



Wolverhampton Homes Board

27 April 2018

Time 9.30am **Public Meeting?** YES **Type of meeting** Wolverhampton Homes
Venue Board Room, Hickman Avenue, Wolverhampton, WV1 2BY

Membership

Ann Bennett
Angela Davies
Kevin Fearon
Steve Finegan
Peter Knight
Joy McLaren
Linda Middleton
Councillor Rita Potter
Councillor Zee Russell
Councillor Paul Singh
Councillor Tersaim Singh
Mark Ward

Information

If you have any queries about this meeting, please contact Sunita Bhandari

Contact Sunita Bhandari
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Wolverhampton WV1 2BY

Copies of other agendas and reports are available from:

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Agenda

<i>Item No.</i>	<i>Title</i>
1	Apologies
2	Selection of acting Chair and Vice-Chair
3	Kate Martin, Service Director, Housing (City of Wolverhampton Council)
4	Declarations of Interest
5	Minutes of previous meeting - 23 February 2018 (Pages 3 - 6)
6	Matters arising
7a	Presentation on General Data Protection Regulations (update)
8a	Private sector leasing (PSL) - Increasing the availability of housing in the City (Pages 7 - 12)
9a	Tender Award Notice for supply of Biomass Wood Chip for Heath Town Boiler House (Pages 13 - 20)



M INUTES

Agenda Item No: 5

Meeting: WOLVERHAMPTON HOMES' BOARD MEETING

Date: 23 FEBRUARY 2018

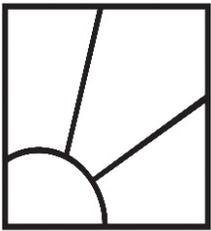
BOARD MEMBERS PRESENT:-

Sue Roberts
Joy McLaren
Rita Potter
Mark Ward
Ann Bennett
Angela Davies
Kevin Fearon
Linda Middleton
Tersaim Singh
Zareena Russell

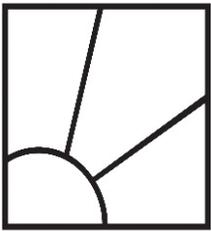
STAFF IN ATTENDANCE: -

Shaun Aldis	- Chief Executive
Jan Lycett	- Director of Business Support
Angela Barnes	- Assistant Director of Housing Options
Kevin Manning	- Assistant Director of Property
Darren Baggs	- Assistant Director of Housing
Simon Bamfield	- Head of Commercial Services and Stock Investment
Christine Howles	- Head of Communications
Jessica Whitehouse	- Executive PA

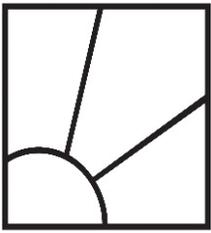
		Action
1581	Apologies Apologies were received from Peter Knight, Councillor Paul Singh and Steve Finegan.	
1582	Kate Martin, Service Director, Housing (City of Wolverhampton Council) Kate Martin is unable to attend this meeting due to being unwell.	



	<p>Kate will be invited to the next Board meeting.</p>	
1583	<p>Declarations of interest</p> <p>Any tenant related issues – Sue Roberts, Angela Davies, Joy McLaren, Linda Middleton and Mark Ward.</p> <p>Noted with interest, allowed to remain and join in the debate.</p>	
1584	<p>Minutes of the previous meeting – 8 December 2017</p> <p>Agreed as a true record.</p>	
1585	<p>Matters Arising</p> <p>There were no matters arising.</p>	
1586	<p>Heath Town Estate Update Report and short presentation</p> <p>Simon Bamfield presented this item.</p> <p>Parking and security</p> <p>Simon advised the Board that there will be one parking space per 2 households due to space constraints. There are no plans to implement barriers or a monitoring programme. This will be reviewed once the work is complete. The CCTV at Heath Town is monitored regularly and is due to be extended as part of the programme of works.</p> <p>The scope of work has increased as new risks have been identified whilst doing the work. This will hopefully be covered by the savings made elsewhere throughout the project.</p> <p>In respect of materials, Simon assured the Board that in each element of the cladding, the material is non-flammable. Also confirmed that there are no water tanks on the roofs of flats in Heath Town and that the wrapping is going to have a water proofing element to it.</p> <p>Simon informed the group that leaseholders have been engaged regarding the extra service charges they will be required to pay (approximately £40 - £50,000). We will be</p>	



<p>1587</p> <p>1588</p> <p>1589</p>	<p>serving a section 20 outlining these costs. A couple of leaseholders have opted for re-purchases.</p> <p>The Board noted that it is good to see that the Strategic Construction Partnership is providing local employment.</p> <p>Resolved: The Board noted the progress achieved to date.</p> <p>Pre-court Protocol – debt claims</p> <p>Darren Baggs presented this item.</p> <p>Board members were concerned that the report gives the impression that we are suspending the use of legal intervention completely.</p> <p>Resolved: Further work to be done with regards to cost – benefit analysis. A report to go back to the Audit and Service Delivery Committee.</p> <p>Revenue Budget 2018/19</p> <p>Jan Lycett presented this item.</p> <p>The report detailed draft budgets for 2018/19; potential budgetary pressures and the need to continue to reduce our costs or increase our income over the next 4 years as part of the medium term financial strategy.</p> <p>Resolved: The Board approved the draft revenue budget for the financial year 2018-2019.</p> <p>Delivery Plan 2018/19</p> <p>Jan Lycett presented this item.</p> <p>Jan advised the Board that we will be embarking on the long-term business plan development shortly. The Delivery Plan will become the annual action plan used to deliver our business plan.</p>	
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WOLVERHAMPTON
HOMES

	<p>The Delivery Plan outlines the core priorities for the next year, discussed at the last Board strategy event.</p> <p>The draft plan has been considered by CWC and is scheduled for approval at their next cabinet meeting.</p> <p>Shaun Aldis commented that we will be planning more Board away days. Shaun would like to discuss the new customer services strategy at the next one.</p> <p>Resolved: The Board approved the Wolverhampton Homes Delivery Plan for the financial year 2018-2019.</p>	
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Wolverhampton Homes Board

27 April 2018

Open report

Report title:	Private Sector Leasing (PSL) – increasing the availability of housing in the City
Status:	For information
Author:	Helen Bellingham, Homesales and Leases Manager
Contact No:	01902 550585
Recommendations:	Board are asked to receive and note the content of this report.
Key risks and contentious issues:	Wolverhampton Homes is supporting the City of Wolverhampton Council to increase the availability of housing in the City. Right to Buy continues to remain a popular option for tenants thus reducing the available social housing stock in the City.

Management Summary

1.0 Purpose

- 1.1 The purpose of this report is to provide members of Board with an update of the partnership between Wolverhampton Homes and the City of Wolverhampton Council to increase the availability of housing in the City.

2.0 Background

- 2.1 The City of Wolverhampton Council and indeed Wolverhampton Homes considers the provision of housing and in particular affordable housing as a key area and is included in both delivery and business plans. Wolverhampton Homes introduced the Private Sector Leasing Scheme (PSL) to support housing need in the City whilst WV Living, the housing company, owned by the City of Wolverhampton Council is seeking to balance housing need across several new developments. On each development there will be a mix of different unit sizes and types built either for sale or the rental market and it is intended to match different household spending profiles. WV Living has already appointed WH to manage the market rental housing stock and leasehold units.

3.0 Progress, options, discussion, etc.

- 3.1 Under the PSL Portfolio, Landlords let their properties to WH under a lease arrangement and pay WH a management fee, based on the rental on the property, which is dependant on the level of service they choose. There are 2 types of rental, GOLD and LHA. The LHA properties attract the local housing allowance thus meaning these properties can be used to support homeless applications in the City whilst the GOLD standard are generally refurbished to a high quality and are in a desirable area which means higher rental can be achieved for these properties which in turn means more income for WH. We currently have 80 properties in the portfolio of which 39 are GOLD standard with 41 being LHA standard. Currently 7 Landlords are due to sign leases to bring new properties to the portfolio. Landlords come to us a number of ways, "word of mouth", obtaining our details off Zoopla (this is where we advertise our GOLD properties), visiting our web-site or by recommendation.
- 3.2 Managing the PSL Portfolio is rather like being an Estate Agent and as we have become more experienced in managing this commercial portfolio we are now more aware of which properties to consider and which ones to reject. For example, some properties we are invited to manage are in a poor condition thus meaning potential high repair costs which WH would be liable for under the terms of the lease and therefore in circumstances such as this we would refrain from entering into a lease.

- 3.3 In 2015, WH only offered the fully managed service to Landlords and therefore in order to attract more Landlords onto the scheme are now offering more services which are as follows:

Service offered	Management Fee (linked to rental of property)
PSL Premium – Fully managed service (including property and rent guarantee)	20%
PSL Standard – Fully managed service (no guarantees)	10%
Repairs plus – day-to-day repairs carried out at no extra cost	Additional 5% on top of the management fee
Rent Collect Only	8%
Tenant Find	50% of the first months rent (minimum of £250)
Tenant Find Enhanced – this includes sign up of tenant	75% of the first months rent (minimum of £350)

- 3.4 The first phase of the WV Living developments is well underway across 5 sites. All of the sites will have properties of mixed tenure and the break down of those sites is shown below:

Site	Total Units	Market Rent	Affordable Rent	Shared Ownership	Market Sale
Danesmore	52	10	13	0	29
Wednesfield High	266	10	67	5	184
Prouds Lane	40	10	10	3	17
Ettingshall	34	9		3	22
Sweetbriar	10		10		

Building has commenced on the Danesmore site and the show home is due to be ready by early June 2018 and the first properties for let/sale available towards the end of 2018. Properties at Prouds Lane, Ettingshall and Sweetbriar will be available in 2019 whilst the Wednesfield High site is currently out to tender to seek a developer.

- 3.5 The market rent properties will be managed alongside the current PSL Portfolio under an SLA agreement with WV Living. WH will be providing WV Living with the fully managed PSL service for which WV Living will pay WH a management fee of 20% of the rent per property. Market research indicates that the market rent will be around £650 per property, per calendar month, thus meaning our management fee would be £130 per calendar month, per property. For clarity, the affordable rent properties will be let in the normal way via Homes in the City.

- 3.6 Board will note from the table in 3.4 there are 11 shared ownership properties across the 5 developments. These properties will be owned by the City of Wolverhampton Council and not WV Living. WH will manage these properties alongside the current leasehold management portfolio. The fee for managing these properties will be by way of a service charge charged levied to the shared owners.
- 3.7 On both the Ettingshall and Wednesfield sites there will be blocks of flats. Whilst some of the flats will be let at market rent, 62 flats (6 at Ettingshall and 56 at Wednesfield) will be sold on long leases (similar to the Right to Buy lease). The 62 flats sold will be managed again by WH alongside the current leasehold management portfolio and as with the shared ownership properties, a management fee will be charged with the service charge charged to the leaseholders to cover the WH costs for managing these flats.
- 3.8 WH will manage and maintain the communal areas of these flats, including cleaning, maintaining gardens and the parking spaces of these blocks. This piece of work is not new to WH as we already provide a high quality and value for money service to all the Council's estates in the City. The cost associated with the provision of this service will be fully met by the leaseholders of the blocks, by way of a service charge, which will mirror the existing process used for the current 2500 leasehold stock.
- 3.9 We work very closely with the City of Wolverhampton Council ensuring we are maximising housing provision in the City and we are currently looking at how WH can assist with the long term empty properties in the City. There are around 1600 properties in the City which have been empty for more than 6 months. The City of Wolverhampton Council offers incentives to owners, for example, £500 towards repairs to bring the property up to a lettable standard and WH is currently investigating if we can assist owners with high cost repairs by us carrying out the works and offering a payment plan. A full report with costings, risks, budget implications will be presented to Board once this project has been completed.
- 3.10 It goes without saying that both WH in partnership with the City of Wolverhampton Council and WV Living do consider the provision of housing in the City a priority and that the projects detailed above can only reduce the demand for accommodation in the City.

4.0 Financial and value for money implications

- 4.1 The PSL Portfolio including the new WV Living market rent properties is run as a commercial venture. It is projected that WH will achieve income in the region of £55,000 per annum from properties associated with WV living and a further £75,000 will be achieved for the PSL portfolio. These forecasts include provision associated with bad debt.

5.0 Legal implications

- 5.1 All of the PSL properties are on robust leases which have been reviewed by the City of Wolverhampton Council to ensure that WH are protected at all times.

5.2 There is an agreed Service Level agreement in place with with WV Living for the comprehensive management of the WV Living properties.

6.0 Human resources implications

6.1 To satisfy the range of functions now associated with this portfolio in addition to the growing number of properties an additional PSL Officer has been appointed to compliment the existing PSL Officer and PSL Co-ordinator in the team.

7.0 Health and safety implications

7.1 The Rent with Confidence Scheme run with the City of Wolverhampton Council is guided by the HHSRS (Housing, Health and Safety Rating System) and all of our PSL Properties are approved and rated by the Rent with Confidence Team.

8.0 Equalities implications

8.1 Has an equality impact assessment been carried out. **NO**

9.0 Impact on the environment and community

9.1 The efficient management of both the market rent and leasehold properties will enable the developments to be viewed in a positive way hence enhancing the reputation of both WV Living and WH.

10.0 Long term consequences for the company

10.1 By securing more properties to add to the overall WH Portfolio we are not only supporting housing need in Wolverhampton but offsetting the physical loss of properties sold under Right to Buy or demolished.

10.2 The efficient management of the PSL, market rent and leasehold units, both property based and financially, is essential to the long term financial health of the Company and to its reputation.

11.0 Impact on business relationships with suppliers, customers and others

11.1 It is essential to the long term financial and reputational health of the Company that the PSL, market rent and leasehold units are managed and maintained to high standards as any negative publicity will have implications for future developments.

12.0 Impact on the Wolverhampton Homes' Management System

12.1 Will any new policy or policy updates have an impact on the management system.
NO

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Wolverhampton Homes Board

27 April 2018

Open report

Report title: **Tender Award Notice for supply of Biomass Wood Chip for Heath Town Boiler House**

Status: For decision

Author Roy Parlor, Head of Construction

Contact No: 01902 554762

Recommendations **Wolverhampton Homes Board is recommended to authorise the award of the contract to Forest Fuels for a duration of 2 years with an option to extend for a further 2 years from 1st May 2018 to 30 April 2020 for a total contract value of £920,000. (Please see Appendix A – Procurement Report).**

Key risks and contentious issues: Heating and hot water is provided for the HeathTown estate via a district heating system. This is powered by 2 gas boilers and 1 Biomass boiler. It is vital to have all 3 boilers ready to operate when required. Failure to procure a high quality and reliable Biomass fuel source could result in situations where reliance is totally on the 2 gas boilers.

Management Summary

1.0 Purpose

- 1.1 The Provision of Biomass Wood Chip to fuel 1 megawatt Biomass boiler, provision of heating and hot water to circa 1200 dwellings at Heath Town Estate.
- 1.2 Delivery of a G50/VV50 wood chip, including a 5 day per week delivery throughout the year.

2.0 Background

- 2.1 Yorkshire Purchasing Organisation (YPO) has established a dynamic purchasing system to provide public sector organisations with a compliant procurement route for the supply of solid fuel products and related services.
- 2.2 YPO ran a mini competition on behalf of Wolverhampton Homes utilising the framework for the supply of solid fuels and related services.
- 2.3 7 organisations registered an interest, 3 submitted tenders and 1 opted out.

3.0 Financial and value for money implications

- 3.1 Wolverhampton Homes currently pay £0.04351/kWh from Forest Fuels, the tender process delivered a potential saving of £163,000 over the 4 year term, this calculation is based on initial usage estimations. These savings are to be achieved without incurring cost of switching supplier.

4.0 Legal implications

- 4.1 Compliance with The Public Contract Regulations 2015, the tender process has complied with all requirements for a Ojeu tender.

5.0 Human resources implications

- 5.1 No Human resource implications.

6.0 Health and safety implications

- 6.1 Deliveries will be governed by risk assessments and method statements provided by the supplier to include all control measures. These measures will be approved by the Boiler House Manager and CWC Health and Safety Manager.

7.0 Equalities implications

- 7.1 No Equalities implications.

8.0 Impact on the environment and community

8.1 Burning biomass fuel releases **carbon dioxide** (CO₂), a greenhouse gas. However, the plants and trees that are the source of biomass capture a nearly equivalent amount of CO₂ through photosynthesis while they are growing, which can make biomass a **carbon-neutral energy** source.

9.0 Long term consequences for the company

9.1 The option of having both Biomass and Natural Gas energy sources at HeathTown Estate ensures that in the event an interruption the Gas Supply or Biomass source, that there will be a continuous method of providing heating and hot water.

10.0 Impact on business relationships with suppliers, customers and others

10.1 Forest Fuels are the successful Bidder in this tender process and they are also the incumbent provider.

11.0 List of Appendices

11.1 Appendix A – Procurement Report.

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Appendix A – Procurement Report	
Contract Information — New Contract	
Contract name	Biomass Wood Chip for Heath Town Boiler House
Ref no:	PP17183
Provider	Forest Fuels Limited
Decision type	New Contract
Originating service	Construction Team
Accountable officer	Roy Parlor (Head of Construction)
Date Directorate of Business Support	9 th April 2018
Procurement advisor	Jose Vitoria (Procurement Buyer)
Type of procurement process	Framework Mini Competition
Evaluation scoring balance	Price 60% Quality 40%

Background

The Provision of Biomass Wood Chip to fuel 1 megawatt Biomass boiler, provision of heating and hot water to circa 1200 dwellings at Heath Town Estate.

Delivery of a G50/VV50 wood chip, including a 5 day per week delivery throughout the year, deliveries to the H. T Boiler plant including banks man and all control measures.

Proposed Contract Award	
Contract duration	2 Years
Contract Commencement date	01/05/2018
Total value	920,000
Extension provisions (if any)	2 Year

Evaluation Results

Bidder	Price E	Quality Score out of 40	Marks	Price Score Marks out of 6Y0	Total Score Marks out of 100
Forest Fuels	£0.03580/kWh	32		60.00	92.00
Edge Renewables	£0.04356/kWh	25.25		49.31	75.56
Scot Heating	£0.05630/kWh	27.55		38.15	65.70

Procurement Process

Yorkshire Purchasing Organisation (YPO) has established a dynamic purchasing system to provide public sector organisations with a compliant procurement route for the supply of solid fuel products and related services.

YPO ran a mini competition on behalf of Wolverhampton Homes utilising the framework for the supply of solid fuels and related services framework reference 737 Lot 2 via their e-tendering portal.

Lot 2 is for Biomass Wood Chips and /or Related products and Services

7 organisations registered an interest 3 submitted tenders and 1 opted out.

The evaluation team comprised

Name	Job Title
Frank Dalton	Principal Contracts Supervisor
Mark Winstanley	Senior Heating Services Engineer

Financial Implications

Wolverhampton Homes currently pay £0.04351/kWh from Forest Fuels, the tender process delivered a potential saving of £163,000 over the 4 year term, this calculation is based on initial usage estimations, these saving are to be achieved without incurring cost of switching supplier.

Supplier	Price Per Unit	Per Year	Full Term
Forest Fuels	£0.03580	£189,243.85	£756,975.41

Legal implications

Compliance with The Public Contract Regulations 2015, the tender process has complied with all requirements for a Ojeu tender.

Recommendation

Wolverhampton Homes Board is recommended to authorise the award of the contract to Forest Fuels for a duration of 2 years with an option to extend for a further 2 years from 1st May 2018 to 30 April 2018 for a total contract value of £920,000.

Award Authorisation:

Date:

Sign: Print Name:

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