

## **HOUSING MANAGEMENT FORUM**

Meeting: Thursday 17th January, 2019  
at 2.00 p.m.

PRESENT:- Councillors Hamilton (Chairman), Blezard, Brook and McEwan.

Tenant Representative:- Mrs M. Anderson.

Officers Present:- Janice Sharp (Assistant Director - Housing), Rebecca Halton (Business Support Manager) Paula Westwood (Democratic Services Officer - Member Support) and Katie Pepper (Democratic and Electoral Services Apprentice).

### **29 – The Local Government Act 1972 as amended by the Local Government (Access to Information) Act 1985 and Access to Information (Variation) Order 2006**

Discussion arising hereon it was

RESOLVED:- That under Section 100A(4) of the Local Government Act 1972 the public and press be excluded from the meeting for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in Paragraph 3 (Minute No. 34) of Part One of Schedule 12A of the said Act.

### **30 – Minutes**

The Minutes of the meeting held on 1st November, 2018 were taken as read and confirmed.

### **31 – Apologies for Absence**

Apologies for absence were received from Tenant Representatives Mrs J Christie, Ms L Craig and Mr A McIntosh.

### **32 – Stock Condition Survey**

The Assistant Director - Housing submitted a report updating Members on the progress made to date with regard to the appointment of a suitably qualified company to carry out a detailed survey of the Council's Housing Stock in 2019/20.

She advised that at the meeting held on 1st November 2018, Members approved a provisional appointment of the No. 1 ranked surveying company in line with the Procure Plus Holdings mini competition issued on 23rd October 2018.

Procure Plus Holdings had provided Officers with a summary report of the mini competition tender outcome based on a review of the cost (50%) and written submissions (50%). A copy of this report had been placed in the Members' Room.

Tender bids had been submitted by:

- Elvet Construction Consultants;
- Michael Dyson Associates Ltd;
- Pick Everard; and
- Rand Associates Consultancy Services Ltd.

The submitted costs ranged from £96,493.00 (lowest bid) to £270,602.24 (highest bid).

The table below summarises the overall scores indicating Michael Dyson Associates as the No. 1 ranked Contractor.

Rank	Company	Weighted Price Score	Quality Weighted Score	Total Score
1	Michael Dyson	50	38	88
2	Rand Associated	31	28	59
3	Elvet Construction	18	37	55
4	Pick Everard	18	32	50

Members had been advised that Michael Dyson Associates had undertaken the previous two stock condition surveys and had undertaken the work in a diligent and professional manner.

An initial meeting with Michael Dyson Associates had taken place on 28th November 2018 and Officers advised Members that the survey preparation works were underway.

**RECOMMENDED:-**

1. To agree the content and outcome of the mini competition results provided by Procure Plus Holdings; and
2. To retrospectively agree to the appointment of Michael Dyson Associates.

### **33 – Scrutiny of Sign-up Packs**

The Assistant Director - Housing submitted a report providing an update on the Scrutiny of the Sign-up Packs used for signing up new Tenants to Barrow Borough Council Housing Service.

At the meeting on 1st November, 2018 Members had been requested to note that the Tenancy Sign-up Packs would be reviewed in line with the Scrutiny process through to stage four – Implementation and review.

Members of the Tenants’ Scrutiny Working Party had now reviewed all of the documents used during the sign-up process and had agreed that health and safety information should also be included at the ‘sign-up stage’. A copy of the new ‘Safety in the Home’ leaflet had been placed in the Members’ Room.

This review had concluded the Scrutiny of the Tenancy Sign-up Packs.

The next area which would be reviewed by the Tenants’ Scrutiny Working Party would be Tenants’ and Residents’ Association Constitutions. A further report would be brought to HMF once that review had commenced.

RECOMMENDED:- To note the content of the report and agree the implementation of a new ‘Safety in the Home’ leaflet from January 2019.

**34 – 2019/23 Door Entry Contract, Smoke Alarm and Emergency Lighting Contract**

The Assistant Director - Housing submitted a report regarding the door entry, smoke alarm and emergency lighting Contract which had been in operation since May 2014. Officers had prepared a new specification and Contract for the period April 2019 to March 2023 and wished to advise Members of the outcome of the recent Tender exercise.

The new Contract had been issued on an “open tender” basis to a range of suitably qualified Contractors on 23<sup>rd</sup> November, 2018. The closing date for Tender submissions was 21st December, 2018.

The Tender had been conducted on the basis of 70% cost submission and 30% quality submission. The quality element of the Tender included questions relating to equality and diversity, service delivery and health and safety.

A summary of the Contractors’ tendered costs and quality evaluation scores had been presented as follows:-

2019 Door Entry and Emergency Lighting Contract	LOWEST TENDER SUM £20,600.00	Tender Costs		
		Contractor No 1	Contractor No 2	Contractor No 3
		£ -	£ 20,600.00	£ 30,744.00
PRICE EVALUATION SCORE		Tender returned unopened	70	46.9
PRICE EVALUATION RANK		3	1	2
QUALITY EVALUATION SCORE		Tender returned unopened	21	17
QUALITY EVALUATION RANK		3	1	2
PRICE QUALITY TOTAL SCORE		Tender returned unopened	91	64
PRICE QUALITY EVALUATION RANK		3	1	2

Members had been requested to note that Contractor No.1 had provided a Tender that contained details of the Company name/logo and was, in accordance with the Council’s procurement rules, returned to the Company unopened.

RECOMMENDED:- To agree to the appointment of the highest ranked Contractor following the Tender returns received on 21st December, 2018.

### 35 – 2019/23 Staircase Cleaning Contract

The Assistant Director – Housing submitted a report regarding the staircase cleaning Contract which had been in operation since May 2014. Officers had prepared a new specification and Contract for the period April 2019 to March 2023 and wished to advise Members of the outcome of the recent Tender exercise.

The new Contract had been issued on an “open tender” basis to a range of suitably qualified Contractors on 23rd November, 2018. The closing date for Tender submissions was 7<sup>th</sup> December, 2018.

The Tender had been conducted on the basis of 70% cost submission and 30% quality submission. The quality element of the Tender included questions relating to equality and diversity, service delivery and health and safety.

Members had been advised that this Contract had expired on 31st March, 2018. In view of the Committee cycles, a management decision had been made to re-tender the Contract on the basis of the existing specification and companies that had previously expressed an interest in the work.

A summary of the Contractors’ tendered costs and quality evaluation scores had been presented as follows:-

	Contractor No 1	Contractor No 2	Contractor No 3
	£ 44,425.39	£ 62,183.00	£ -
PRICE EVALUATION SCORE	70	50	N/A
PRICE EVALUATION RANK	1	2	
QUALITY EVALUATION SCORE	21	17	N/A
QUALITY EVALUATION RANK	1	2	
PRICE QUALITY TOTAL SCORE	91	67	N/A

Members had been requested to note that only two Contractors had submitted Tenders.

RECOMMENDED:- To agree to the appointment of the highest ranked Contractor following the Tender returns received on 7<sup>th</sup> December, 2018.

### 36 – Aids and Adaptations

The Assistant Director - Housing submitted a report regarding the appointment of a Contractor to undertake aids and adaptation improvements to the Council’s housing stock. She advised that the existing service provider, Top Notch Contractors Ltd., had written to the Council in December advising that they would be unable to continue with the delivery of the Contract.

On 25th August, 2016, Members had agreed to the appointment of Top Notch Contractors Ltd. to undertake aids and adaptation improvements to the Council's housing stock. The Contract had been issued under the terms and conditions of the 2015/2019 Procure Plus framework.

Due to the limited time available to re-tender this work, Officers had requested Members' approval to appoint DLP (Northern) Ltd for an interim period between 7th February, 2019 and 31st March, 2019. That temporary arrangement would be awarded on the basis of the 2019/2023 Procure Plus framework and ensured Tenants would not be unduly affected by significant delays.

**RECOMMENDED:-** To agree to the appointment of DLP (Northern) Ltd to undertake disabled adaptation improvements on a temporary Contract arrangement between 7th February, 2019 and 31st March, 2019. The Contract would be awarded in line with the terms and conditions of the 2019/23 Procure Plus Holdings Framework.

### **37 – Housing Maintenance Investment Programme**

The Assistant Director – Housing submitted a report with the purpose of agreeing the expenditure profile for 2019/2020. The proposed profile and priorities had been based on the agreed five-year Asset Management Strategy 2015 and made reference to the findings of the 2014 Stock Condition Survey.

**RECOMMENDED:-**

1. To note the progress made on achieving and maintaining the Decent Homes Standard;
2. To agree the annual investment profile shown which had been appended to the report;
3. To agree continued delivery through Procure Plus;
4. To agree to the appointment of Richard Coates and Baker Mallet as exceptions under section 16 of the Council's Standing Orders; and
5. To note the suggested investment profile as outlined in the report.

### **38 – Planned Investment and Planned Maintenance 2018/19 Expenditure**

The Assistant Director - Housing submitted information relating to the Planned Investment and Planned Maintenance Programme for 2018/2019. The information is attached at **Appendix 1** to these Minutes.

**RESOLVED:-** To note the information.

### **39 – Performance Information Report**

The Assistant Director - Housing submitted information relating to the Housing Performance Indicators for 2018/2019 in comparison with previous years. The information is attached at **Appendix 2** to these Minutes.

It was noted that the information provided had been limited as resources had been focused on year end and budget reporting, it had not been possible to validate all of the information which the Housing Management System (Cx) had returned.

RESOLVED:- To note the information.

## REFERRED ITEMS

### THE FOLLOWING MATTERS ARE REFERRED TO COUNCIL FOR DECISION

#### **40 – Housing Revenue Account 2018/19**

The Assistant Director - Housing submitted a report with the purpose agreeing a Housing Revenue Account Budget for the 2019/20 financial year. Her report also provided details of the Expected Outturn Budget and balances for the current year.

She advised that several significant factors needed to be considered when drafting a HRA budget – one of which was the reduction in income due to the Government's social rents policy to decrease rents by 1% over a four year period. The financial year 2019/20 would be the fourth and final year in the period. With that and continued Right to Buy, the reduction of income had been estimated at £409k over 2018/19 and 2019/20 financial years.

Another significant factor was the introduction of Full Service of Universal Credit in December, 2018. The full impact as yet was not known, however, from experience of other Authorities already on full service, it posed a considerable threat to the Council's rental income in the future.

Members had been requested to note the Government's indication that in 2020/21 the end of the social rent decrease policy, social rents would be allowed to increase by CPI plus 1%, however, although that was relatively good news, the income would remain challenged with the full roll out of Universal Credit, the continued sale of Council properties through Right to Buy, increasing costs and inflation generally.

As such, the Council needed to keep focused on controlling expenditure to ensure there would be sufficient provision to maintain the stock, provide services which met Tenants' aspirations and took into account the reducing number of dwellings.

#### **1. Expected Outturn Budget 2018/19**

The outturn for the year forecasted a net surplus of £24,050 after the budgeted contribution to Earmarked Reserves of £200,000.

#### **2. Balance on the Expected Outturn for 2018/19**

The above was likely to result in the following movement in balances.

**2.1** Major Repair Reserve balance as at 31 March 2018 £1,992,122

All Capital Schemes were on target for year-end and therefore no change was expected to the above reserve.

**2.2** i) Housing Revenue Earmarked Reserve at 31 March 2018 £1,274,720

Budgeted Contribution to Reserve in year £200,000

Forecast surplus £24,050

Estimated Balance at year end £1,498,770

ii) Housing Fund balance at 31 March 2018 £1,000,000

There was no change expected in the fund balance in year.

**2.3** Voluntary Repayment Provision as at 31 March 2018 £6,502,530

Forecast Provision 2018/19 £816,520

Provision at year end **£7,319,050**

### **3. HRA Budget 2019/20 Proposal**

The proposed budget for 2019/20 had been appended to the report and the following factors had been taken into account:

**3.1** A further reduction of 1% on rental income for residential dwellings.

**3.2** There had been a significant shift from Revenue to Capital Improvement Schemes in 2018/19 in the Housing Maintenance Budget; that had resulted in a budgeted contribution to Earmarked reserves in the year of £379,720.

**3.3** A contingency of £50k had been retained in the draft budget which is referred to below.

**3.4** Bad debt provision increased by £42k over the £126k calculated budget.

### **4. Dwelling Rents**

**4.1** The effect on rents of the 1% reduction had been presented in the original report as follows:

	52 Weeks	48 Weeks
<b>2017/18</b>	£75.36	£81.65
<b>2018/19</b>	£74.61	£80.83

**Average Rent decrease over 48 weeks**

**81 pence**

<b>2019/20</b>	£73.86	£80.02
<b>2020/21 increase</b>	CPI + 1%	CPI + 1%

However, the Business Support Manager advised Members that due to the realisation that 2019/20 had 53 Mondays where rent would be charged, there had been a need to reconsider the approach and amend the rent charges accordingly.

The immediate issue that had presented was that the four year reduction in rent by 1%, introduced by the Welfare Reform Act (2016), would be affected by the need to charge for an additional week's rent (week 53), as the rent charged for the period 2019/20 would be higher than it had been for the period 2018/19, thus not achieving the decrease of 1% as expected.

That, along with a number of other factors, had been considered in deciding how best to deal with the additional week's rent, in line with guidance published by the Local Government Association.

She reported that in order to charge Tenants for the additional week's rent for the 2019/20 financial year, it would be necessary to increase dwelling rents by 0.9% as the rent still needed to be collected over 48 weeks to ensure that the Council complied with the DWP Universal Credit regulations.

The increase ensured that Tenants would be charged for the 53 weeks and also took into account the 1% decrease introduced by the Welfare Reform Act (2016).

The effect of the 0.9% increase on dwelling rents had been presented as follows:-

	<b>52 Weeks</b>	<b>53 Weeks</b>	<b>48 Weeks</b>
<b>2017/18</b>	£75.23		£81.50
<b>2018/19</b>	£74.41		£80.61
<b>2019/20</b>		£73.67	£81.34
<b>2020/21 increase</b>	CPI + 1%		CPI + 1%

**Average Rent increase over 48 weeks**

**0.73p per week**

- 4.2** The expenditure within the HRA had been agreed through the democratic process, however, occasions had arisen which had resulted in under and overspends with the account.

As agreed in the 2018/19 budget report the use of the earmarked HRA reserve managed budget volatility as and when required within the parameter of the



overall agreed budget. £379,720 had been added for 2019/20 which related to housing maintenance programming.

The HRA fund balance would be assessed by the Director of Resources.

## 5. Garage Charges

The Council had discretion to set the appropriate rent for garages. During 2018/19 garage rents had been increased by 2% and that had not had an adverse affect in attracting new occupiers when they become vacant. The Council had agreed a 2% increase in garage rents in 2019/20 which had been presented in the original report as follows:-

	No.	2016/17	2% inc 2017/18	2% inc 2018/19	2% inc. 2019/20	Increased Revenue 2019/20
Garage rate 1	27	£6.96	£7.10	£7.24	£7.38	£4,511
Garage rate 2	451	£9.60	£9.79	£9.99	£10.19	
Total	478	£216,840	£221,135	£225,646	£230,157	

However, the Business Support Manager advised Members that due to the realisation that 2019/20 had 53 Mondays where rent would be charged, and in order to charge Tenants the additional week's rent, it had been necessary to increase garage rents over the 48 collectable weeks to account for that. The increase was approximately 2%.

In view of the increased charges, it was considered that any further increase to the rents over and above that would potentially lead to increased voids and risk difficulty in re-letting garages. For that reason, it had been proposed to only increase the rents to recover the additional week's rent and not to apply any additional increase in 2019/20 as follows:-

	No.	2017/18	2018/19	2019/20*	Weekly Rent Increase
Garage rate 1	27	£7.10	£7.24	£7.38	14p
Garage rate 2	451	£9.79	£9.99	£10.18	19p
Total	478	£221,135	£225,646	£229,941	

\* Weekly charge over 48 weeks

## 6. Additional considerations

### 6.1 Service Charges e.g. Communal Area Cleaning

Agree Officers increase charges as necessary to reflect any increases in contractual arrangements for the delivery of the service. Charges to be

adjusted as and when necessary to reflect recovery of the cost of provision with no additional administrative costs.

## **6.2 Service and Facility Charges for Dispersed and Furnished Properties**

The future funding of service charges had now been agreed and it would be exempt from UC and the charges could continue to be claimed by housing benefit.

The Assistant Director - Housing had suggested that the charges be increased as above (6.1) to reflect recovery of the cost of provision with no additional admin costs.

## **6.3 Charges for enquiries in respect of re-sale of former Council property and charge for administration of leases**

Following agreement earlier this year, some changes had been introduced for resale enquiries and leaseholder administration to ensure the Council recovered the costs to administer such activities. It was envisaged the remainder of the charges would be introduced for the start of the next financial year 2019/20.

## **6.4 Adelphi Court**

The block of 12 flats was leased to Richmond Fellowship as a supported housing scheme and under the terms of the lease it was recommended the annual rent charged of £40k remained unchanged for 2019/20.

## **6.5 ASB Action Ltd - Service Level Agreement 2019/20**

The Council's aim was to provide homes in good repair and on estates where people would like to live.

To enable the Housing Service to achieve that, effective management of anti-social behaviour was imperative.

ASB Action Ltd. provided a specialist service assisting social housing providers to effectively deal with such issues, including specialist legal advice at short notice for a fixed fee ensuring value for money.

The Assistant Director - Housing recommended Members agreed to renew the annual Service Level Agreement with ASB Action Ltd. and suspend the requirement to obtain alternative quotes.

The cost of a six-day Service Level Agreement, including training was £2,871 plus VAT.

## **7. Priorities for the Year**

During the financial year there would be several factors which would have an impact on the service. To summarise:

## 7.1 Maintain a Balanced Housing Revenue Account

The proposals in the draft budget maintained the significant reductions made in 2018/19 within the HRA.

The Government had now agreed that at the end of the current social rents policy, they would allow social landlords to increase their rents by CPI plus 1% in 2020/21 financial year.

Whilst that was positive news, the number of properties continued to reduce requiring the need for continuous financial control and consideration of the future models of service delivery.

## 7.2 Housing Management System

Officers continued to progress the development of the Cx system which had gone live in November, 2017. It was unfortunate that key personnel involved in the planning stages had left the Council during the implementation, taking with them the knowledge they gained over the course of the project. A key post had now been filled and was successfully progressing the development of the Stage 1 system. Stage 2 delivery was now in the process of being resourced by Civica which should result in a number of improvements in the implementation. That would require ongoing external support and, as such, a contingency within the budget had been included to ensure that could continue.

**Action:** The development of the Cx system would continue as a key priority across the service during 2019/20.

## 7.3 Welfare Changes and Income Collection

The full service roll out of Universal Credit had commenced on 5th December, 2018.

It was evident that Universal Credit would put a significant risk on the income the Council received and put increased pressure on the Operations Team to mitigate the effect to maximise income; rent collection would be a key priority for staff.

**Actions:** Operations Team to adopt best practice to minimise the risk to the income of the service.

Impact of roll-out monitored and number of Operations staff reviewed depending on impact on rental income.

## 7.4 Water Rates Collection

The current contract to collect water charges with United Utilities ends March 2019. It was agreed at HMF on 13th September, 2018 that the contract be extended a further two years to assist with the maintenance of the HRA.

The commission the Service would receive was c.£202k in 2019/20 and it was envisaged to be a similar amount in 2020/21. United Utilities had not been able to confirm the amount as yet.

## Summary

The proposed budget provided assurance the Council could respond to ongoing reductions in income due to social rent policy in the next year.

The use of the earmarked HRA reserve gave a provision for flexibility in the Service as well as to ensure a balanced budget over the next financial year 2019/20 should additional reductions or efficiencies not be identified.

### RECOMMENDED:-

1. To note the Report;
2. To note the Expected Outturn Budget for 2018/19 would be a surplus of £24,050 after the budgeted contribution to Earmarked Reserves of £200,000;
3. To note the balances on the Expected Outturn Budget for 2018/19;
4. To agree the basis on which the 2019/20 draft Budget had been proposed in 3.1 to 3.4 of the report;
5. To agree that due to the realisation that 2019/20 had 53 Mondays where rent would be charged and that the rent still needed to be collected over 48 weeks to ensure that the Council complied with the DWP Universal Credit regulations, that:-

a) The effect of the 0.9% increase on dwelling rents would be as follows:-

	52 Weeks	53 Weeks	48 Weeks
<b>2017/18</b>	£75.23		£81.50
<b>2018/19</b>	£74.41		£80.61
<b>2019/20</b>		£73.67	£81.34
<b>2020/21 increase</b>	CPI + 1%		CPI + 1%

**Average Rent increase over 48 weeks**  
**0.73p per week**

b) The effect of the approximate 2% increase in garage rents would be as follows:-

	No.	2017/18	2018/19	2019/20*	Weekly Rent Increase
<b>Garage rate 1</b>	27	£7.10	£7.24	£7.38	14p
<b>Garage rate 2</b>	451	£9.79	£9.99	£10.18	19p
<b>Total</b>	478	£221,135	£225,646	£229,941	

6. To agree or note as outlined in 6.1, 6.2, 6.3 and 6.4 of the report, the other additional considerations.
7. To agree the continuation of the Service Level Agreement with ASB Action Ltd and waive the normal procurement requirement in that instance (6.5 of the report); and
8. To agree the approach to matters raised in 7.2, 7.3 and 7.4 of the report.

The meeting closed at 2.35p.m.