



Service Delivery Committee	Tuesday, 05 July 2016	Matter for Information and Decision
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Title: **Community Services Update**

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1. Introduction

This report is to provide an update to the Service Delivery Committee regarding the delivery of Landlord Services and related community activities

2. Recommendations

- 2.1. Members are asked to note the contents of the report and agree the following recommendations:
- 2.1.a. To approve a current tenant gross arrears target for 2015/16 of 2.5% of the annual rent debit
 - 2.1.b. To approve a former tenant arrears target for 2015/16 of 1.5% of the annual rent debit.
 - 2.1.c. To approve the revised former tenants arrears policy.
 - 2.1.d. To approve a void turnaround time for 2015/16 of 20 working days.
 - 2.1.e. To approve the Homelessness Strategy.
 - 2.1.f. To approve the Energy Conservation Strategy and the proposed external wall insulation works arising from the strategy.
 - 2.1.g. To consider the future of the telecommunications equipment at Chartwell House.

3. Income Collection as at Year End March 2016

3.1. Current Tenant Arrears

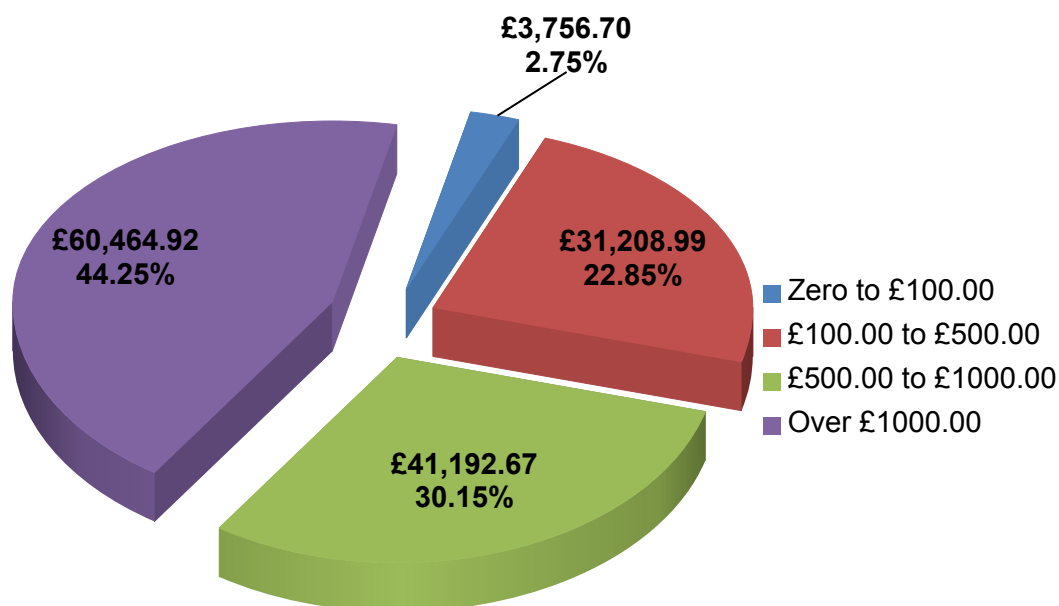
The fourth quarter saw a concerted effort in reducing arrears and a significant decrease in outstanding debt has been achieved. At the close of the financial year the Current Tenant (Gross) arrears level stood at £136,623 (Week 52) a reduction of £46,000 compared to the same period last year.

Members will note that for 2015/16 a revised target of 3.5% was set of the rent debit in respect of net arrears (includes prepayments) and the actual achieved was 1.6% which was a significant improvement from where we were in July last year. Going forward we will only report on gross arrears which is the accepted standard for comparison purposes.

The breakdown of the debt in terms of value bandings at the close of week 52 is set out below:

(Continued overleaf)

Week Commencing 28-Mar-2016 (Year End)



Momentum created by the targeted efforts of the Income Team in respect of cases that lay at the top end of the value range, (Cases over £1000) resulted in a steady reduction over the last six months of the financial year totalling £47.3K. Whilst efforts in this range were maintained the thrust of our efforts over the last two months of the financial year was switched to address those debts between £100 and £1000, which over the same six month period reduced by a lesser extent, totalling £28.8K.

The number of cases in arrears, whilst variable on a week to week basis, continued to drop during quarter four and stood at 299 at the close of week 52.

The debt level for the 2015-16 financial year, number of cases in arrears and analysis of the current tenant arrears on a monthly basis is set out in **Appendix 1**.

The team maintained a steady increase in the service of Notices of Intention to Seek Possession, new applications to court for possession and also in warrants for eviction as it continued to get to grips with cases.

Overall performance improved month on month from the end of July 2015 and it is anticipated that this will continue throughout 2016-17, albeit the Committee should note that the extent of the monthly reductions achieved may become less significant as the outstanding debt falls further.

The Committee should also note that even if current tenant (Gross) arrears levels remain broadly the same going into the new financial year, in real terms performance (% of Annual Rent Debit) will drop purely as a result of the 1% reduction in the Annual Rent Debit.

One potential challenge to continued performance improvement during 2016-17 is the roll-out of Universal Credit. Since January 2016 brand new (single person) benefit claimants will be subject to Universal Credit and presently only three of our tenants have been affected by this, however we expect that more tenants will be affected as the

year goes on. Currently the Borough is not expected to be involved in a wider roll-out until after April 2017.

Despite the challenges our aim is to achieve Second Quartile performance by the end of 2016-17 and to that end a target of 2.5% (Stretch Target of 2.3%) - Gross Arrears as percentage of Annual Rent Debit – is recommended.

3.2. Former Tenant Arrears

Former tenant arrears increased by 48% during the 2015-16 financial year and stood at £108,330.96 at year end; this represents 2.15% of Annual Rent Debit.

The increase is mainly as a result of the improved performance in reducing the current tenant debt, as there have been a number of evictions that have taken place since July 2015 all of which had large arrears outstanding. In addition there has been no active recovery action or write off of bad/unrecoverable debt in respect of former tenant arrears for in excess of 18 months.

A new former tenant arrears policy and an extensively revised procedure have been produced and are attached at **Appendix 3** and it is recommended that the Committee approve these. Regular routine action in accordance with both will commence from the beginning of July 2016. An Initial Screening Equality Assessment is attached at **Appendix 3a**.

The Former Tenant debt level for the 2015-16 financial year and the number of cases on a monthly basis is set out in **Appendix 2**.

Despite the challenge of having to deal with cases where little action has been taken for a long period our aim is to achieve improved performance by the end of 2016-17 and to that end a target of 1.5% Gross Former Tenant Arrears as percentage of Annual Rent Debit is recommended.

4. Gas Safety

Compliance as at 31 May 2016 was 100%. There are 5 services still to be completed for June which remain in date at the time of writing this report. Of the 68 services due in July 53 have already been carried out leaving 15 to complete.

5. Voids Performance

5.1. Overall Voids Performance Year End (2015-16)

Overall void performance (Average Turnaround Time) for the 2015-16 financial year was **51** properties let at an average of **35** Working Days. Performance improved significantly during the year and in particular over the course of the final quarter.

5.2. Quarter 4 (2015-16)

A summary of the performance for Q4 (04/01/16 to 03/04/16) complete with a comparison to the situation at the close of Q3 is set out below:

Period	Average Void Turnaround Time
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04-Jan-2016 to 03-Apr-2016	<u>23</u> Working Days (18 properties let)
Overall at close of Q3 2015-16 (03-Jan-2016)	<u>42</u> Working Days (33 properties let)

5.3. The Committee should note that the last ten properties let during Q4 were at an average of **10** working days.

5.4. **2016-17**

A target to achieve an overall average void turnaround time of 20 days for 2016-17 is recommended for approval by the Committee; this would bring the Council into National Upper Quartile performance (using current benchmarking statistics).

Meeting this target will be challenging as we must maintain a continued reduction in void times per property over the course of the year and there is a potential threat to this improvement posed by properties that are less popular becoming void, currently these are identified as Studio/Bedsit Flats and also Sheltered Flats (principally William Peardon Court & Marriott House). In respect of the latter we had a number of these vacancies which had already accrued significant void periods which sat outside of the void performance calculations for year end 2015-16, however they have subsequently been let and have therefore been included in the 2016-17 year to date figures, despite these we have been able to achieve a performance level akin to that achieved during the final quarter of last year. As a result we are confident that we will be able to achieve a 20 day target by the end of March 2017.

6. **Performance Year to Date (2016-17)**

A summary of the performance for the year to date complete with a comparison to the situation at year end 2015-16 is set out below:

Period	Average Void Turnaround Time
04-Apr-2016 to Date	<u>24</u> Working Days (21 properties let)
Overall at Year End 2015-16 (03-Apr-2016)	<u>35</u> Working Days (51 properties let)

7. **Update on Capital Programme**

Details of the capital programme are attached at **Appendix 4** of this report.

Some of the key highlights of the programme are that the major works scheme at Boulter Crescent is due to finish in August and the snagging works are currently in progress. The concrete repairs and external decoration works at Chartwell House are due to take place over the summer period. It is also planned to carry external wall insulation to 148 solid wall properties as part of the energy efficiency strategy.

The projected spend of the planned works for 2017/17 including the carry over from the previous year is £4.6 Million.

8. Future Development

We are expecting the first handovers of the Waterloo Housing scheme at Kirkdale Road, South Wigston in August which will provide 58 new homes. In addition to the Council having direct nomination rights to 6 properties the remainder will be let through the Choice Based Letting Scheme which will also provide much needed accommodation for our applicants.

9. Housing Related Advice Services

Following the decision to approve a joint proposal from CAB and Helping Hands to provide housing related advice services the contract details have now been agreed with both parties and has been effective since 1 June 2016 and will run for a period of 3 years.

10. Homelessness Strategy

A draft homelessness strategy is attached at **Appendix 5**. The strategy takes account of the latest changes in legislation and Members are asked to endorse the strategy. It will be necessary to consult with partner agencies and all stakeholders and a further report will be submitted to Committee following the consultation process.

11. Disabled Facilities Grants (DFG's)

11.1. This year the Government decided to increase the amount of funding to Oadby and Wigston to £316,000 in respect of DFG's. The money is paid into the Better Care Fund which is administered by Leicestershire County Council and then allocated out to the Districts within the County. However the County Council has decided to only pay over £177,000 which was last year's amount and proposes to use the balance to support a range of services across Leicestershire. This Council currently has to top up the grant it receives from the Government in order to fulfil its statutory obligations. In 2015/16 this Council spent £383,000 on DFG's which meant that it had to provide a top up of £206,000. This year the projected budget for DFG's is £418,000 which in effect means that the Council would have to find an additional £241,000.

11.2. The shortfall in the allocation is still under dispute and a further report will be brought back to Committee at a later date.

12. Warden Call Monitoring and Housing Related Support

12.1. Following the decision to transfer the call monitoring service to Charnwood Borough Council the transfer of tenant data has now been completed. Work is due to start shortly to start on reconfiguring the equipment after which switchover will be completed.

12.2. Further to the recent review of the onsite provision at the Sheltered Housing Schemes the 2 Housing Support Workers now have a daily presence at the 3 Schemes namely William Peardon Court, Marriott House and Chartwell House. In addition to their normal duties as outlined in earlier reports they are on hand to provide re-assurance to sheltered and supported residents when needed and this change has been well received by all concerned.

13. Energy Conservation

13.1. The energy strategy report in respect of the Council housing stock is attached at **Appendix 6**. The report shows that overall the Authority is in good shape to meet the

Governments targets and that priority should be given to the tackling the worst performing properties which will help to reduce fuel poverty amongst the Council's tenants.

- 13.2. There are 425 homes that do not meet the Government's 2030 target of which 148 solid wall properties are the worst performing and it is proposed to carry out an external wall insulation programme in the current financial year to these properties which will also lever in external funding of around £85,000 to offset the costs.

14. Kennedy House

The former single people's hostel at Kennedy House has now been taken over by the Home Office. It will provide temporary accommodation for up to 56 single men who are seeking asylum in this country. They will be housed at Kennedy House whilst their claims are assessed. For those claims that are successful it is envisaged that many will move on to other parts of the country but some may apply for housing in the Borough.

G4S are managing the building on behalf of the Home Office and a key contact in the Housing Options Team has been earmarked to deal with G4S staff if there are any operational issues.

A multi Agency Forum has been formed to provide support to the residents.

With regard to the wider refugee issue local authorities throughout the country are being expected to house an agreed number of refugees in their areas. However the Home Office have confirmed that Kennedy House will be regarded as Oadby and Wigston's contribution to the overall situation and the Council will not be expected to house refugees at this time.

15. Chartwell House – Expiry of Lease for Rooftop Telecommunication Site

- 15.1. The Council entered into a lease dated 19th July 1996 for a period of 20 years which is about to expire on 19th July 2016. The terms of the lease are that the operator covenants 'Upon the determination of the Term to remove their Telecommunications Equipment and to make good any damage caused by such removal to the reasonable satisfaction of the Site provider.
- 15.2. There is no requirement within the lease for the Council to give notice at the end of the term. Having checked with our legal team it is understood that there is no legal requirement to give such notice or any right to continue to occupy. The income from the site in the last financial year was £12,285 and on 13 May 2016 we were contacted by BiLFINGER GVA acting on behalf of the Site Operator (EE Limited) seeking to negotiate a new lease.
- 15.3. It is understand that somewhere in the middle of the term of the lease, the Council made a decision, based on concerns raised by residents as to the potential impact on their health not to renew the lease when it ended on the basis that it could not bring the lease to an end at that point .We also understand that the decision was to be communicated to the operator at that time. A search has been made to locate the correspondence but nothing has been found.
- 15.4. There was a period around 2005 – 2007 when there was interest in the press about the possible effects of mobile phone use and living near communication equipment which caused public concern particularly of residents of schemes with rooftop communication sites such as Chartwell House.

This issue does not carry the same high profile as it once did however, the Council has undertaken no research of what information is now available about such risks or the liabilities it may potentially have in relation to such risks.

- 15.5. A decision is therefore needed from Members as to whether we simply inform the agent that we will not be negotiating a new lease or wish to look into this further.

In any event the practicalities of closing down and moving such a site will almost certainly mean the operators will request an extension to allow them to move their equipment or to enable negotiations to take place.

If we were to negotiate a new lease we would suggest appointing a specialist company to negotiate on the Council's behalf. We would also suggest separate leases for each operator using the roof as under the terms of the current lease the Site Operator has control of this and could potentially be receiving income considerably in excess of the lease payments.

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Implications	
Financial [CR]	CR1 Decreasing Financial Resources - The level of arrears and void turnaround times will affect the Council's net current assets position on its balance sheet and need intensive management. Progress on the capital.
Legal [AC]	CR5 Effective Utilisation of Assets/Buildings - Tackling the issue of empty homes in the Borough and the relevant enforcement action
Risk [SG]	CR4 Damage to Reputation - In respect of empty homes and possible community cohesion issues in respect of Kennedy House. Damage to reputation in respect of Chartwell House and potential health issues.
Equalities [SG]	An Initial Screening of the new Former Tenant Arrears Policy has been carried out and is attached.
	Equality Assessment
	<input checked="" type="checkbox"/> Initial Screening <input type="checkbox"/> Full Assessment <input type="checkbox"/> Not Applicable