

# BEST VALUE COMMISSIONERS

Housing Sub Board Monday 10 <sup>th</sup> March 2025	
<b>Apologies:</b> Sarah Scannell Guy Chaundy	
<b>Attendees:</b>  Jackie Belton, Commissioner Cllr Jayne Francis, Cabinet Member for Housing and Homelessness Andrew Healey, Finance Business Partner Dave Ashmore, Director, Housing Management Paul Langford, Executive Director, Housing Stephen Philpott, Director, Housing Solutions and Support Wayne Davies, Director, Asset Management Naomi Morris, Head of Service Cllr Penny Wagg, Liberal Democrats Cllr Bruce Lines, Conservative Lauren Whitmore, Business Support Co-ordinator	
1.	<b>Welcome</b>  The Chair welcomed attendees and introductions were completed.
2.	<b>Minutes of last meeting and actions update</b>  The minutes of the previous meeting were agreed as an accurate record. Multiple actions were discharged as they have been completed, the action log has been updated to reflect this.  <u>Action Update</u>  Jackie Belton was to raise with Civil Servant colleagues the question of when BCC may be notified of the continuation of the next exempt accommodation grant (2026/7). Stephen Philpott confirms that BCC would continue to provide the current service by utilising the available grant underspend. – <b>Jackie Belton spoke with Civil Servant colleagues and will raise the issue again. Naomi advised that the consultation is out on the operating guidance and the funding has been chased again. The consultation is due to close in May. The draft consultation is to be shared at this meeting once they have received a response.</b>  Individual detailed business cases to be presented for Commissioner comments for each of the proposed homeless centres/TA interventions, this is to be completed by the next meeting. – <b>The business case has not been circulated yet as Naomi is waiting for formal evaluations to be completed. Remains outstanding and is to be complete.</b>  If a proposal for the Institutional funding of Social Housing (private funding), Commissioners would require early sight and engagement and would want to understand how BCC would procure the model and manage any associated risks. This will need to be led by treasury management colleagues in finance to ensure it is in line with BCC's IRP, MTFP and borrowing constraints. The service area is to

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	<p>keep Commissioners informed and indicate when a report might come forward. – <b>Jackie Belton has provided initial comments, and Naomi will have a further discussion with corporate colleagues. Once BCC is ready with recommendations a meeting will be arranged to include Chris Tambini, Myron Hrycyk and Jackie Belton will take place.</b></p> <p>Jackie Belton will consult with Chris Tambini and will write to BCC for details of BCC's assurance framework which evidences that the HRA recharges are appropriate and also seek confirmation that the external auditor is now satisfied with previous years' HRA recharge and the recharge corrections completed for 2021/22 and still outstanding for 22/23 onwards. – <b>Andrew advised that 2020/21 and 2021/22 has been corrected and audited. 2022/23 has been corrected but we are stilling awaiting the audit. 2023/24 is currently being reviewed.</b></p> <p><b>Andrew will provide a table to show which HRA recharges have been corrected and audited. He will provide a further briefing on HRA recharges at a future meeting date.</b></p>
	<p><b>ACTIONS:</b></p> <p>Andrew Healey to provide a table which show which HRA recharges have been corrected and audited.</p> <p>Andrew Healey to provide a further briefing on HRA recharges at a future HSB meeting. Date to be confirmed.</p>
<p><b>3.</b></p>	<p><u><b>BCC Performance on Voids</b></u></p> <p>There have been several challenges identified with Fortem's void performance, including operational inefficiencies and productivity issues, particularly in applying the SOR. The supply chain has been lacking due to the removal of their operational subcontractors. Additionally, there have been issues with staff retention and supervisory management, which have impacted the quality of work completed. These challenges led to the decision to withhold void handovers.</p> <p>New processes have been implemented to address these operational challenges, and IT issues have been resolved to improve efficiency. Under performance has been escalated within the Fortem's, leading to step in arrangements. The direct delivery teams on voids have been reinforced with additional resources, and the allocation of voids has been refined. There has also been a significant expansion of subcontract arrangements, with Equans now handling 10-20 voids per month.</p> <p>Recent performance overviews indicate some improvement, although it is not yet at the desired level. It was discussed in a previous meeting to intervene further with another supply chain, involving approximately £200k worth of voids work and about 30 voids. This procurement is currently in progress through an existing framework, with the intention to appoint a contractor soon. Equans will continue to manage 10-20 voids per month, while a new contractor will be brought in to clear 30 voids quickly, aiming to restore Fortum's position.</p> <p>Jackie Belton requested clarity on Fortum's activities during this period. Wayne Davies explained that Fortem's aim to return to their normal run rate, currently producing 25 more voids above their standard rate. He also noted that other parts of Fortum's service are performing satisfactorily.</p>

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	<p>Jackie Belton expressed difficulty in understanding why Fortem has not been able resolved the issues more quickly.</p> <p>Paul Langford provided insight, explaining that Fortem is closer to a Tier 1 contractor and the challenges stem from the number of organisations they are working with. He emphasised that the issue is less about Fortum stretching themselves thin and more about the national scale of their operations.</p> <p>BCC needs to monitor and manage the situation effectively over the coming months to ensure progress and improvement. Jackie Belton inquired about the potential financial risks for BCC. Wayne Davies assured that from a financial risk perspective, it is managed well, noting the importance of timely payments to contractors. He highlighted that Fortem faces liquidated damages for each late void.</p>
	<p><b>ACTIONS:</b></p> <p>Report and update on voids to be provided to the next Housing Sub Board.</p>
4.	<p><u>Housing Solutions and Support</u></p> <p>The official government announcement regarding rough sleeper counts and figures in England for October/November 2024 reported a total of 59 rough sleepers. This represents a national increase of 20% in rough sleeping across England. Media coverage has been minimal, and there have been no enquiries that Stephen is aware of. Against Birmingham's population, this equates to 5.1 rough sleepers per 100,000 people, compared to the national average of 8.1.</p> <p>In Birmingham specifically, the figures mirrored the national trend. The core cities reported a range of 45-77 rough sleepers.</p> <p>Stephen Philpott advised that cabinet will address new burdens and receipt money this month. Upon receiving cabinet approval, contracts will be processed through the framework, ensuring a seamless transition to new rough sleep and single homelessness contractors by April.</p> <p>Presentations are currently lower than they were a year ago, and this trend is being monitored closely.</p> <p>Quarter 2 figures were also published alongside the rough sleeper count. In terms of national benchmarking, Birmingham ranks within the top three core cities for households placed into prevention. Birmingham is also among the top three for success in prevention and release.</p> <p>Efforts are underway to mobilise new staffing layouts within the HOC. An informal consultation will be conducted with staff to identify any concerns regarding the reopening of the centre, the aim is to reopen the centre in April.</p> <p>Jackie Belton has expressed interest in visiting the HOC once the building work is completed, and Stephen Philpott would be pleased to facilitate her visit.</p> <p><u>DA contract service</u></p>

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The current provider has been notified that their contract will not be extended, and they have acknowledged this decision.

Staff will be TUPE back into BCC.

Stephen Philpott is scheduled to meet with the Chief Executive of Birmingham and Solihull Women's Aid, as they are the prevention hub provider which is commissioned by adult social care.

Jackie Belton requested clarification regarding the contract's termination date. Stephen confirmed that the contract is set to conclude in May.

## Temporary Accommodation Usage

As of the end of February, there were 658 individuals in bed and breakfast accommodations for over six weeks, representing a reduction of 46 in one month. While we have successfully moved 1,000 or more households out of bed and breakfast accommodations, we have reached a standstill regarding the six-week figure.

There are currently 6,148 households in temporary accommodation. We are actively seeking proposals for the new dynamic purchasing frameworks for 10 years plus 1 lease. A successful provider event was held last week, which is expected to encourage providers to come forward.

## Outstanding Housing Applications

BCC are within target, with over 95% of applications to the housing register being assessed and responded to within eight weeks. The average number of incoming weekly applications was 491.56 for 2024/25 and 558 for 2025. Stephen advised that the increase could be seasonal, with households needing a change in circumstances after the Christmas period.

BCC are approaching 26,000 on the housing register.

## Accommodation Finding Team

It is hoped that BCC will reach the 700 mark for the number of homes found for people in the private renting sector. The team has recruited an additional two members of staff to help achieve the targets for 2025/26.

Landlords are still increasing their financial expectations regarding incentives. There are new additional burdens of £2 million, some of which will be utilised to keep up with the demands of landlords and the market in the private rented sector.

Stephen Philpott met with the MHCLG to review the TA reduction figures. BCC are currently ahead in terms of bed and breakfast figures. Our targets are to have nobody in bed and breakfast accommodation for over six weeks by July 2027. The targets for the end of 2025/26 are 413, and for 2026/27, the target is 133.

A discussion took place around the Private Financing opportunities. Paul Langford advised that we are tracking everything through the existing strategy and plan. He emphasised the importance of setting targets, but also highlighted the significant risk that they may not achieve the goal of having zero

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	<p>families in bed and breakfast accommodations for more than six weeks by 2027, although all avenues are being explored. This will be managed closely.</p> <p>Paul Langford also noted that we are currently £0.7 million underspent on general fund budgets.</p> <p>Jackie Belton asked Stephen Philpot about his perspective on the current situation. Stephen mentioned that during his meeting with the MHCLG this morning, they could not identify any additional actions we should be taking. They acknowledged that they have provided us with extra funding, but also recognised that, based on their calculations, we are £6 million short of what we should be receiving.</p> <p>Nationally, BCC are being listened to. Stephen is scheduled to present at an interministerial task group to inform the new homeless strategy. However, the minister has advised not to request additional funding.</p> <p>Regarding the trajectory of the new dynamic purchasing framework, Stephen expressed a preference for it to be embedded for a month or two before a report is provided.</p> <p>Although hard targets have been set, there is a high probability of changes as we evaluate what works and what doesn't. While there are solid plans in place, they depend on factors beyond BCC's control, this will be closely monitored.</p> <p>Jackie Belton inquired about asylum dispersal. Stephen Philpott explained that it is a constant day-to-day pressure. He also mentioned that other buildings are being purchased to be proposed as asylum accommodation.</p> <p>BCC are part of the migration partnership and are utilising some of the new burdens to appoint a migration liaison officer to work with individuals in the hotels. The message to the government is that we cannot send people directly into homelessness from asylum accommodation.</p>
	<p><b>ACTIONS:</b></p> <p>Jackie Belton to visit the HOC once the building work is completed.</p> <p>Stephen Philpott to provide a report on the trajectory of the new dynamic purchasing framework, one it has been embedded for 1-2 months. The report will be brought to the HSB in 3 months' time.</p>
5.	<p><b>Regulator of Social Housing</b></p> <p><u>Decent Homes Compliance</u></p> <p>Jackie Belton has expressed interest in understanding the decent home compliance trajectory and the importance of setting an annual target. Naomi Morris advised that this will be challenging, however it is required by the regulator and is currently being worked on. The decency numbers continue to drop as a result of the stock condition surveys, this is at a higher rate than the stock is being improved at.</p> <p>BCC has nearly completed 40% of physical stock condition assessments, it is important that BCC achieve 100% of stock condition surveys.</p>

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For the 2024/25 programme, there were 10,155 properties, with 5,867 having completed works. These calculations rely on manual data from contractors closing jobs on the system.

By the end of April 2025, Wayne Davies would like senior service managers to review all areas and the jobs they have raised, and to coordinate with contractors to ensure jobs are closed off and uploaded through APEX. This could potentially increase the decency figure by 31% once completed

BCC is conducting 12,000 stock condition surveys per year. With 10,155 properties in the programme, our decency position will drop by 2,000, assuming each survey indicates the property is non-decent.

The new interim contracts, which went live in April, have increased BCC's capacity from 200 to 2,000 kitchens per year. This exponential increase in the supply chain is working well, maintaining stability as we enter the financial year. However, this does not address the current decency position.

Jackie Belton emphasised the necessity of having a profile to monitor against. Wayne acknowledged that achieving 100% stock condition surveys is unrealistic. As we progress through each planned programme, BCC aim to encourage residents to accept improvements, allowing us to complete the improvement work and subsequently conduct a stock condition survey.

Wayne Davies feels it will take another three years to obtain full stock condition information. He estimates that four years of substantial investment will be required to see significant improvements in decency.

Jackie Belton inquired about when progress might be visible. Paul Langford advised that the decency standard will evolve, focusing more on safety and zero-carbon elements. BCC are adopting an asset management approach, which Paul believes is the correct strategy.

Paul noted that most surveyed properties are in poor condition, with few meeting the decency standard. BCC have begun specifying the number of properties improved in our reports, which is a message Birmingham City Council can confidently convey.

Councillor Bruce Lines asked about the factors contributing to properties failing the decent home standard. Wayne explained that 5,577 properties have failing components, including issues such as HHSRS and thermal comfort problems.

Wayne Davies can provide detailed information, which would need to be included in a centralised report. We issue stock condition information on PowerBI, and Naomi Morris will share the link for review at the next scrutiny meeting.

Jackie Belton asked that a decent homes annual and cumulative target is set. Naomi expressed difficulty in setting a target, while Jackie Belton suggested having a projection to compare actual outcomes and ensure accountability. This projection can be reviewed and revised annually.

Wayne Davies highlighted that this is the first full year of operation. The interim contract has increased capacity, with £240 million to be spent this year, including £25 million from the grant. This investment will address decency but is primarily focused on environmental improvements and sustainability.

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By the end of this year, BCC will have nearly completed the SHDF programme. Moving forward, BCC will have improved data and stock conditions, allowing us to assess our achievements in terms of decency this year and make necessary adjustments to meet decency standards next year.

The Building Safety Regulator appears to be taking longer to process applications for building controls on high-rise blocks. There are reports that, in some cases, this process is taking up to 40 weeks to complete.

There are high-rise blocks included in the programme for next year, but these will not commence until the end of the current contract term. BCC needs to focus on low-rise buildings and decency, steering away from high-rise buildings above 18 metres.

Wayne Davies agrees that setting a target and having a forecast is necessary. He is comfortable reviewing this in April.

## Savills Audits

Jackie Belton requested a reminder regarding the timescales. Wayne Davies advised that there are four required actions, one of which involves the long-term procurement of a third-party gas external.

Interviews with staff were concluded last week, and a draft report is expected around April. Discussions with Savills indicate significant progress has been made. Remedial actions may be an area for improvement, which BCC are aware of.

Savills are now more comfortable with the data, testing programmes, and visibility. Jackie Belton noted a considerable gap last year between Savills completing their groundwork and the report's release. Wayne Davies assured that this gap will be closed this year.

Jackie Belton inquired if the outstanding actions/recommendations from the last audit are on track. Wayne confirmed that they are. The outcome of the Savills audit to be reported to a future HSB.

## Housing Ombudsman

Naomi Morris reported that a recent meeting with the Housing Ombudsman went well. Discussions included more generous compensation, improved record-keeping, and future steps.

A task group is addressing historical issues, which we need to understand. A representative from housing management will be involved.

## Tender – Repairs and Maintenance Contracts

BCC has reached a key milestone in the SQ process and are now awaiting the number of contractors who will come forward. Out of the 10 applications received, 8 were successful and will proceed to the tender bid process.

The bid writing will take place during April and May.

## **ACTIONS:**

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The link to the stock condition information on PowerBI will be shared and reviewed at the next meeting.

The outcome of the Savills audit is to be reported at a future Housing Sub Board

Jackie Belton asked that a projection for decent homes is established to compare actual outcomes and ensure accountability. The projection will be reviewed at the next Housing Sub Board (April)

## Report to the Regulator

There are ongoing discussions with the regulator regarding our numbers and the actions BCC are taking. Naomi Morris has outlined all the interventions BCC have implemented to address damp and mould within the briefing pack.

In the consultation response, BCC has indicated that some of the commitments the regulator expects post-inspection are unrealistic. Naomi's aim is to resolve this discussion rather than let it continue indefinitely.

BCC are cautious about being pressured into decisions that would lead to the implementation of resources that are not appropriate

## Any other business:

Jackie Belton inquired about the increase in Right to Buy applications and the progress on this matter.

Dave Ashmore advised that there are currently 6,000 applications, and additional resources have been allocated to expedite the process. Dave has a paper on this that he can provide. It is anticipated that 50% of these applications will progress to Help to Buy.

Paul Langford emphasised that he received a positive update from the area manager, indicating that 600-700 applications have been identified as unsuitable through fraud work. Meaning, 10% of the applications have already been eliminated

The HRA strategic business planner is reworking the plan to assess the impact, as we generally do not receive sufficient income from the Help to Buy scheme to replace the properties.

Leaseholder payment options

Dave Ashmore advised that BCC are reviewing more effective methods of income collection. This will be discussed within DMT and CMB.

Jackie Belton asked for clarity on who is responsible for debt collection. Dave explained that it falls under housing management, and there are ongoing conversations about consolidation. For any income-related matters, we aim to have the income department handle them.

Jackie Belton highlighted the broader issue from Birmingham City Council's perspective regarding the level of debt and the process to collect it.

## Actions:

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Dave Ashmore to provide Jackie Belton with the report on the help to buy applications and the additional resource that has been bought in to support this.
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<b>Date of next meeting: 14<sup>th</sup> April 2025</b>
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