

OUTSOURCED SERVICES SCRUTINY PANEL

8 November 2018

Present: Councillor S Cavinder (Chair)
Councillor M Hofman (Vice-Chair)
Councillors J Dhindsa, K Hastrick, R Martins, B Mauthoor and
G Saffery

Also present: Councillor S Johnson (Portfolio Holder)
Councillor K Collett (Portfolio Holder)

Officers: Deputy Managing Director and Director of Place Shaping and
Corporate Performance
Housing Supply Manager
Committee and Scrutiny Support Officer (AG)

15 Apologies for Absence/ Committee membership

There were no apologies for absence.

16 Disclosures of interest

There were no disclosures of interest.

17 Minutes

The minutes of the meeting held on 19 September 2018 were submitted and signed.

18 Hostels and temporary accommodation

The Chair introduced the Housing Property Manager to the panel explaining that she would take questions during her presentation. The Housing Property Manager began by explaining her background in the housing service.

During the presentation she discussed how the council contract only

related to property owned by the council and that she would be able to talk about any wider temporary accommodation issues with members outside of the meeting. She discussed the implications of the Homeless Reduction Act 2017 with the focus now on early intervention to help prevent people becoming homeless. She provided data on how households in temporary accommodation had reduced significantly in Watford; from 216 households in April 2017 to 143 to date. She also presented information on how the use of high cost nightly let and bed and breakfast accommodation had substantially reduced over the same period.

The Housing Property Manager went on to explain the various categories of temporary accommodation (including those outside the scope of the contract), how the present contract with Watford Community Housing (WCH) had been developed (with a saving of £72,000 to the Council as compared to the previous arrangements), the content of this contract (that was due to expire in May 2020), the number of properties owned by the council and how this had changed over time, how the new contract would be designed and the associated procurement timetable.

Members considered the reduction of households in temporary accommodation to be impressive. The Housing Property Manager outlined some of the measures undertaken to achieve the decrease. She explained the time periods for the allocation of the various categories of properties. She clarified that overcrowding issues were not within the scope of the contract. The Deputy Managing Director advised members that in the future there would be a focus on the provision of two and three (and sometimes four) bedroom properties as opposed to one bedroom flats; and of the work that was ongoing in this regard.

Members discussed the use of bed and breakfast accommodation. In response to a question from members, the Housing Property Manager explained why it was necessary in some instances to provide this outside of the Watford area. She continued by clarifying that there was a desire to reduce the number of private sector properties used for temporary accommodation as the council had more control of the running and management of properties it owned under the contract.

Members went on to discuss repair standards and timescales. The Housing

Property Manager reassured the panel that WCH met the contract requirements in this regard. She advised that the fire alarm re-setting time scale would be revised under the new contract. In response to questions from members, the Housing Property Manager outlined how the performance indicators in the contract were monitored and of the steps that could be taken when these were not met; including the imposition of service credits. She undertook to provide the panel with the performance information.

Members discussed the annual fee paid by the council to WCH in managing the contract. In response to a question from members, the Housing Property Manager explained how there was a set management fee per property agreed at the start of the contract. In addition, WCH had to pay the council 95% of the rent roll. If they collected over 95%, WCH could retain that additional rent collected. Therefore, WCH had the ability to gain 5% income from the rent collected if they managed to collect 100% of the rent roll. The increase in the rent roll (due to higher rent costs and new larger properties) had meant the value of the 5% rent that WCH could retain if collected had gone up. This, combined with a small annual uplift of the set management fee (as agreed in the contract), had led to the increased overall costs of the contract.

In response to a question from members about whether people in temporary accommodation were likely to be unemployed, the Housing Property Manager advised that in the region of 60 to 70% of those accommodated were in employment. Appropriate support was provided to those who were unemployed. The Housing Property Manager assured members that any rent increases arising during the contract had been proportionate and the council was obliged to ensure temporary accommodation remained affordable.

Members turned discussions to the new contract. The Housing Property Manager explained why it was planned to commence the contract in September 2019, six months before the expiry of the current contract. In effect, this would provide flexibility and a safety net in the event that the procurement process was delayed.

The Deputy Managing Director added that the council was not following

the national trend of an increase in people in temporary accommodation – rather the number was being reduced as had been previously discussed. He explained how the situation would be monitored in the future.

In response to a question about the furnishing of properties, the Housing Property Manager explained why it would not be viable for the council to furnish these under the new contract. The Housing Property Manager undertook to provide the panel with quarterly updates on how the procurement process was progressing.

In response to further questions from members, the Deputy Managing Director and Housing Property Manager:

- Advised how the Homeless Reduction Act 2017 was working in practice and the positive impact it had on preventing homelessness.
- Informed the panel as to the type of organisations it was anticipated would bid for the new contract.
- Advised how support was provided to the victims of domestic abuse housed in temporary accommodation.
- Explained how invitations were sent out for tender.

On behalf of the panel, the Chair thanked the Housing Property Manager for her detailed and informative presentation. This was seconded by Councillor Johnson. Members congratulated the Housing Property Manager for the work that had been undertaken.

RESOLVED –

1. that the presentation be noted.
2. that the actions agreed be undertaken.

Chair

Outsourced Services Scrutiny Panel

The meeting started at 7.00 p.m.
and finished at 8.00 p.m.

