Claims Farmers can claim disproportionately high costs in relation to damages.
- c) **Pandemic** – tenants have spent an unprecedented amount of time at home during the pandemic and noticed areas of their property where there is disrepair. In addition, we ceased responsive repair works to properties during the pandemic resulting in a backlog of responsive repair works to properties.

This is a national picture with many housing providers seeing similar patterns in relation to the numbers of disrepair cases being received.

1.4

Disrepair caseload levels since 2018 are as follows:

Year	Number of new cases received (as at April of each financial year)
April 2018	117
April 2019	170

April 2020	286
April 2021	392
April 2022	932
April 2023	1970
Up to end of July 23	210

1.5 Caseloads have continued to increase over the last three years but we feel that as we commence the new financial year, we may have reached the peak case numbers. We do not feel that case numbers will return to pre covid levels of 117 – 200 cases per annum however we forecast that it is likely that we will see new monthly cases of around 50 – 70 per month so around 500 – 840 new cases per annum moving forwards.

1.6 **Triage process**

We have recently introduced a new triage process for all disrepair cases.

The aim of the triage process is to –

- a) Improve the customer service provided to customers making a claim. We aim to ensure that a staff member from the Council speaks directly with the customer to ensure that they have regular contact with us.
- b) To carry out the diagnosing of repair work to properties back in house and utilise our existing Repairs and Maintenance Officers to carry out the pre inspection of our properties. These officers are technical officers who have experience of dealing with repair work and assessing properties and producing work schedules for the Repairs Service.
- c) Where customers have never reported repair work to us to signpost them through to the Council's complaints process so that their repairs can be logged and dealt with. We also explain that we will not deal with these cases as disrepair claims but as customer complaints.

1.7 **Legal fees and costs associated with disrepair works.**

1.8 As part of managing disrepair work, we incur legal fees. There are three parts to this –

- a) Legal charges – this is the charge for our Legal and Governance Service at managing and defending the claims on behalf of the Council.
- b) Disbursements – these are the fees incurred in cases for items such as engaging a barrister to represent the Council at court, court fees, expert fees.
- c) Damages and costs paid out to the customer in their case.

1.9 When a customer is successful in a disrepair case then the Council will

pay damages and costs in the case. We have reviewed the amount we pay in these cases and compared this over the last few years since 2019. The average amount paid out has remained constant for each case but there has been a shift in the split between the percentage of damages paid to the customer in cases. In general, this has decreased from 52% to 30% in each case with a greater share going to the tenant's solicitor.

1.10 A summary of the legal fees incurred over the last five years is summarised below. This covers both damages and costs and legal resources. We have also tried to log the average cost of responsive repair works to properties to reflect that this is low value works.

1.11

Year	Number of new cases	Total payments / expenditure	Average cost per case	Average cost of repair works	Average payment in compensation to customers
18/19	102	£292,655.60	£2,869.17	Not recorded	£576.28
19/20	139	£348,802.43	£2,509.37	Not recorded	£761.71
20/21	301	£573,413.41	£1,905.03	Not recorded	£631.73
21/22	660	£1,751,918.22	£2,654.42	£663.89	£364.99
22/23	1045	£2,986,269.25	£2,857.67	£1,283.54	£397.76
23/24 (up to end of July 23)	210	£1,309,324.07	£6,234.88	£1,260.65	£858.88

1.12 **Completion of work**

1.13 Over the last 12 – 18 months we have worked hard to complete as many disrepair works orders as possible. Our aim is to complete work within our repairing obligations. Due to the large volume of cases this is difficult with our current resourcing levels within the Repairs Service. Works orders vary in nature and content of work, some are complex and contain a large amount of repair works which affect several rooms within a property. Work can take anything from 1 – 2 weeks to complete and sometimes longer if follow on work needs to be completed in a sequential order such as painting after plastering works.

1.14 Below is a summary of the work orders completed per month against the

number of new claims received by the Council over the last 9 months.

	Oct 23	Nov 23	Dec 23	Jan 23	Feb 23	Mar 23	Apr 23	May 23	June 23
New claims received	61	97	65	75	69	57	37	46	65
Works orders completed	35	58	27	38	40	45	39	43	27

- 1.15 As can be seen in the table above, we are still receiving more disrepair claims than we are resolving. It is clear that we need to invest in further repair teams to ensure that we can complete a higher number of works orders per month and part of our early resolution plan is to review the number of teams working on disrepair to deliver a overall reduction in cases and a reduction in the level of compensation paid.
- 1.16 Whilst we currently do not have sufficient capacity to complete repair work within our repairing categories this leads to further cost and expense for the Council. If disrepair repair work is not completed within a maximum of 55 days our liability increases. As soon as a claim is made we are put on notice until repair work is completed and damages are calculated from the notice date to work completion date. If we can complete 95% of repair work within 55 days this is likely to save an estimated £4,200 per claim, which if we receive an average of 804 new claims per annum would be a saving of £3.5m. We are currently only completing 6.5% of disrepair repairs within the 55 day target, this is due to prioritising cases from our backlog. It should be noted that we have increased the number of cases completed per month over the last four months in the main, however in June we completed some large scale and complex cases.
- 1.17 Within the early resolution improvement plan we are looking to engage a third team of operatives to manage completion of disrepair works orders. Engaging this third team will help to support our ability to complete the number of new cases we receive each month but will not address reducing the backlog of cases. We have looked at resources required to start to reduce the backlog and we are modelling options as part of our HRA Business Planning process. Realistically it is anticipated that we will require an additional four teams of operatives on a temporary basis over a 12-month period to complete all backlog cases. Once the backlog cases are complete only then can we operate on a basis of all new cases coming to the Council being completed within our 55 day repairing category. The other challenge for us is the availability of skilled labour being available in what is currently a highly competitive market for the construction sector not only within Yorkshire but across the whole of the UK.

1.18 **Early Resolution Improvement Plan**

The Disrepair Strategy Meeting has committed to delivering a number of ongoing targets and improvement items that we are currently working on, and a summary of those key items is as follows –

- We continue to improve performance of Repairs and Maintenance Officers to ensure that we can complete 20 disrepair pre inspections per week so that we can achieve our financial saving of £1.2m within the Housing Revenue Account budget for 23-24.
- We recruit to a surveyor who can deal with more complex cases to support the pre inspection regime ensuring that 100% of all cases are surveyed by Council staff to avoid using external agencies.
- Our Repairs Service currently have two teams engaged on disrepair activity and are looking to engage additional resources to support completion of repair orders in excess of new disrepair claims coming into the Council. It is business critical that we drive a monthly reduction in disrepair cases completed within the 55 day repair category.
- Continuing to support the triage process to divert claims via the complaint process for repairs not previously reported.
- We have started to log all new disrepair cases and will analyse these into property type, archetype, housing estate and 3 simple repair headings so that this data can be analysed to establish trend and asset intelligence.
- We are researching use of environmental sensors to properties experiencing damp / mould so that we can specify this as a standard item on all properties reporting disrepair.
- Our Repairs Service is working to review communications we have for customers to provide a better customer experience in understanding the disrepair process.
- We are improving quality of pre inspection reports by using an electronic system called Housemark photobook to standardise reports for disrepair cases which will be rolled out shortly.
- We have many people who are advised by their legal representative not to allow us to enter a property until they have agreed the works/claim level. We will deal with these cases more robustly in future and will be clear with legal companies that we have a legal right to enter the property and mitigate a claim and to ensure that all repair work is completed as quickly and efficiently as possible.

2. HOW DOES THIS DECISION CONTRIBUTE ?

- 2.1 By reviewing our internal processes this has given us the opportunity to look at areas for improvement in managing any disrepair cases that are made against the Council. The improvement plans in place to resolve cases early will ensure that customers see repair work completed quicker and they are kept updated throughout the process. This contributes to

the primary goal in the Council's Delivery Plan to "*be a good council and ensure high quality services for all.*" and allows for a better customer experience.

- 2.2 Managing disrepair is one of the key priorities for the Housing and Neighbourhood Service in our service plan for 2023-2025.

3. HAS THERE BEEN ANY CONSULTATION?

- 3.1 Officers from the Housing and Neighbourhood Service, Repairs and Maintenance Service and Legal and Governance team have worked together to draft the early resolution plan.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality Implications

- 4.1.1 There are no equalities implications arising from this report, and the Equalities team have confirmed that no Equalities Impact Assessment is required.

4.2 Financial and Commercial Implications

- 4.2.1 There are some financial costs associated with the targets and improvements that have been set by the Disrepair Strategy Board. To date in 2023/24, the actions and improvements taken have been managed within existing resources and it is anticipated that for the remainder of 2023/24 any additional costs will continue to be managed with current budgets.

Any additional costs for 2024/25, to implement the targets and improvements for housing disrepair, will be included in the 2024/25 Housing Revenue Account Business Planning process, along with any potential savings from driving the improvements forward, reducing cases and costs per claim.

4.3 Legal Implications

- 4.3.1 There are no legal implications arising from this report.

4.4 Climate Implications

- 4.4.1 There are no climate implications arising from this report.

4.4 Other Implications

4.4.1 There are no other implications arising from this report.

5. ALTERNATIVE OPTIONS CONSIDERED

5.1 Managing disrepair claims made against the Council is a legal and landlord responsibility. Therefore, in this respect there were no other alternatives considered.

6. REASONS FOR RECOMMENDATIONS

6.1 Housing Policy Committee note the report and its contents.

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