

BOROUGH OF BARROW-IN-FURNESS

HOUSING MANAGEMENT FORUM

Meeting: Thursday 12th January, 2017
at 2.00 p.m. (Committee Room No. 4)

Group Meetings at 1.15 p.m.

A G E N D A

PART ONE

1. To note any items which the Chairman considers to be of an urgent nature.

2. Admission of Public and Press

To consider whether the public and press should be excluded from the meeting during consideration of any of the items on the agenda.

3. Declarations of Interest

To receive declarations by Members and/or co-optees of interests in respect of items on this Agenda.

Members are reminded that, in accordance with the revised Code of Conduct, they are required to declare any disclosable pecuniary interests or other registrable interests which have not already been declared in the Council's Register of Interests. (It is a criminal offence not to declare a disclosable pecuniary interest either in the Register or at the meeting).

Members may however, also decide, in the interests of clarity and transparency, to declare at this point in the meeting, any such disclosable pecuniary interests which they have already declared in the Register, as well as any other registrable or other interests.

4. Confirmation of the Minutes of the meeting held on 10th November, 2016 (copy attached).

5. Apologies for Absence/Changes in Membership.

FOR DECISION

STRATEGIC PLANNING OR OPERATIONAL

(R) 6. Housing Revenue Account 2017/2018.

(D) 7. Housing Maintenance & Gas Servicing.

FOR INFORMATION

8. Planned Investment and Planning Maintenance 2016-17

NOTE: (D) – Delegated to the Executive Committee
(R) – Referred to the Council

HOUSING MANAGEMENT FORUM MEMBERS:

Councillors: K. Hamilton (Chairman)
D. Barlow
S. Blezard
D. Brook
J. Heath
A. Johnston
W. McEwan

Tenants Reps: Mandy Anderson
Allan McIntosh
Mervyn Gray
(one vacant position)

Substitutes: Steven Lippett
Two vacant positions

For queries regarding this agenda, please contact:

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HOUSING MANAGEMENT FORUM

Meeting: Thursday 10th November, 2016
at 2.00 p.m.

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

Tenant Representatives:- Mrs M. Anderson, Mr M. Gray and Mr A. McIntosh.

Officers Present:- Colin Garnett (Assistant Director - Housing), Paula Westwood (Democratic Services Officer - Member Support) and Katie Pepper (Democratic and Electoral Services Apprentice).

66 – Minutes

The Minutes of the meeting held on 25th August, 2016 were taken as read and confirmed.

67 – Community Alarm Services provided by the Housing Service

The Assistant Director – Housing submitted a report requesting Members to consider and agree the Housing Service's approach to the provision of Community Alarm Services to Tenants who previously received financial support towards the cost of such services through the Supporting People arrangements.

He reported that following changes in the funding of the support costs, the Council had ended its Homelink service for older people back in 2011/12. However, since then Adult Social Care had continued to provide funding (£1 per week per Tenant) to cover the cost of the Housing Service providing a Community Alarm Service. However, new Tenants after 1st November, 2011 had not been able to receive such financial support.

He advised that at the time of these changes, many Tenants had chosen to withdraw from the Community Alarm Service, or made their own arrangements independently and consequently the number of Tenants receiving the service had steadily reduced. There were now only 20 tenants who benefitted from this legacy service. They lived in Eamont Close, Whinfield Place, Meadow Grove, Lord Street, Newton Road and Ainslie Dale.

The Assistant Director - Housing requested Members to note the following points:-

1. The funding arrangement referred to above had ended on 1st April, 2016 but due to an oversight this had not been picked. The balance of funds held for this Service had ensured that the cost had been met on behalf of the Tenants until recently, but had now ran out;
2. All Residents with the Service had an alarm unit which was a telephone with additional features and the equipment was dated with limited future life;

3. The Service was provided by an arrangement with a third party contact centre who received and responded to any calls received. The arrangement had served well for many years, for which the Council paid a weekly fee, and the units had been maintained via an agreement with the supplier. The work required to facilitate the Service for the number of recipients was not proportional;
4. In the closing of Council's Homelink Service no colleagues were directly employed on that area of work; and
5. The provision of Community Alarm Services could now be accessed by residents through a number of means. Locally, Age UK provided a service and Adult Social Care also operated their own service. The subscriber would be required to pay a fee for the service.

It was noted that when decisions had made previously regarding Older Persons' Services it was recognised that numbers would continually reduce and the ending of funding suggested that a decision now needed to be made.

Having regard to the small number of users, the very limited input the Council could provide and the access to the same services elsewhere the Assistant Director - Housing suggested bringing an end to this legacy service.

RECOMMENDED:- Members had been recommended to agree:-

1. That the Housing Service ended its provision of providing Community Alarm Services directly and served three months' notice on the remaining Tenants;
2. That the Housing Service would meet the charges made to the Tenants until they moved to an alternative provider or stopped receiving the Service but not longer than the notice period; and
3. That the Housing Service would provide assistance if necessary to help Tenants move to another provider.

68 – Grange and Cartmel Community Centre

The Assistant Director - Housing submitted a report sharing the results of a consultation exercise recently undertaken regarding the future use of Grange and Cartmel Community Centre.

He reported that in recent years, the Community Centre had been used less and less by Tenants and Residents and was now not used at all. There was no longer an active Tenants' and Residents' Association and there had been a general lack of interest in continuing with an Association going forward.

As a result, the Housing Department had been forced to consider options for its future, the first stage of which had been to undertake a consultation to seek the views of the Tenants and Residents at Grange and Cartmel Crescent. The results of the

consultation, which had been shared with members of the Tenants' Forum on 3rd October, 2016, had been appended to the report.

It was noted that the response rate to the consultation had been much lower than expected with only two people attending a pre-arranged drop-in session and a further 18 people returning a questionnaire. This had represented a response rate of 27%. Of the six people that expressed an interest in becoming involved in running the centre, three had left contact details. After further discussions with those three it had become apparent that their commitment would have been limited through ill health and changeable hours in employment.

Unfortunately, following the consultation, the Housing Department was not confident that there was sufficient interest from Tenants to take forward the running of the Community Centre. However, many of the responses received did suggest that new accommodation could be an option and, as such, that option would now be explored further.

RECOMMENDED:- To note the information and the consultation results.

69 – Future Use of Grange and Cartmel Crescent Community Room and Guest Bedroom

The Assistant Director - Housing submitted a report requesting Members to consider the future use of Grange and Cartmel Crescent Community Room and Guest Bedroom.

At a meeting of the Housing Management Forum on 9th June, 2016, the Assistant Director - Housing had raised the question of what should be the future use of the above building. It was agreed to carry out a consultation exercise to ascertain whether there was any interest in the Centre and in particular, support from the Community to keep it open and operating for the benefit of the Residents. The results of that consultation exercise had been covered in Agenda Item 7 (Minute No. 68).

Along side the above exercise, the Assistant Director – Housing had investigated the option of converting the two facilities into residential accommodation.

In the case of the guest bedroom, no alterations would be required although it would possibly be appropriate to complete some cosmetic works.

With regards the Community Centre, it would be necessary to re-model the space to make it suitable for residential use. A copy of the proposed design had been appended to the report.

The estimated cost for the conversion works was £15,750.

It was noted that the proposed arrangement would ensure separate access, to the front for the upstairs former guest room, and at the rear an access to the new ground floor flat. Whilst the ground floor flat would not be wheelchair standard, it would include a laid to fall shower so would be suitable for a person with mobility problems.

Also in terms of re-letting the resultant properties, the area was popular and it was envisaged that there would be demand for them.

RECOMMENDED:- To agree to the conversion of the Community Centre into a residential accommodation and for the resultant flat and guest bedroom to be incorporated into the housing stock and that the Assistant Director look to fund the work from the previously agreed Maintenance Budget.

70 – Repair Finder: Change of Supplier

The Assistant Director - Housing submitted a report regarding the procurement of a replacement Repair Finder. He advised that Northgate, the current supplier, would need to make changes to the way in which their system was set up so that it could be used within the new Housing Management System Cx and made available to Tenants as an online repair reporting tool.

It was noted that due to the system design, the Council could not make the necessary changes to the Northgate product and were therefore wholly reliant upon them. The changes required could take many months and could run into thousands of pounds.

Repair Finder was a visual repair diagnostic tool used by the Housing Service to raise repair orders correctly. There were only three products on the market: Omfax which had initial costs around £25,000 with support costs at £6,000 per annum; M3 which had initial costs of around £8,000 and ongoing support costs at around £500 per annum; and Northgate's support costs were £1,250 per annum.

The Assistant Director – Housing reported that he was confident that M3 would deliver what the Housing Service required and that it was a more simple and manageable product so in the long term would have a lower cost. M3 had already been successfully integrated with Cx. He therefore proposed that, with Members' agreement, he would simply seek the best quote from M3 with a direct award. The cost concerned would fall below the OJEU thresholds.

RECOMMENDED:- To agree to accept the recommendation to select M3 vendor with a direct award on the basis that there was only one suitable product which met the Housing Service's business needs going forward.

71 – Planned Investment and Planned Maintenance

The Assistant Director - Housing reported information relating to the Planned Investment and Planned Maintenance Programme for 2016/17. The information is attached at **Appendix A** to these Minutes.

RESOLVED:- To note the information.

72 – Performance Information Report

The Assistant Director - Housing submitted information relating to the Housing Performance Indicators for 2016/17 in comparison with previous years. The information is attached at **Appendix B** to these Minutes

RESOLVED:- To note the Housing Management Performance report.

REFERRED ITEMS

THE FOLLOWING MATTERS ARE REFERRED TO COUNCIL FOR DECISION

73 – Cumbria Housing Partners – Enhancing Social Value

The Assistant Director - Housing submitted a report regarding a proposal from Cumbria Housing Partners to introduce new arrangements to support social value activities, such as Apprenticeships and Sense of Place Projects.

He reported that the Council's preferred process for the delivery of a significant proportion of the Investment Programme was through an arrangement with Cumbria Housing Partners (CHP). This provided access to a number of OJEU compliant frameworks. The Maintenance and Asset Manager represented the Council and was a member of the Board of CHP.

In addition to the advantages derived from delivering investment works through that approach, it enabled the Council to support jobs, training and community investment from the savings made on the procurement of its planned works.

As a member of CHP, the Council had been committed to the underlying driver that social housing providers could achieve more for their neighbourhoods and Cumbria by working together. Since the Company was formed in 2008, CHP had achieved positive outcomes in terms of Apprenticeships and Sense of Place Projects and that had been externally verified.

However, emerging needs, continued high levels of worklessness in some areas of the County and reducing investment meant that CHP had to consider more innovative and collaborative solutions and opportunities.

In order to maximise investment in social value activities for the benefit of Tenants, CHP had proposed to establish a donor advised investment fund with Cumbria Community Foundation (CCF). The advantages which CHP considered were:-

- A higher degree of collaboration across the County than what was currently being achieved;
- Match funding – more money invested for the benefit of Tenants. CCF had access to other funding streams and the CEO had an objective to bring in an additional match as part of a match challenge initiative;
- Improved project development – CCF has contact with 3,000 third sector community organisations in Cumbria; and

- Improved publicity of CHP landlords work on behalf of their tenants and neighbourhoods.

CHP proposed to invest in the region of £100k for four years using a mix of reserves and revenue funds, although that would be dependent upon fees.

The proposed donor advised fund would allow the donor i.e. CHP to determine how the funds would be spent, on which priorities and the ability to approve or reject each and every application made to the fund. CCF had standard application forms, available on line, which would be amended to reflect the nature of the CHP fund and standard reporting formats, which would identify what has been achieved on a quarterly and an annual basis. That data could be benchmarked against outcomes on a national basis, through the national network of community foundations.

The Board of CHP, including the Councils representative, had identified two key ambitions for the fund:

1. To support employment and training opportunities for those living in landlord homes; and
2. To build the capacity/resilience of landlord communities to address their own challenges and opportunities.

Within those two key ambitions, CHP could identify the types of projects it wouldn't fund and would have the opportunity to approve or reject any application that came before it.

Once those ambitions had been agreed they would be included in a fund agreement, signed by both parties. A draft copy of the fund agreement had been appended to the report.

The next step would be to approve the application form so that CHP's priorities could be accommodated and add a question identifying how the project supported landlord tenants and the monitoring requirements. Both the ambitions and priorities for the fund would be discussed at a workshop on 6th December, led by the Employment and Skills Group.

It is the intention of CHP that the Employment and Skills Group (each landlord including Barrow would be represented) would continue to consider every application that was made to the fund. All applications would be subject to the usual due diligence checks carried out by CCF before going to the Employment and Skills Group. Once agreed CCF's grant making panels would note the grant awards. So in Barrow, each application would be minuted as a part of the deliberations of the Barrow Grants Panel of CCF, which meets eight times each year. That way, CHP landlords would retain direct control over the allocation of funds, but with the advantages of drawing in additional funds for the benefit of the Council's Tenants and with the support of CCF's infrastructure to identify and develop projects.

RECOMMENDED:-

1. To agree the proposal for the future delivery of social investment proposed by CHP;
2. That all monies derived from the delivery of the Housing Maintenance Programme be only used for the benefit of the Tenants of Barrow; and
3. To delegate the Assistant Director - Housing to approve the detailed process for allocating funds and sign the Fund Agreement when he was satisfied that the appropriate arrangements were in place.

The meeting closed at 2.30 p.m.

PLANNED INVESTMENTS 2016-17

APPENDIX A

SCHEME	PROCUREMENT TYPE	AVAILABLE BUDGET	EXPENDITURE TO DATE	ESTIMATED START DATE	ESTIMATED COMPLETION DATE	CONTRACTOR	COMMENTS	Lease-holders affected?
RE-ROOFING AND POINTING WORKS- ROOSEGATE ESTATE PHASE 3 (2-3 YEARS DELIVERY PLAN)	CUMBRIA HOUSING PARTNERS	£1,319,625	£ 759,496	1.5.2016	20.12.2016	DLP Roofing	60% COMPLETE	No
RE-POINTING/ RENDERING ORMSGILL ESTATE (PHASE 2)	CUMBRIA HOUSING PARTNERS	£250,000	£ 194,173	01/08/2016	20.12.2016	DLP Roofing	70% COMPLETE	No
WINDOW & DOOR REPLACEMENTS VARIOUS HOUSING AREAS	CUMBRIA HOUSING PARTNERS	£400,000	£ 502,972	01/04/2016	31.3.2017	TOP NOTCH	95% COMPLETE	No
COMMUNAL ENTRANCE PAINTING - CENTRAL	CUMBRIA HOUSING PARTNERS	£10,000	£ -	01/10/2016	31.3.2017	GEORGE JONES	0% COMPLETE	Yes
GARAGE IMPROVEMENTS	CUMBRIA ROOFING	£75,000	£ -	01/10/2016	31.3.2017	CUMBRIA ROOFING	0% COMPLETE	No
REWIRES	CUMBRIA HOUSING PARTNERS	£355,300	£ 216,233	01/04/2016	31.3.2017	K WILSON	65% COMPLETE	No
BATHROOMS	CUMBRIA HOUSING PARTNERS	£149,400	£ 98,996	01/04/2016	31.3.2017	AB MITCHELL	80% COMPLETE	No
KITCHENS	CUMBRIA HOUSING PARTNERS	£125,000	£ 136,484	01/04/2016	31.3.2017	AB MITCHELL	95% COMPLETE	No
HEATING	CUMBRIA HOUSING PARTNERS	£455,000	£ 198,014	01/04/2016	31.3.2017	AB MITCHELL	35% COMPLETE	No
PAINTING	CUMBRIA HOUSING PARTNERS	£150,000	£ 27,723	01/04/2016	31.3.2017	G JONES	25% COMPLETE	Yes

HOUSING MAINTENANCE COMMITMENTS 2016-17

	Funding Available 2016-17	EXPENDITURE TO DATE	Weekly Available	Gross Comm. as a % funds available
Tenant Demand Repairs	£ 1,070,200	£ 499,498	£ 20,581	47%
Voids	£ 503,044	£ 375,102	£ 9,674	75%
Gas Servicing	£ 195,392	£ 157,997	£ 3,758	81%
Decoration Vouchers	£ 30,000	£ 18,836	£ 577	63%
Environmental Impmts	£ 25,000	£ 15,142	£ 481	61%
Disabled Adaptations	£ 100,000	£ 159,280	£ 1,923	159%
Electrical Testing	£ 81,000	£ 27,022	£ 1,558	33%
Door Entry Maintenance	£ 20,000	£ 11,992	£ 385	60%

HOUSING PERFORMANCE INDICATORS

Rent Arrears & Collection Dwellings (exc. Dispersed)	Actual 2014/15	Actual 2015/16	Apr-June 2016	Apr-Sept 2016
£ Rent & Service Charges due (Including empty properties)	£11,265,022	£11,416,157	£2,739,809	£5,553,182
£ rent loss due to empty dwellings (voids)	£164,758	£149,667	£39,896	£75,947
£ Rent collected from Current Tenants	£11,059,494	£11,267,074	£2,653,648	£5,467,410
£ Rent collected from Former Tenants	48,075	56,798	£21,877	£45,876
Total Rent collected as % of rent due	98.18%	98.69%	96.86%	98.98%
£ Current Arrears	£395,657	£360,453	£412,851	£462,914
£ Former Arrears	£192,359	£230,070	£234,690	£235,931
Write Offs (Gross)	£130,795	£105,959	£18,913	£33,219
Tenants evicted for rent arrears	11	17	2	6
£ Rent Arrears UC claimants	£9,779	£36,011	£71,418	£93,942
Arrears & Collection - Other Properties				
£ Rent arrears Dispersed (Homeless)	£401	£1,778	£888	£2,161
£ Rent arrears Garages	£2,769	£2,294	£3,197	£8,235
£ Rent Arrears Shops	£2,966	£5,028	£4,907	£7,422
£ rent loss due to empty Dispersed (Homeless)	£27,528	£35,255	£8,331	£17,314
£ rent loss due to empty Garages	£2,501	£1,308	£411	£905
£ rent loss due to empty Shops	£0	£0	£0	£0
Void & Lettings (General Needs)				
Total Dwellings	2649	2633	2625	2619
Total number of re-lets	324	254	80	135
% of re-lets accepted on first offer	72.8%	62.2%	67.6%	unavailable
Number of re-lets that underwent Major Works	17	101	13	unavailable
Average relet time in days (Standard)	37	38	16	9
Average re-let time in days (Major Works)	62	60	45	48
Average re-let time in days (all re-lets)	44	46	48	47
Number of units vacant and available for letting at period end	5	31	20	19
Number of units vacant but unavailable for letting at period end	26	12	11	9
No. Tenancies terminated	267	271	67	122
Tenancy Turnover %	10.1%	10.3%	2.6%	4.7%
ASB				
Number of new anti-social behaviour cases reported	38	84	7	12
Number of closed successfully resolved ASB cases	100%	78%	67%	50%
Number of closed unresolved anti-social behaviour cases		66	1	2
Repairs & Maintenance				
Average number of calendar days taken to complete repairs	16.48	15	14	18
Percentage of repairs completed at first visit	N/A	96.4%	94.9%	97.34%
% all responsive repairs completed on time	78.4%	86.7%	89.7%	81.97%
Number Repair Orders completed	10,282	10,290	2031	4250
Average Responsive repairs per property	3.9	3.9	0.8	1.6
Appointments kept as a percentage of appointments made	N/A	88.0%	91.97%	93.23%
Major Works & Cyclical Maintenance				
Percentage of dwellings with a gas safety certificate renewed by anniversary	100.0%	100%	100%	100%
Percentage of homes that fail to meet the Decent Homes Standard	2.8%	0.49%	0.39%	0.38%
*Average SAP rating of dwellings at end of year (based on RD SAP 9.83)	69.2	69.4	69.4	69.4

APPENDIX B

Homeless				
Homeless ave. days in temporary dispersed accommodation	52	70	38	67
Homeless ave. days in temporary B&B accommodation	36	22	29	33
Homeless Total Cases Closed	689	787	304	398
Homeless Advice	178	227	138	248
Homeless Prevention	321	385	126	166
Homeless Successful Preventions	174	158	90	123
Eligible Homeless (Owed a full duty)	16	17	3	5
Staff satisfaction with employer	Actual 2014/15	Apr-Mar 2016		
Average permanent employee headcount	56	53	55	54
Number of leavers	0	3	0	1
Ave. working days lost / sickness absence	14.3	18.8	12.5	12.6
Customer contact & complaints				
The number of Stage 1 complaints upheld in the year	2	2	1	2
Percentage of complaints resolved at first contact				0
Water Charge Collection				
Direct Debit payers	765	793	785	790
Successful applications for Support Tariffs	510	570	567	527
Housing Register				
Cumbria Choice Register	1421	1242	1285	1369
Active Direct Applicants	1151	1018	1057	1075
Active Transfer Applicants	270	224	228	294
Housing Stock				
Houses	1263	1252	1242	1237
Flats	1230	1213	1215	1214
Bungalows	156	156	156	156
General Needs Dwellings	2649	2621	2613	2607
Dispersed	10	10	10	10
Homeless (Cold Weather Provision)		3	0	0
New Lives Project		2	2	2
Adelphi Court	0	12	12	12
Total Dwelling Stock	2659	2648	2637	2631
Community Centres	5	5	5	5
Leaseholds	208	208	209	210
Garages	489	489	497	497
Shops	19	19	19	19
TOTAL PROPERTIES	3380	3369	3367	3362
RTB Properties / Land (Values)				
Houses	£509,170	£498,310	£394,875	£601,035
Flats	£60,540	£0	£25,960	£44,560
Bungalows	£28,670	£0	£0	£0
Land	£3,000	£0	£0	£0

HOUSING MANAGEMENT FORUM	(R) Agenda Item 6
Date of Meeting: 12th January, 2017	
Reporting Officer: Colin Garnett, Assistant Director - Housing	
<p>Title: Housing Revenue Account 2017/18</p> <p>Summary and Conclusions:</p> <p>The purpose of this report is to agree a Housing Revenue Account Budget for the financial year 2017/18. It provides an update on the work of the Housing Services Review Working Group and their deliberations regarding potential savings for the 2017/18 HRA and towards savings for future years</p> <p>The report also provides an Expected Outturn Budget for the current year 2016/17 and information regarding balances.</p> <p>Recommendations:</p> <p>Members are asked to:-</p> <ol style="list-style-type: none"> 1. Note work and deliberations of the Housing Services Review Working Group and comments at Appendix C. 2. Note the information at (1) 3. Note the information on balances and Voluntary Repayment Provision at 2) 4. Note the information in point (3) and agree 2017/18 budgets as shown in Appendix A. 5. Agree deletion of Post ID OHS 270 6. Agree the Dwelling Rent decrease of 1% at (4) and note the information in Appendix B (to be presented at meeting) 7. Agree the Garage increase of 2% at (5) 8. Agree the no rent change to Adelphi Court at (6) 9. Note the information at (7) 	

Report

The purpose of this report is to agree a Housing Revenue Account Budget for the coming financial year 2017/18. Information about the Expected Outturn Budget and balances for the current year is also included.

In presenting the Report I have followed a similar format as previous years but I will start by providing feedback on the deliberations of the Housing Services Review Working Group (HSRWG)

Our rents remain constrained by Government rent policy, to which I will refer again later. The rent charges we can levy are therefore predetermined and as rents are the substantial income to the HRA, by implication, delivery of the Service will have to contend with falling revenue.

Having sought to quantify the impact, on an annual basis there will be a loss of rent, around the c£200k a year figure each year through to 2019/20. The wider picture, however, is if we consider the implications on the Housing Services 30 year Business Plan, the rent increases factored into it and on which investment in the stock is based, it is estimated the gap between what we "expected" and what is now likely to be the case is in the region of c£3.6m. I would point out there are a number of assumptions required to forecast over this period of time, Officers have used past experience to do so, but in short whilst these figures, should be viewed as "indicators" the implications are sufficiently concerning to ensure appropriate action is taken to provide a balanced HRA, and secondly to re-consider our longer term investment and management costs.

In recognition of this, the Housing Management Forum on 25th August 2016 agreed to establish a Housing Service Review Working Group (HSRWG) including 4 councillors and 1 tenant representative. The purpose of the Group is to agree a Financial Strategy to respond to the above challenges. By way of feedback from the Group a number of key principles were agreed:

1. The preferred approach to the problem is to agree a financial strategy based on "retention" of the housing stock and its management by the Council.
2. To ensure the HRA is balanced on an annual basis with no use of Reserves
3. To protect as far as practical the investment programme.
4. To consider the short term loss of "cash" each year and propose areas for consideration
5. To then consider the longer term implications, and develop a Financial Plan accordingly.

To focus on the purpose of this Report, a number of service areas were considered and either agreed as offering cost saving options, or others that required further consideration. In short at the time of the discussions the out turn of the 2016/17 budget was not yet completed and so savings over and above the estimated lost rent was discussed on the basis of any savings required this year could be met.

I attach at **Appendix C** a summary of the cost saving measures discussed and the HSRWG view on each. These options will be progressed as suggested in the Appendix.

The current year Outturn and proposed 2017/18 HRA budget is attached at **Appendix A**.

The proposed changes to the annual rent is in line with Section 19 of The Welfare Reform and Work Bill 2015 which last year brought into force rent reductions of 1% for 4 years (1% less than the amount that was payable by the tenant in the preceding 12 months).

"Target (formula) rent is determined as the rate of formula rent of 7th July 2015 and a 1% reduction to the rate each year thereafter".

This means a further loss of rent income of approximately £117,177 for 2017/18. CPI (inflation index), which usually determines rent increases has risen to 1% so in effect by March 2020 the revised figure for loss to HRA is £1.2m.

At your meeting I will provide examples of the effect of applying the 1% decrease to a range of property types.

Right to Buy have risen sharply this year to 22, if this trend continues it will further reduce rent income.

In previous years we have asked and you have agreed that Garage rents would increase at the same % rate as dwellings however, we would now recommend that garages rise by 2% to keep their rents in line with local rates.

Any surpluses will be applied across the following as we are expected to manage expenditure incurred in maintaining tenancies and stock from the rents collected:

- (1) debt repayments
- (2) investment projects where the need or the return is clearly identifiable

1. Expected Outturn Budget 2016/17

The outturn for the year forecasts a net deficit of **£9,170**. Key factors are:

- (1) Contributions from reserves for the Housing Management System have already been taken into account prior to the above result

(2) Increase in the Employers National Insurance contributions in year

2. Balances on the Expected Outturn for 2016/17

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

2.1 Major Repair Reserve balance as at 31 March 2016	: <u>£1,416,693</u>
Major Capital Works schemes from 2015-16	(£500,000)
Roosegate Roofing scheme scheduled Jan-March 17 approved by HMF	(£250,000)
Revised Reserve balance as at 31 March 2017	<u>£ 666,693</u>
2.2 Housing Revenue Account balance 31 March 2016	: £1,544,849
2.3 Forecast of Balance on Account	
Housing Revenue Account as at 31 March 2016	: £1,544,849
Housing Management System financed by reserves to March 2017	(£133,430)
Forecast Deficit for 2016/17	(£ 9,170)
Estimated Balance at year end	: £1,402,249
2.4 Voluntary Repayment Provision	
Provision as at 31 March 2016	: £5,077,740
Forecast Provision 2016/17	: <u>£1,165,980</u>
Provision at year end	: £6,243,720

3 Proposed HRA Budget 2017/18

In proposing the budget for 2017/18 attached at **Appendix A** the following factors have been taken into account:

- 3.1 The Settlements Payments Determination provided a budgetary and business planning framework for rental income, the management of tenancies and major repair and maintenance expenditure. However, the Welfare Reform and Work Bill 2015, brought into force rent reductions of 1% for a further 3 years.
- 3.2 The accumulated effect of the rent reductions for 2015/16 & 2017/18 is £516k.

By March 2020 I would now estimate a fall, in real terms, of around £3.6 million depending on inflation. At the same time we can expect our costs, particularly repairs & maintenance, to increase with inflation regardless.

- 3.3 The changes to rent income places certain constraints on the budget and forces us to concentrate on the core activities of collecting rents, managing tenancies and keeping our properties in a good state of repair. It is necessary to consider dropping certain periphery activities, although there are some which may continue like the sense of place, training and apprentice schemes because they are funded through existing repair/maintenance contractual arrangements.
- 3.4 I would suggest that we allocate £50k to a contingency budget to fund initiatives that help tenants into work and training by improving employment opportunities and their employability and maintain the £15k area improvement initiative scheme and £10k funding for Tenants Forum.
- 3.5 Commission income from water charge collection are estimated at £191k. We now have 510 tenants on reduced tariffs and a further 22 tenants have received £6,837 from the United Utility Trust fund charity.
- 3.6 The rollout of Universal Credit continues and has, as anticipated, increased our arrears. We have 155 claimants and their arrears amount to £96k.
- 3.7 Our collection rates currently run at 96.21% which is down 2% from last year.
- 3.8 The replacement housing management system (Civica CX) will go Live at the end of May this year. The cost is funded from the HRA balance and the investment should be recovered within 5 years from reduced annual support costs and staffing costs from more efficient working practices which will be realised over the next couple of years. The system itself is more easily managed, has a superior capability in predicting arrears and recovery actions and is a better aid to managers in improving performance.
- 3.9 The Voluntary Repayment Provision for 2017/18 will increase by £956,990
- 3.10 What has been taken out based on the direction of the HSRW to provide this budget is:

Reduction of establishment costs £20k (Post ID OHS 270)

Reduced incentive budgets by £15K

Reduction of Voluntary repayment reduced by £209k

Removal of two temp posts in year £24k (planned to end summer 2017 to on implementation of Housing Management System)

Whilst the HSRWG identified potentially greater savings, they have not been required for 2017/18, but will be further considered as potential savings for future years.

4 Dwelling Rents

- 4.1 The determination for 2017/18 is a 1% decrease to Barrow Borough Council rents as they were on 11th July 2016

	52 Weeks	48 Weeks
2016/17	£76.13	£82.48
2017/18	£75.36	£81.65
Decrease	1%	1%

**Average Rent
decrease over 48
weeks**

83p

- 4.2 Attached at **Appendix B** are further details of the resultant rents for different property types. Rents on an individual property basis will differ.
- 4.3 The housing Major Repairs and maintenance budget will allow a total £2,019 per dwelling based on a stock level of 2,611 *(includes Adelphi Court).

5 **Garage Charges**

The proposed budget includes a 2% increase on garage charges. The effect on individual garage charges would be as follows:

	No.	2016/17	2% inc 2017/18	Increased revenue 17/18
Garage rate 1	27	£6.96	£7.10	£8,970
Garage rate 2	451	£9.60	£9.79	
Totals	478	£215,580	£224,550	

There is a 100+ strong waiting list garages with no vacancies and the proposed new rents appear on par with the private sector.

6 **Service & Facility Charges**

The service and facility charges for supported, furnished and dispersed properties are still about right. I suggest that we leave them as is, provided that we continue to recover their cost.

7 **Adelphi Court**

The property is leased to Crofflands Trust as a supported housing scheme and under the terms of that lease I would recommend that the annual rent of £40,000 remains the same for 2017/18

8 **Business Improvement Initiatives**

I would propose at the present time the Housing Service should focus on the following:

1. The delivery of the new Housing Management System by summer 2017
2. Consideration and agreement of service improvements that can be progressed to maximise the investment in the above
3. The HSRWG complete their deliberations and provide a draft Financial Plan for consideration which mitigates the reduction in income as far as is practical.

(i) Legal Implications

The recommendation has no legal implications.

(ii) Risk Assessment

The recommendation has no implications.

(iii) Financial Implications

The recommendation has financial implications as detailed.

(iv) Health and Safety Implications

The recommendation has no detrimental impact the built environment or public realm.

(v) Equality and Diversity

The recommendation has little impact on users with disabilities and Furness Equality and Diversity Partnership have been consulted.

(vi) Health and Well-being Implications

The recommendation has no adverse effect on the Health and Wellbeing of users of this service.

Background Papers

Nil

Housing Revenue Account
Budget 2017-18

APPENDIX A

	Actual 2015-16	Original 2016-17	Revised 2017	Budget 2017-18
Expenditure				
Repairs and maintenance	5,192,289	3,309,620	3,309,620	3,748,800
Supervision and management	3,354,718	3,414,350	3,468,290	3,491,620
Rents, rates, taxes and other charges	5,132	9,440	9,440	10,340
Depreciation and impairment of dwellings	2,310,334	1,684,290	1,684,290	1,656,800
Depreciation and impairment of non-dwelling assets	138,260	138,440	138,440	166,790
Debt management costs	10,996	12,010	12,010	12,370
Movement in the allowance for bad debts	60,748	116,470	116,470	121,610
Total Expenditure	11,072,478	8,684,620	8,738,560	9,208,330
Income				
Dwelling rents	(10,474,280)	(10,344,990)	(10,344,910)	(10,003,470)
Non-dwelling rents	(359,659)	(365,920)	(366,100)	(379,200)
Charges for services and facilities	(1,267,224)	(1,121,220)	(1,165,660)	(1,304,620)
Total Income	(12,101,163)	(11,832,130)	(11,876,670)	(11,687,290)
Net Total	(1,028,686)	(3,147,510)	(3,138,110)	(2,478,960)
HRA services' share of Corporate and Democratic Core	234,070	218,480	218,480	217,220
HRA share of other Non Distributed Costs	54,387	(820)	(820)	(820)
Net (Income)/Expenditure for HRA Services	(740,228)	(2,929,850)	(2,920,450)	(2,262,560)
HRA share of operating income and expenditure:				
Gain or (loss) on sale of HRA non-current assets	(160,710)	0	(979,150)	-
Interest payable and similar charges	965,484	973,530	973,530	949,330
Pensions interest cost and expected return on pension assets	210,228	243,600	243,600	225,520
(Surplus) or deficit for the year on HRA services	274,774	(1,712,720)	(2,682,470)	(1,087,710)
Adjustments between accounting basis & funding basis under regulations				
Reversal of depreciation and impairment of non-current assets	(1,684,162)	(1,684,290)	(1,684,290)	(1,656,800)
Reversal of revaluation losses on Property, Plant and Equipment	(1,432,086)	0	0	0
Reversal of amounts of non-current assets written off on disposal or sale	160,710	0	979,150	0
Add the voluntary provision for the financing of capital investment	702,036	1,165,980	1,165,980	956,990
Transfer of cash sale proceeds credited as part of the gain/loss on disposal	805,913	0	0	0
Reversal of Major Repairs Reserve credited to the HRA	2,031,000	2,259,700	2,259,700	1,737,000
Debt rescheduling premium and discounts released	(2,441)	(2,230)	(2,230)	(710)
Reversal of technical items relating to retirement benefits	(344,807)	(243,600)	(243,600)	(220,000)
Employer's pension costs	249,131	258,160	258,160	271,230
Capital expenditure funded by the HRA	104,225	92,430	92,200	
Contribution from financial reserves		(133,430)	(133,430)	
Reversal of accumulated absences charges	3,621	0	0	0
Total Adjustments	593,140	1,712,720	2,691,640	1,087,710
(Surplus)/Deficit for the Year	867,914	0	9,170	0

Appendix B to be presented at the meeting.

Appendix C

Housing Service Review Working Group

Consideration	Comments
Maintenance: reduce to directly compensate for loss of rental?	STAR suggests this service has biggest impact on tenants perception of service. Only reduce to reflect number of properties in ownership.
Area Improvements: combine Tenants Forum(TF) Budget £25k and Area HO's budget £15K. Incorporate Probation charges into maintenance Budget c£10k. Introduce new procedures for delivery. Potential saving £16k	Recognition both budgets are challenge to spend. Proposals are often limited. Agreed as possible saving
Contingency: 2016/17 budget included contingency of £50k to ensure resources available to implement operational changes to working practice. There has not been need to use these monies and would suggest it be reduced to £10k. Potential saving £40k	Agreed
Voluntary contributions: The HRA has to set aside monies to repay the "mortgage". We have in practice budgeted to set aside more than required, in 2016/17, an additional sum of c£300k. Suggested this figure should be limited to c£100k. Potential saving £200k.	Recognition of the requirement to pay debt and also the risk of the Housing mortgage to the Council. Agreement to limit voluntary repayment but with acknowledgement of the Councils view of the matter. In principle agreement
Business Support: The priority for the year 2016/17, and coming year was implementation of new Housing Management System. The new system will reduce ongoing support costs. Estimated savings c£30k	Agreed
Establishment: in terms of property numbers the Service is reducing in size. There is not a direct correlation in the size of establishment to number of properties but required to be vigilant to this issue. Practice has been to review any Post that becomes vacant to decide whether to fill it. Currently have a Senior Housing Officer vacancy and discussion with operational managers is that we can adapt our delivery arrangements to not have to fill the job. Estimated savings c£20k	Agreed

<p>Professional fees; We have incurred cost for the implementation of the new Housing Management System and in Maintenance Services. Some support will not be required after HMS implementation. Estimated savings c£60k</p>	<p>Savings will start to occur in year depending on implementation process. Further consideration required. In principle agreement</p>
<p>Newsletter: 3 editions plus annual report. Cost £11k plus c£800 deliver for each edition. With new HMS will start asking tenants if they want to, and how they receive it. However, possible consideration to reduce to 2 editions per year. Estimated saving £4k</p>	<p>Further consideration required</p>
<p>Subscriptions: in particular Housemark (£6k) and Northern Housing Consortium (£2k) Estimated savings £8k</p>	<p>Further consideration required</p>
<p>Furnished property: We provide a small number, c24. Additional charge included in rent for provision of furniture. Individuals will not continue to receive this when Universal Credit is rolled out. Estimated saving £25k</p>	<p>Will continue to provide whilst tenant is in occupation, but will not replace furniture if damaged but instead remove charge and "gift" or dispose of remaining furniture. agreed</p>
<p>Temporary accommodation: additional costs for management recovered through Housing Benefit. This will change with Universal Credit. Will need to recover cost through other means with a view to reducing cost of management. Estimated saving c£25k</p>	<p>Was agreed in principle by the HSRWG, but following the last meeting of the HSRWG it remains unclear how costs can be recovered. Further consideration required</p>
<p>Tenant incentive schemes: a budget of £25k is available but is not required. Suggested such schemes be retained but reduced. Estimated saving £15k</p>	
<p>The following potential charges were considered:</p>	
<p>Increase in water rates?</p>	<p>Not within our control but suspect a 2% increase. Potential increase in income c£3800</p>
<p>Leaseholder charges: we do not currently charge for enquiries during a "secondary" sale of a leasehold property. Suggested we introduce a £75 charge to handle such enquiries. Estimated increase in income c£1k</p>	<p>Agreed</p>

<p>Leaseholder charges: we do charge annual service charges, but this does not include for the administration of they lease. Estimated cost of administration is £75. Estimated increase in income £15k.</p>	<p>Further consideration required</p>
<p>Garages; previous practice has been to increase at same % as property rents which is not appropriate now. There is demand suggest increase of 4% Estimated increase in income c£8k</p>	<p>Agreed</p>

Based on the above discussions, the suggestions which were agreed have been taken into account to ensure a balanced HRA for 2017/18. However, further annual reductions in income of c£200k will be required so progress will be made in others identified.

HOUSING MANAGEMENT FORUM	(D) Agenda Item 7
Date of Meeting: 12th January, 2017	
Reporting Officer: Colin Garnett, Assistant Director - Housing	
<p>Title: Housing Maintenance & Gas Servicing</p> <p>Summary and Conclusions:</p> <p>At your meeting held on 12th June 2015 Members agreed to the appointment of suitably qualified contractors to carry out responsive repairs and gas servicing to the Council's housing stock.</p> <p>This report seeks to update Members on the progress made during the first twelve months of the contract and includes a review of the services provided to date;</p> <p>Recommendations:</p> <p>Members are asked to:</p> <ol style="list-style-type: none"> 1. Note the contents of the report 2. Note that a further report will be presented in late summer to consider whether an extension should be offered in accordance with the Contract arrangements. 	

Report

At your meeting held on 12th June 2015 Members agreed to the appointment of suitably qualified contractors to carry out responsive repairs and gas servicing to the Council's housing stock.

The Contracts were awarded for an initial period of 3 years with a possible extension of 1 year followed by a further three extensions of 2 years.

This report seeks to update Members on the progress made during the first twelve months of the contract and includes a review of the services provided to date:

Sure Group - Appointed to undertake gas servicing and reactive gas repair works. The contract includes void property gas checks, day time and out of hours emergency provisions.

Hughes Brothers - Appointed to undertake responsive repairs and void property repairs. The contract includes day time and out of hours emergency provisions.

Performance Summary

Sure Group - Have exceeded the Council's expectations with regard to the mobilisation and delivery of gas servicing and breakdown repairs within the borough.

The service provided by Sure Group offers a direct link between our customers and the contractor. The remote help centre in Speke is available 24/7 on a freephone number.

Sure Group has a dedicated Barrow team to process and handle all of the Council's gas related enquiries from tenants. This direct service delivery model has led to both financial and efficiency savings for the Council as it requires less staff to manage the gas servicing workload and allows non-technical staff to be utilised on other aspects of the housing service as they no longer field calls from customers. A summary of Sure Group's key performance indicators is shown below:

• LGSR compliance	100%
• Servicing appointments made and kept	97.88%
• Breakdown appointments made and kept	99.27%
• Repairs fixed first time	98.00%
• Customer satisfaction	100%

In addition, Members are advised of the following achievements by Sure Group:

- Quality of completed repairs is high
- Customer satisfaction is high
- Number of appointments kept is high
- Team meetings between client and contractor are established
- Effective Health and Safety Management systems are in place

Hughes Brothers - Have made positive inroads and have significantly improved the delivery of the Council's responsive repairs service in the first twelve months of the contract.

The restructuring of staff and in particular supervision and administration in the Barrow office has been a difficult task for Hughes Brothers' management team and created some initial operational difficulties around planning and scheduling of works.

Hughes Brothers have responded positively to rectify this initial performance shortfall and demonstrate a willingness to work with the Council and Procure Plus to facilitate service improvements.

This has been exemplified by the recent review of the tendered SOR costs with Procure Plus and demonstrates the contractor's willingness to work with the Council to deliver value for money and service improvements.

Whilst Key Performance Indicators presently fall short of the required Housemark standard the trend is moving positively upwards and is improving with time. A summary of Hughes Brothers' key performance indicators is shown below:

- Number of appointments made and kept 84.77%
- Repairs fixed first time 96.05%
- Customer satisfaction 94.40%

In addition, Members are advised of the following achievements by Hughes Brothers:

- Quality of completed repairs is high
- Customer satisfaction is high
- Number of appointments made and kept is improving
- Meetings between client and contractor are taking place for responsive repairs and voids
- Effective Health and Safety Management systems are in place

(i) Legal Implications

The recommendation has no legal implications.

(ii) Risk Assessment

The recommendation has no implications.

(iii) Financial Implications

The recommendation has no, minor or significant financial implications.

(iv) Health and Safety Implications

The recommendation has no, minor or significant implications.

(v) Equality and Diversity

The recommendation has no detrimental impact on service users showing any of the protected characteristics under current Equalities legislation.

(vi) Health and Well-being Implications

The recommendation has no adverse effect on the Health and Wellbeing of users of this service.

Background Papers

Nil

FOR INFORMATION - AGENDA ITEM 8

PLANNED INVESTMENTS 2016-17

SCHEME	PROCUREMENT TYPE	AVAILABLE BUDGET	EXPENDITURE TO DATE	ESTIMATED START DATE	ESTIMATED COMPLETION DATE	CONTRACTOR	COMMENTS	Leasholders affected?
RE-ROOFING AND POINTING WORKS ROOSEGATE ESTATE PHASE 3 (2-3 YEARS DELIVERY PLAN)	CUMBRIA HOUSING PARTNERS	£1,319,625	£ 1,033,147	1.5.2016	20.12.2016	DLP Roofing	95% COMPLETE	No
RE-POINTING/RENDERING ORMSGILL ESTATE (PHASE 2)	CUMBRIA HOUSING PARTNERS	£250,000	£ 237,941	01/08/2016	20.12.2016	DLP Roofing	50% COMPLETE	No
WINDOW & DOOR REPLACEMENTS VARIOUS HOUSING AREAS	CUMBRIA HOUSING PARTNERS	£400,000	£ 502,972	01/04/2016	31.3.2017	TOP NOTCH	100% COMPLETE	No
COMMUNAL ENTRANCE PAINTING - CENTRAL	CUMBRIA HOUSING PARTNERS	£10,000	£ -	01/10/2016	31.3.2017	GEORGE JONES	10% COMPLETE	Yes
GARAGE IMPROVEMENTS	CUMBRIA ROOFING	£75,000	£ -	01/10/2016	31.3.2017	CUMBRIA ROOFING	0% COMPLETE	No
REWIRES	CUMBRIA HOUSING PARTNERS	£355,300	£ 288,340	01/04/2016	31.3.2017	K WILSON	60% COMPLETE	No
BATHROOMS	CUMBRIA HOUSING PARTNERS	£149,400	£ 123,532	01/04/2016	31.3.2017	AB MITCHELL	40% COMPLETE	No
KITCHENS	CUMBRIA HOUSING PARTNERS	£125,000	£ 141,421	01/04/2016	31.3.2017	AB MITCHELL	50% COMPLETE	No
HEATING	CUMBRIA HOUSING PARTNERS	£455,000	£ 255,152	01/04/2016	31.3.2017	AB MITCHELL	52% COMPLETE	No
PAINTING	CUMBRIA HOUSING PARTNERS	£150,000	£ 50,329	01/04/2016	31.3.2017	G JONES	85% COMPLETE	Yes

HOUSING MAINTENANCE COMMITMENTS 2016-17

	Funding Available 2016-17	EXPENDITURE TO DATE	Weekly Available	Gross Comm. as a % funds available
Tenant Demand Repairs	£ 1,070,200	£ 634,227	£ 20,581	59%
Voids	£ 503,044	£ 416,239	£ 9,674	83%
Gas Servicing	£ 195,392	£ 192,283	£ 3,758	98%
Decoration Vouchers	£ 30,000	£ 21,973	£ 577	73%
Environmental Impmts	£ 25,000	£ 15,718	£ 481	63%
Disabled Adaptations	£ 100,000	£ 183,418	£ 1,923	183%
Electrical Testing	£ 81,000	£ 31,507	£ 1,558	39%
Door Entry Maintenance	£ 20,000	£ 12,259	£ 385	61%