

Leasehold Forum

27 March 2019

Council Chamber, Civic Centre

Welcome

The Chair, Darrell Thomas, opened the Leasehold Forum by welcoming all attendees and introducing himself as a member of the Leasehold Standards Panel.

The Chair drew the audience's attention to the housekeeping rules; encouraged them to read the Code of Conduct leaflet in the front of the Forum packs and requested all mobile phones to be switched off. The Chair reminded the attendees that questions raised during the Forum must be general and all personal matters could be raised with officers during the Market Stalls, immediately after the presentations.

The Chair introduced panel members:-

Lynn Potter – Home Ownership Manager, Harlow Council
Claire Hicks – Home Ownership Manager, Harlow Council
Steve Ward – Operations Director, HTS (Property & Environment) Ltd
Andrew Smith – Finance Manager, Harlow Council
Jon Grundy – Street Scene Manager, Harlow Council
Tony Blythe – Contract Manager, Veolia Ltd

The Chair noted that two apologies had been received.

The attendance recorded at the end of the Forum was 16 in total.

Minutes of the last Forum

The Chair advised a copy of the previous minutes were in the packs and asked the attendees if there were any corrections required, any matters outstanding and arising:-

None were raised or put forward.
The minutes were taken as read.
The Chair declared the minutes as agreed.

The Chair confirmed that there were not any general questions raised prior to the Forum.

The Chair outlined the Market Stalls and officers around the Chamber:-

1. Savills UK Ltd – Future works
2. HTS (Property & Environment) Ltd – Repairs and service issues
3. Harlow Council – Housing Officers (People & Property) – Estate and housing issues
4. Harlow Council – Home Ownership Officers – Lease extension, Service Charges & Major Works enquiries
5. Harlow Council – Contact Harlow Customer Advisors – General enquiries
6. Harlow Council – Housing Fraud Officer – Issues and enquiries related to fraud
7. Harlow Council – Insurance & Risk Officers – Insurance queries and claims
8. Ocaso – Representatives from the Insurance company
9. Shaw Trust – Harlow Works – General enquiries regarding employment and benefits

The Chair introduced the first presentation by, Andrew Smith, Finance Manager.

Housing Finance: Annual Update

Andrew Smith – Finance Manager – Harlow Council

Andrew Smith (AS) introduced himself and welcomed the attendees.

AS announced the key themes of Housing Finance; notably, building council homes, Fire Safety and Regulation, inflationary pressures and statutory changes, including homelessness and universal credit.

AS explained that the ambitious Capital Programme 2019/20 consists of building council houses and flats whilst maintaining affordable rent. This programme is funded from the following methods; capital retained from Right to Buy sales, of which up to 30% of the expenditure can be used, Housing Revenue Account (HRA) revenue balances and lastly, borrowing.

This was followed by some visual examples of properties to be built over the next few years, consisting of two bungalows and a house at The Readings, and 16 houses at Bushey Croft. AS clarified how the above is supported by a £21m programme to build 93 new council houses from 2018/19 to 2022/23, and borrowing £13.9m. The proposed Housing expenditure of the current financial year, 2019/20, was outlined as £3.7m.

AS highlighted how Fire Safety and Regulation is a main priority, following the Grenfell Tower tragedy and the subsequent Public Inquiry. AS noted that the Hackitt Report from May 2018 looked into building regulations, and also commented on the Public Inquiry Phases 1 and 2, noting that although time consuming, the reports are thorough and will affect all landlords. Importantly, Phase 2, which is due to commence from autumn 2019, may have implications for Council tower blocks.

AS noted that blocks have been deemed as inherently safe, commenting on the ongoing Fire Risk Assessments (FRAs) and block works:-

- Decommissioning of SE ducts (warm air ducts in blocks) – pilot scheme at Willowfield Tower
- Structural surveys
- Communal area works (for example, communal doors)

The intention to maintain the Decent Homes Standard was outlined, noting the Capital Programme totals over the next 4 years, of which 2019/20 is at £24m, before any carry overs from the 2018/19 financial year.

AS shed light on some of the current inflationary pressures, locally and nationally:-

- Consumer price index +2.5% at September 2018
- HTS contract payment 5% per annum from the financial year commencing 2019/20
- Housing rents reduced by 1% for the final year of statutory reductions, commencing 2019/20
- Garage rents increased by 5% to £10.16 per week, but a 20% reduction for garage rents, for those outside of the 'retain and invest' category
- Service charges for leaseholders and tenants change in line with expenditure
- A potential falling exchange rate due to Brexit, noting that it is currently increasing
- Increased costs for importation, gas and electricity
- A possible labour shortage in the Housing market

AS depicted how service charges are set locally, with Actual costs adjusted after year end. The Annual Service Charges 2019/20 table illustrated some of the services which are offered, alongside their costs. AS pointed out that certain blocks receive certain services, therefore not all are subjected to these charges.

The charges payable by leaseholders only, as of 1 April 2019, are as follows:-

- Management cost of £213.00
- Lift maintenance charge (if applicable) from £106.93 to £443.99
- Insurance cost averaging £169.18
- Sublet registration (if applicable) £87.05
- Major repairs and routine repairs remain recharged at cost

The graphs that followed illustrated some of the charges, comparing the 2018/19 Estimates to the 2019/20 Estimates. The Management Cost was clearly divided between direct employees (£170.60) and overheads (£42.40); overheads were then sub-divided to demonstrate what formulates this part of the cost, for example, office accommodation, Human Resources and postage, to name a few.

AS described how the charges for District Heating schemes will increase; the Council purchases energy on the wholesale market, which is considerably cheaper than domestic tariffs. Due to the current uncertain climate, wholesale prices have increased by 45%. Despite this, AS clarified that the 2019 prices will be comparable to the 2015 prices, due to a previous decrease in cost.

AS identified how the District Heating scheme works:-

- Rather than an estimated usage, bills are based on actual usage
- The actual flat usage is obtained by Heat Meters
- Quarterly invoices are issued to measure the actual usage

AS classified the increased homelessness as a concern, whilst identifying the authority of local government to prevent homelessness. From April 2018, Councils are to intervene earlier to prevent homelessness, regardless of priority or intentionality. AS confirmed the total net cost of homelessness to the Council is £1.6m.

Noting a further statutory change, AS outlined the universal credit roll out from September 2017, which combines a number of welfare benefits. This changes the way support is offered, by placing more responsibility on the claimant.

AS continued on and summarised the HRA Business Plan 2018-2048 (Housing Revenue Account). This sustainable plan consists of:-

- Short term objective – a Minimum Working Balance set by the Council – maintain £4m from 2019/20
- Medium term objective – build new Council homes, a potential for rent increases – borrow £13.9m from 2019/20
- Long term objective – review borrowing and income, repay Council debt in five stages – repay £208.837m from 2026

The graphs and tables that followed revealed the Housing income and expenditure for 2019/20; notably, the service charge income of £4.9m. The main source of income, though, was identified through dwelling rents, at £43m.

AS concluded the financial update into seven key areas:-

- The Council's 30 year Business Plan
- Council houses to be built
- Public Inquiry impacts following the Grenfell Tower tragedy
- Homelessness intervention
- Inflationary pressures
- Universal credit
- Rent reduction in its final year

AS finished and invited the audience to ask questions.

Housing Finance: Annual Update Presentation – Questions and Answers

Q. What is the justification for the 5% rent increase on garages when there is no garage maintenance? My garage has not received maintenance in over 9 years.

A. The garage rent increase is based year on year and this increase is from 1 April 2019. The 'retain and invest' garages have a 5% increase whilst the others have a 20% decrease.

Q. How many homeless people are considered for the cost you have identified?

A. Lynn Potter (LP) responded. We do not have these figures but we will liaise with Housing Management and report back the information.

Q. Can you apply for the Right to Buy a garage?

A. No.

Q. Is Harlow Council obliged to help the homeless who have made themselves homeless?

A. LP responded. We do not have this information but we will liaise with Housing Management and report back.

Q. In 2012 Harlow Council took on a debt of around £200m, can you explain why?

A. Harlow Council needed to pay £208m to exit the housing subsidy system and become self-financing. This means local authorities determine their own business plan.

Q. Do you have a duty to pay back this debt? This is questionable management, as you are just borrowing.

A. We do have to pay this back but as the subsidy system is no longer in place, the repayment can be postponed. In 2012, the sustainable business plan was devised to pay it back. In 2015, the government instructed rents to decrease by 1% each year for 4 years, which meant we could not repay the debt at this time.

- Q. Is anything being done about the town's homelessness, who do we speak to about it? It is rife in the town, The Water Gardens is nice but then the bus station area is poor.
- A. LP responded. You will need to contact a member of the Housing Options and Advice team or you can speak to Contact Harlow during the Market Stalls session.
- Q. Can you justify the increase in service charges? One service charge has increased by 31%. Your histograms show figures well over inflation. Can you display the percentage increases as well and include insurance costs? These have been omitted from your presentation.
- A. HTS carries out a large proportion of the work, this is based on their contract and their work carried out. Heating charges have increased substantially as they are based on individual usage.
- Q. Why has the maintenance cost increased more than 15%?
- A. LP responded. Please speak to a Home Ownership Officer during the Market Stalls session and they will be able to assist you. We can ensure breakdowns of the charges are sent out with the minutes.
- Q. Why do I have difficulty when phoning HTS to report maintenance issues? I am disregarded and they do not believe I am who I say I am. There seems to be confusion with regards to what leaseholders are or are not responsible for.
- A. LP responded. Please speak to a member of HTS during the Market Stall session. The Call Centre Manager is also here today, so ensure your comments are passed on.

No further questions were asked. AS thanked the audience for their attention and passed back to the Chair to continue.

The Chair introduced the next presentation.

Waste and Recycling Collections

Jon Grundy – Street Scene Manager – Harlow Council, and Tony Blythe – Contract Manager – Veolia Ltd

Tony Blythe (TB) and Jon Grundy (JG) introduced themselves and outlined some contextual information regarding the previous waste contracts:-

- The first contract from 2002 to 2009 – focused on weekly black bag general waste collection and fortnightly recycling box collection, from houses and flats
- The second contract from 2009 to 2019 – introduced wheeled bins for general and recyclable waste, collected on alternate weeks; weekly food waste collections, in particular from flats in 2013; a dedicated nappy/incontinence waste collection; a kerbside textile and electrical items collection, from houses in 2010; and a revised green waste collection service, making it subscriber only

The key themes of the waste contract, commencing on 1 April 2019, were outlined in more detail by TB:-

1. Technology introduced to allow crews to record issues at properties in real time
2. Continued usage of wheeled bins for waste collection on alternate weeks from houses and flats
3. Continued food waste collection from houses
4. Ceased food waste collection from flats – extreme contamination and not cost effective
5. Continued nappy/incontinence waste collection from houses and flats

This was followed by some images, displaying the receptacles used for the waste contract between Harlow Council and Veolia; noting the containers for non-recyclable waste (collected weekly), and dry recyclable waste (collected fortnightly).

JG explored the challenges the crews and Harlow Council staff face in flat blocks. This mainly focused around recycling and public error:-

- Recyclable material is wasted and put into the general waste bins – a lack of care
- Recycling is contaminated – non-recyclable material is put into the recycling bin, which ruins the contents of the bin. This is wasted refuse
- Lack of ownership in flat blocks – cannot identify those not following procedures

Through a poster, JG illustrated the items which can be recycled. The poster will be displayed on flat block recycling bins, to assist residents when recycling. The non-exhaustive list identified items that are usually misplaced, such as; plastic bottles, paper, card, cardboard, tins, cans, aerosols, glass bottles and jars. Importantly, these must all be clean, dry and empty.

JG continued on and summarised how residents should recycle, following some simple steps:-

- Ensure it is a recyclable item – ‘1’ or ‘2’ on plastic can only be recycled (locally)
- Rinse and empty plastic or glass bottles and cans
- Flatten and squash all cardboard and plastic
- Ensure paper and card is clean and dry with no grease or food residue

JG highlighted some items which are often mistaken as being recyclable, but they are not, as presented below:-

- Only certain wrapping paper can be recycled – if you can scrunch it and it remains scrunched, then this is recyclable
- Foiled paper with glitter/bows
- Windows on envelopes and food boxes must be removed
- All adhesive tape

As a final reminder, some further non-recyclable items were outlined:-

- Oils and paints
- Sharp objects
- Building, construction or demolition waste
- Asbestos
- Clinical waste (there is a separate collection service available)
- Garden waste
- Food waste (flat blocks only)

JG finished and invited the audience to ask questions.

Waste and Recycling Collections Presentation – Questions and Answers

Q. If a blue bin is not contaminated, where do the contents go?

A. TB responded. The contents is sorted in St Albans and exported to the required place. The contents will not get dumped and there is an audit trail for the whole process.

Q. Can all bin men have keys for the locked bins in flat blocks?

A. JG responded. Locks on bins are regularly replaced in flat blocks; therefore there are delays in the staff obtaining the new keys. The new system we have in place from 1 April 2019 will assist with this issue.

Q. Can the lists of what is recyclable and what is not recyclable be given to Council tenants for better results?

A. TB responded. The new Veolia contract will make more residents aware, especially because staff members are planning to go out and advertise on the bins. There is a high influx of residents moving in and out of flat blocks, which unfortunately means information regarding recycling is not passed onto the next tenant. We are aware of this and are continually improving our service.
LP also responded. All recycling information is included in the leasehold information packs for the purpose of flat resales.

Q. The bins are filthy, are you obliged to disinfect and clean them?

A. TB responded. The new Veolia contract will enable staff to report such issues live, in real time, using an in-cab system. This means information regarding cleaning the bins can be passed on quicker to Harlow Council.

JG also responded. The contract with Veolia is for waste collection only, not bin cleaning. The HTS specification states bins are to be cleaned by HTS twice a year, not by Veolia.

Q. Can you target these people who are not recycling properly?

A. JG responded. As mentioned, the in-cab system will enable live reporting of such incidents; therefore you will start to see improvements.

Q. Recyclable food waste is now ceasing, are tenants notified? Is this service ceasing for houses as well as flat blocks? Also, how do we know which plastics are recyclable?

A. JG responded. Yes, all flat block residents were sent letters and notified regarding the change in disposing food waste. Houses respond well to recycling food waste therefore this service remains in place. In Harlow, you can only recycle plastics with a 1 or a 2 on the container.

Q. Cleaning paladin bins is impossible as they are filled up within seconds of being emptied.

A. JG responded. HTS are aware of the Veolia collection schedule, to make cleaning the bins possible.

Q. Why are electrical items not able to be recycled in flat blocks?

A. JG responded. We will be introducing a kerbside collection of textiles and small electrical items next April. The Veolia contract proposed this just for houses, however at the meeting we agreed that we would look into the possibility of extending this to flat blocks, once the kerbside service had bedded in.

No further questions were raised. JG and TB thanked the audience and passed back to the Chair.

The Chair acknowledged that the different tenant and leasehold panels would now be explored by Zulfi Kiani-Mackintosh (ZKM).

ZKM introduced himself as Harlow Council's Community Engagement Coordinator. For those tenants and leaseholders who wish to be involved in the decision making process, ZKM outlined the various panels at Harlow Council:-

1. The Property Standards Panel – discusses HTS performance, repairs and maintenance
2. The Tenancy Standards Panel – discusses tenancy issues, Estate Management, Housing Options and Advice
3. The Leasehold Standards Panel – discusses the Home Ownership service and any issues affecting leaseholders
4. The Voluntary Residents Inspection Panel – inspects void properties once void works are complete and ready for handover

ZKM outlined some further information for those who may wish to join The Leasehold Standards Panel, noting that meetings are once a month for 2 hours, but you can only join the

panel if you are a resident leaseholder. ZKM introduced Annette Hogan (AH) as one of the leaseholders who is a part of the panel.

AH described her experience as part of The Leasehold Standards Panel, her reasons for joining and highlighted some items that are discussed during the monthly meetings. AH encouraged other leaseholders to join and to speak with ZKM during the Market Stalls, if they are interested or want further panel information.

A member of the audience asked why The Leasehold Standards Panel is only open to resident leaseholders and not landlords. The Chair responded and advised that this decision was taken in full Council and therefore beyond the competence of the Forum, advising the member of the audience that it should be taken up with the Council, should they wish to query this decision.

The Chair thanked the leaseholders for attending and taking part, advising that the presentations were complete.

The Chair invited the attendees to visit the various Market Stalls situated around the Chamber, reminding them to complete and hand in their feedback forms before the close of the evening.

The Forum closed at 9.00pm.

Appendix A

Questions asked during the Forum – Homelessness

The Housing Options and Advice Department has provided the following information to answer the questions raised regarding homelessness:-

- The Council have just over 250 households placed in temporary accommodation, which is the number of those that are considered homeless
- The Council are guided by legislation when making the decision if a household is considered homeless; there are many checks and enquiries that are required, including a housing needs assessment:-
 1. Are they homeless
 2. Are they eligible (immigration status), do they have access to public funds
 3. Do they have a priority need, for example, dependent children, expecting a child, or considered vulnerable
 4. Are they homeless intentionally, did they do something deliberately to lose their last settled accommodation, for example, non-payment of rent, or other breaches of tenancy
 5. Do they have a connection to Harlow
- The Council have been successful in securing additional funding from the government, to assist in the prevention and to provide support, encouraging people off the streets. This has included:-
 1. Recruitment of Out-Reach Workers
 2. Recruitment of a Rough Sleeper Coordinator
 3. Refurbishment of a property specifically for rough sleepovers, to offer shelter and support
 4. Provision of a shelter when the weather is extreme