



# Wolverhampton Homes

## Open Board Meeting

18 March 2022

**Time** 9.30 am **Public Meeting?** YES **Type of meeting** Wolverhampton Homes  
**Venue** WV Active, Aldersley Rd, Wolverhampton, West Midlands, WV6 9NW / Virtual meeting via Microsoft Teams

### Membership

Derek Allen  
Councillor Paul Appleby  
Parveen Brigue  
Victor Browne  
Angela Davies  
Hajrija Dergic  
Steve Finegan  
Councillor Asha Mattu  
Joy McLaren  
Mike Porter  
Councillor Rita Potter  
Councillor Zee Russell

### Information

If you have any queries about this meeting, please contact:

**Contact** Business Assurance Team  
**Tel/Email** 01902 552956; WHSBusinessAssurance@wolverhamptonhomes.org.uk  
**Address** WV Active Aldersley Rd, Wolverhampton, West Midlands, WV6 9NW

Copies of other agendas and reports are available from:

**Website** <https://wolverhamptonintranet.moderngov.co.uk>

# Agenda

- | <i>Item No.</i> | <i>Title</i>  |
|-----------------|---|
| 1               | <b>Apologies</b>  |
| 2               | <b>Declarations of interest</b>                                     |
| 3               | <b>Minutes of previous meeting - 10 December 2021 (Pages 3 - 6)</b> |
| 4               | <b>Matters arising</b>  |

## **FOR INFORMATION**

- |   |  |
|---|--|
| 5 | <b>Rent and Service charges - Annual Update - Darren Baggs, Assistant Director - Housing (Pages 7 - 26)</b>  |
| 6 | <b>Wolverhampton Homes Market Rent and Service Charges - Wolverhampton Homes Owned Properties (Annual Update) - Darren Baggs, Assistant Director - Housing (Pages 27 - 38)</b> |
| 7 | <b>Quarter Three Revenue Forecast for 2021 - 2022 - Jo McCoy, Head of Financial Management (W-ton Homes) (Pages 39 - 44)</b>   |

## **FOR DECISION**

- |    |  |
|----|--|
| 8  | <b>Revenue Budget 2022 - 2023 and Medium-Term Financial Strategy update 2022 - 2023 to 2026 - 2027 - Julie Haydon, Assistant Director - Corporate Services (Pages 45 - 50)</b> |
| 9  | <b>Modern Slavery Statement - Emma Rolinson, Head of People (Pages 51 - 60)</b>  |
| 10 | <b>A.O.B.</b>  |

# M I N U T E S



**Meeting:** Open Board Meeting  
**Date:** Friday 10 December 2021  
**Venue:** Virtual meeting – via Microsoft Teams  
**Time:** 09:30 am

## **MEMBERS IN ATTENDANCE: -**

Angela Davies	-	Chair – Tenant Board Member
Steve Finegan	-	Vice Chair – Independent Board Member
Derek Allen	-	Board Member – Independent
Hajrija Dergic	-	Board Member – Independent
Joy McLaren	-	Board Member – Tenant
Mike Porter	-	Board Member – Tenant
Parveen Brigue	-	Board Member – Independent
Councillor Asha Mattu	-	Board Member – Councillor
Councillor Paul Appleby	-	Board Member – Councillor
Councillor Zareena Russell	-	Board Member – Councillor

## **STAFF IN ATTENDANCE: -**

Shaun Aldis	-	Chief Executive
Julie Haydon	-	Assistant Director – Corporate Services
Angela Barnes	-	Assistant Director – Housing Options
Darren Baggs	-	Assistant Director – Housing
Ian Gardner	-	Assistant Director – Property
Kevin Manning	-	Assistant Director – Strategic Management
Nicky Devey	-	Head of Business Services
Rebecca Clarke	-	Head of Customer Experience
Simon Bamfield	-	Head of Assets and Stock Investment
Stuart Bourne	-	Building Safety Manager
Maya Dhanda	-	Governance Officer (minutes)

## **STAFF IN ATTENDANCE – CITY OF WOLVERHAMPTON COUNCIL (CWC): -**

Jo McCoy	-	Head of Financial Management, City of Wolverhampton Council
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## **OBSERVERS IN ATTENDANCE: -**

Andrew Bryant	-	Service Lead – Landlord Services, City of Wolverhampton Council
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- Lynda Eyton - Client Relationship Manager – Housing Management Agents, City of Wolverhampton Council
- Michelle Dixon - Assistant Manager Response Repairs
- Michael Hough - Safety, Health and Environmental Support Officer
- George Williams - Assistant Safety, Health and Environmental Support Officer

<b>1.0</b>	<b>Apologies</b>	
1.1	<ul style="list-style-type: none"> <li>- Rita Potter – Council member</li> <li>- Victor Browne – Tenant member</li> </ul>	
<b>2.0</b>	<b>Declaration of Interest</b>	
2.1	<ul style="list-style-type: none"> <li>- Angela Davies – Tenant Member</li> <li>- Joy McLaren – Tenant Member</li> <li>- Darren Baggs – WV Living Board Member</li> </ul>	
<b>3.0</b>	<b>Minutes of previous Meetings (Annual General Meeting and Open Board Meeting) – 03 September 2021</b>	
3.1	The minutes of the previous Annual General meeting – 03 September 2021 were agreed as a true record.	
3.2	The minutes of the previous Open Board meeting – 03 September 2021 were agreed as a true record.	
<b>4.0</b>	<b>Matters arising</b>	
4.1	There were no matters arising.	
<b>For Information</b>		
<b>5.0</b>	<b>Revenue Monitoring (Q2 Out-turn) – 2021 - 2022 – Jo McCoy, Head of Financial Management, City of Wolverhampton Council</b>	
5.1	The company has worked hard to balance expenditure with income, which resulted in additional surpluses this year. Board noted that reserves are now balanced, and the forecast budget position on 30 September 2021, is showing a £1,198,000 underspend against the budget. Board were reminded that there were still several pressures facing the company.	
5.2	In terms of employee spend there are challenges in relation to recruitment which is impacting all organisations nationally. WH are aware of this and are monitoring closely.	
5.3	Increases to material costs will continue to affect budget spend. The use of a new contractor starting in January 2022 will support the value	

<p>5.4</p> <p>5.5</p> <p>5.6</p>	<p>for money approach. WH are mindful of the impact of winter on material costs as work continues into Q4.</p> <p>Increases to the cost of energy will also impact, alongside increases to inflation, and rent. It is important that invest to save opportunities are realised to support the aims to continue with a balanced budget.</p> <p>WH are in a good place and look to invest to save, with the aim of a balanced budget for the year. The impact of Covid-19 tested the resilience of the company and its staff.</p> <p>Board noted the controls that are in place for closer monitoring to review budgets on an ongoing basis.</p> <p><b>Resolved: Board members: noted the Revenue outturn forecast for 2021 – 2022 as at quarter two.</b></p>	
<p>6.0</p> <p>6.1</p> <p>6.2</p> <p>6.3</p> <p>6.4</p> <p>6.5</p> <p>6.6</p>	<p><b>Improvements to the fire safety management arrangements – Simon Bamfield, Head of Commercial Services and Stock Investment</b></p> <p>There are changes to the fire safety management regime, which sees the introduction of the new Fire Safety Committee.</p> <p>Following the Grenfell Tower tragedy there has been an increase on scope of activity on fire suppression systems and fire sprinkler systems, with new acts brought forward of the ‘building safety bill’. There has been an increased demand upon landlords. WH appointed a building safety manager whose responsibility is to review the fire safety strategy, policy, and procedures across the organisation.</p> <p>The new fire safety strategy, policy and procedures will be presented to the Audit and Business Assurance Committee in due course.</p> <p>The introduction of the Building Safety team will significantly strengthen WH’s capacity and capability in all fire safety matters and compliance.</p> <p>There will be a need to implement the Building Information Modelling (BIM) systems, ensuring the golden thread of information is robustly managed within the organisation in operational delivery.</p> <p>Board was updated on the draft Fire Safety group Terms of Reference (TOR) appended to the report. The proposed group members include representatives from across the business and those operational and customer focused, are fully considered in any decision process. This group will provide a holistic approach ensuring quality of decision making.</p>	

6.7	It was suggested that a Board Champion be considered within the group membership, which will add value.	<b>Board Members</b>
6.7.1	<p><b>Action:</b> Board member nominations to be put forward to the Business Assurance team.</p> <p><b>Resolved: Board members: noted the proposed changes to the fire safety management regime and the terms of reference for the new Fire Safety Committee.</b></p>	
<b>7.0</b>	<b>Any other business</b>	
7.1	No items of any other business were raised.	
<b>8.0</b>	<b>Date of next meeting:</b>	
8.1	Date: To be confirmed as part of the confidential agenda.	

# Board Report

	<b>Agenda Item 5</b>
	<b>Rents and Service Charges (Annual Update)</b>
	<b>Open Report</b>
<b>Status:</b>	For Information
<b>Author and job title:</b>	Darren Baggs, Assistant Director – Housing
<b>Contact No:</b>	01902 552956
<b>Recommendations:</b>	<b>Board members are asked to note:</b> <ul style="list-style-type: none"> <li>• <b>the decisions made by the City of Wolverhampton Council (CWC) Cabinet relating to an increase of rents and services charges for all Social Housing Tenants / Leaseholders where applicable.</b></li> <li>• <b>the content of the report</b></li> </ul>
<b>Key risks and contentious issues:</b>	<p>Not applying a rent or service charge increase would reduce the resources available to Wolverhampton Homes to maintain and fund future capital investment necessary upon the stock it owns.</p> <p>The City of Wolverhampton Council have endorsed the recommendations to increase rents and services charges to protect the delivery of services and future capital programmes across the social housing portfolio.</p> <p>Any increase in costs may impact on our customers, where they have a tenancy with Wolverhampton Homes or with the City of Wolverhampton Council.</p>

	Wolverhampton Homes is fully committed to providing support to customers who are facing financial difficulty.
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## **Management Summary**

### **1.0 Purpose**

- 1.1 This report sets out the rent and service charges to be applied by the City of Wolverhampton Council (CWC) for the year 2022 - 2023, which will be effective from 04 April 2022.

### **2.0 Background**

- 2.1 The City of Wolverhampton Council are required to undertake an annual review of its rents and service charges, which are associated with social housing tenants, leaseholders, and other customers in the city.
- 2.2 Pre-Covid-19, consultation for rents and service charges had been undertaken at Wolverhampton Homes (WH) 'Get Togethers', via Wolverhampton Federation of Tenants' Association, and through CWC's four other managing agents – Bushbury Hill Estate Management Board (EMB), Dovecotes Tenant Management Organisation (TMO), Springfield Horseshoe Tenant Management Co-operative (TMC) and New Park Village Management Co-operative (TMC).
- 2.3 The challenges for consultation as a result of Covid-19, resulted in consultation for the financial year 2022 - 2023 being conducted via digital communication and an online survey.
- 2.4 The Regulator of Social Housing, in line with the Welfare Reform and Work Act 2016 and government policy set out in the Rent Standard 2020, that social and affordable rents would be based upon the consumer price index (CPI) plus 1%. The CPI figure in September 2021 was 3.1%.
- 2.5 The City of Wolverhampton Council Cabinet meeting held on 19 January 2022, approved an increase in social and affordable rents of 4.1% (this increase is also applicable to garage rents), and an increase for services charges at 3.1%.
- 2.6 The full Council meeting held on 26 January 2022, endorsed the rent and service charges decision presented from the previous Cabinet meeting.

### **3.0 Capital investment Priorities 2022 – 2023**

- 3.1 The decision to increase rents and service charges as set out within this report will provide a platform to continue the delivery of a range of capital investment projects and the ability to work towards a growing agenda of increased regulation, compliance, building safety, fire prevention, sprinklers, carbon reduction, infrastructure, general maintenance of an aging portfolio, environmental / estate schemes, building of new affordable homes etc. This work is estimated to be in excess of £2 billion over the 30-year investment plan, and therefore every opportunity to maximise income to support investment is necessary.

#### **4.0 Rent and service charges 2022 – 2023**

- 4.1 As set out at point 2.5, it is the City of Wolverhampton Council's intention to increase social and affordable rents by 4.1%, and service charges by 3.1% from 04 April 2022.
- 4.2 Appendix 1 sets out the City of Wolverhampton Council's intention for intended non-dwelling rents and service charges that will be effective from 04 April 2022.
- 4.3 Appendix 2 (A, B, C & D) sets out the template letters CWC will send to social housing tenants / customers ahead of the 04 April 2022 implementation.

#### **5.0 Legal implications**

- 5.1 CWC are required to undertake an annual review of its rents and service charges.

#### **6.0 Human resources implications**

- 6.1 There are no human resources implications identified within this report.

#### **7.0 Health and safety implications**

- 7.1 Investment in the Capital programme from receipt of rent and service charge income supports the delivery of Health and Safety requirement to keep tenants safe in their homes.

#### **8.0 Financial Implications**

- 8.1 The proposed rent increase of 4.1% is chargeable in line with Government policy set out in the Rent Standard 2020. Not applying an increase would reduce the resources available to fund services and future capital programmes. The 3.1% increase for service charges are consistent with existing policy to recover the cost of services.
- 8.2 On 19 January 2022 Cabinet approved a 4.1% increase for rents and 3.1% for service charges, which were then subsequently endorsed by full Council on 26 January 2022.

#### **9.0 Equalities implications**

- 9.1 There is a legal requirement to increase rents by no more than Consumer Price Inflation (CPI) plus 1%. This is a difficult balance to be struck by CWC in deciding the levels at which rents, and service charges are set, and the income required to maintain and to improve services and properties. This is based upon a thirty-year forecast, which sets out indicative levels of future rental income and forecast changes to expenditure levels. This is applicable to all tenants regardless of their protected characteristics.
- 9.2 The Council has always operated on a very open and consultative approach to service and rent reviews.

9.3 As part of the council's commitment to involving all tenants and other service users in the management of housing services, the City of Wolverhampton Council invited views from tenants and leaseholders in respect of rent and service charges and the Council's priorities for 2022 - 2023.

#### **10.0 Impact on the environment and community**

10.1 The increase of HRA rents will support the forecast expenditure of £2.35 billion of capital works over the next 30 years, whilst providing resources required to manage and maintain council housing stock.

10.2 WH is fully committed to the Council's green agenda and will use every opportunity to support strategies targeted to achieve its carbon reduction agenda.

#### **11.0 Long term consequences for the company**

11.1 This report identifies the council's commitment to the management and maintenance of its housing stock in the City, whilst highlighting the priorities for 2022 - 2023. As a key partner to its shareholder the City of Wolverhampton Council, WH is fully committed to supporting the delivery of the council's priorities.

11.2 Increasing rents and service charges is always a challenging decision, more so in the current economic climate and where inflation, cost of living and fuel costs are constantly in the headlines. However, Wolverhampton Homes needs to plan ahead and be in a position to repair and maintain owned stock, for which it is prudent to consider long term implications should rents and service charges not be applied, at a time when costs are increasing for all.

#### **12.0 Impact on business relationships with suppliers, customers, and others**

12.1 Any increase in costs to customers could have some impact in several different situations or scenarios. WH is committed to supporting customers and where they are facing financial difficulties via contact with the relevant services.

#### **13.0 Impact of Covid-19**

13.1 There is a potential that by adopting a blended approach using various forms of communication that a greater numbers of customers will have the opportunity to take part in future consultations.

#### **14.0 Impact on Wolverhampton Homes' Management System**

14.1 Work has commenced to amend rent accounts on WH's NEC Housing system ahead of 04 April 2022 implementation.

#### **15.0 List of appendices**

15.1 Appendix 1: Non-dwelling rents and service charges 2022 - 2023

15.2 Appendix 2: Template letters to tenants / customers – Notice of rent increase and review of service charges from 04 April 2022:

- A – Template letter to tenants / customers – Affordables
- B – Template letters to tenant / customers – Dwellings
- C – Template letter to tenants / customers – Temporary Accommodation
- D – Template letter for tenants / customers – Use and Occupation

## Appendix 1: Non-dwelling rents and service charges 2022 - 2023

### Garage Rents

1. The table below sets out recommended garage rents to take effect from 01 April 2022 (before VAT).
2. Under VAT rules, garages that are let along with a dwelling do not attract VAT, whereas those that are let separately, do. Furthermore, exemption from VAT only extends as far as two garages per tenant / leaseholder. Therefore there are three different levels of garage rents.

	Rent per week 2021 - 2022 (excl. VAT)	% increase 2022 - 2023	Rent per week 2022 - 2023 (excl. VAT)	Rent per week 2022 - 2023 (incl. VAT)
Dwelling tenants and leaseholders (No VAT)	£4.60	4.1	£4.79	
Dwelling tenants and leaseholders – three or more garages (VAT)	£4.60	4.1	£4.79	£5.75
Privately let garages	£6.59	4.1	£6.86	£8.23

### Service Charges

Service Charge	Services funded	Rationale for charge	Charge paid per week 2021 - 2022	Proposed change	Charge paid per week 2022 - 2023
Communal facilities	Communal facilities in former sheltered schemes.	Cost Recovery	£2.88	3.1% increase	£2.97
Concierge with CCTV (Phased)	Essential caretaking duties and remote CCTV and door entry.	Cost Recovery	£9.43	3.1% increase	£9.72
Concierge with CCTV (full cost recovery)	Essential caretaking duties and remote CCTV and door entry.	Cost Recovery	£9.43	3.1% increase	£9.72
Concierge with CCTV	Essential caretaking duties and remote CCTV and door entry.	Cost Recovery	£9.43	3.1% increase	£9.72
Communal cleaning	Cleaning services in communal areas in certain properties.	Cost Recovery	£3.12	3.1% increase	£3.22

Digital TV	Installation and maintenance of the wiring required to convey digital TV signals to certain high-rise blocks.	Cost Recovery	£0.62	3.1% increase	£0.64
Fencing	Replacement of boundary fencing delivered by Wolverhampton Homes. All funds raised by this charge are ring-fenced to replacement fencing.	Sufficient income raised to fund fencing programme	£1.92	3.1% increase	£1.98

### Service Charges – Heating

Service Charge	Services funded	Rationale for charge	Charge paid per week 2021 - 2022	Proposed change	Charge paid per week 2022 - 2023
District Heating maintenance	Maintenance of boilers and district heating at Heath Town.	Cost Recovery	£4.33	3.1% increase	£4.46
District Heating maintenance owner occupiers*	As above.	As above – annual charge.	£225 p.a	3.1% increase	£231.98
District Heating maintenance	Maintenance of boilers and district heating at Hickman Estate.	Cost Recovery	£4.33	3.1% increase	£4.46
Central Heating – Gas	Servicing, maintenance, and replacement of gas central heating systems.	Cost Recovery	£3.85	3.1% increase	£3.97
Central Heating – Electric	Servicing, maintenance and replacement of electric heating.	Cost Recovery	£0.96	3.1% increase	£0.99

## District Heating Usage

The following rates are charged for the provision of heating and hot water through District Heating to recover fuel costs based upon current metered usage as follows:

<b>Heath Town Estate</b>	6.3p per kw/h
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<b>Lincoln &amp; Tremont House</b>	5.4p per kw/h
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<b>Wodensfield and William Bentley Court</b>	6.7p per kw/h
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## Supported Housing Charges

Service Charge	Services funded	Rationale for charge	Charge paid per week 2021 - 2022	Proposed change	Charge paid per week 2022 - 2023
Digital TV	Service provision at Trent Gardens.	Cost recovery	£1.27	3.1% increase	£1.31
Communal cleaning	Communal cleaning at Tap Works.	Cost recovery	£3.43	3.1% increase	£3.54
Communal cleaning	Internal communal cleaning at Trent Gardens.	Cost Recovery	£9.35	3.1% increase	£9.64
Communal Heat Light and Water	Tap works / Trent Gardens.	Cost Recovery	£1.70	3.1% increase	£1.75
Fencing	Tap Works boundary fencing.	Provision for replacement	£0.30	3.1% increase	£0.31
Capital Replacement – Tap Works	Capital equipment in communal areas.	Provision for replacement	£8.00	3.1% increase	£8.25
Capital Replacement – Trent Gardens	Capital equipment in communal areas.	Provision for replacement	£16.00	3.1% increase	£16.50
Window Cleaning	Tap Works	Cost Recovery	£0.20	3.1% increase	£0.21
Window Cleaning	Trent Gardens	Cost Recovery	£0.71	3.1% increase	£0.73



## Temporary accommodation rents and charges

1. The changes for 2022 - 2023 relate to self-contained standard rent and service charges.

Temporary Accommodation charges	2021 - 2022 £pw	2022 - 2023 £pw
Self-Contained standard rent and service charges	68.28 – 117.37	71.06 - 122.04
Self-contained management fee	34.33	35.39
Self-contained - Furniture replacement 1	25.69	26.49
Self-contained - Furniture replacement 1	33.07	34.10
Water / Light / Heat / Cleaning	17.46	18.00
<b>Total minimum charge</b>	<b>145.74</b>	<b>150.94</b>
<b>Total maximum charge</b>	<b>194.85</b>	<b>201.92</b>

Properties are across the council stock, mainly on flatted estates. Rent and service charges consistent with neighbouring properties will vary dependent on location, furniture replacement charge applied dependent on property size.

### Charges for Land Enquiries

The following fees are chargeable for land enquiries:

- £180 land enquiry processing fee
- £350 land valuation fee

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Appendix 2A: Template letters to Tenants / Customers - Affordables



February 2022

Dear

Payment Reference

Permitted number for your property is

**Notice of review of weekly charges from 04 April 2022**

Wolverhampton City Council has completed a review of rent and service charges following online consultation with tenants and leaseholders in addition to feedback from Council's managing agents: Wolverhampton Homes, Dovecotes TMO, New Park Village TMC, and Bushbury Hill EMB. We would like to thank tenants for taking the time to provide us with their thoughts and opinions.

In line with Government guidelines, the Council's Cabinet decided at its meeting on 19 January 2022 to increase charges by the Consumer Price Index (CPI) at 3.1% plus 1%, meaning charges will increase by 4.1%.

All service charges have increased by 3.1% to cover the cost of recovery for providing the service.

This letter gives you notice under Sections 102 and 103 of the Housing Act 1985, that from Monday 04 April 2022, your total weekly charge will be £      per week.

If you don't wish to accept this change in your weekly charge, then you have the right to give up your temporary accommodation. Refer to section 6 of your Licence Agreement before the new weekly charge is introduced on Monday 04 April 2022.

## Appendix 2A: Template letters to Tenants / Customers - Affordables

## How your new weekly charge is made up

An amount for use and occupation of your accommodation/room	
Service charge for any services provided to you	
Electric consumption charge	

**Total weekly amount payable from  
04 April 2022 £**

**Total Monthly  
Amount payable £**

If you have an agreed payment plan in place continue with this, if you do not have an agreed payment plan, we may contact you to discuss this further.

Remember, your accommodation charge is always due in advance. If you pay weekly, make sure your charge is paid and up to date before the coming Monday. If you pay fortnightly or monthly, you need to make sure your account is always clear or in credit.

You may be able to get financial assistance towards the cost of your temporary accommodation if you are on a low income. You will need to complete a Housing Benefit form online; your Temporary Accommodation Officer will be able to help you.

When the Housing Benefit has been assessed if the charge is reduced you will need to pay the difference and your electric consumption charge. Housing Benefit is paid to the landlord direct.

If you receive Universal Credit, you will need to provide the Department for Work and Pensions (DWP) with the information below so that they can update your claim. You can do this yourself online by updating your Universal Credit claim journal. You should complete the 'Confirm your housing costs' to-do, on the 'date of change' or as soon after 04 April 2022

Basic charge	
Eligible service charges	
Ineligible service charges	
Total Weekly amount due, charged over 52 weeks	

If you have any questions or concerns about this letter, you can contact your Temporary Accommodation Officer.

Yours sincerely

John Roseblade  
Interim Director of City Housing & Environment  
Wolverhampton City Council

Appendix 2B: Template letters to tenant / customers - Dwellings

February 2022

Dear

Payment Reference

Permitted number for your property is

**Notice of rent increase and review of service charges from 04 April 2022**

Wolverhampton City Council has completed a review of rent and service charges following online consultation with tenants and leaseholders in addition to feedback from Council's managing agents: Wolverhampton Homes, Dovecotes TMO, New Park Village TMC, and Bushbury Hill EMB. We would like to thank tenants for taking the time to provide us with their thoughts and opinions.

In line with Government guidelines, the Council's Cabinet decided at its meeting on 19 January 2022 to increase rents by the Consumer Price Index (CPI) at 3.1% plus 1%, meaning rents will increase by 4.1%.

All service charges have increased by 3.1% to cover the cost of recovery for providing the service.

This letter gives you notice under Sections 102 and 103 of the Housing Act 1985, that from Monday 04 April 2022, your total weekly rent will be £      per week.

If you do not accept the above changes to your rent or service charges, you have the right to give up your tenancy, in which case you must give four weeks' written notice before Monday 04 April 2022.

If you accept the changes and have agreed a payment plan with your managing agent, please continue with this. If you haven't, please contact your managing agent to agree a payment plan.

## Appendix 2B: Template letters to tenant / customers - Dwellings

## How your new rent is made up

Basic Rent	
Conditional Garage	
District Heating Maintenance	
District Heating Consumption	
Heating Improvement	
Concierge	
Communal Facilities	
Digital TV	
Communal Area Cleaning	
Fencing	

**Total Weekly amount payable  
from 04 April 2022 £**

**Total Monthly  
amount payable £**

## Claim benefits to help pay your rent?

- If you receive Housing Benefit, the team will write to you.
- If you receive Universal Credit, you will need to provide the Department for Work and Pensions (DWP) with the information below so that they can update your claim. You can do this yourself online by updating your Universal Credit claim journal. You should complete the 'Confirm your housing costs' to-do, on the 'date of change' or as soon after 04 April 2022

Basic Rent	
Eligible service charges	
Ineligible service charges	
Total Weekly amount due, charged over 52 weeks	

## Get help and support with your finances

If you're having difficulty paying your rent, then please speak to your managing agent, as soon as you are able. There are other people who can help, like Citizens' Advice, the Money Advice Service and the National Debt line. You can find lots more information about the support available on Wolverhampton Homes' website at [www.wolverhamptonhomes.org.uk/money-advice](http://www.wolverhamptonhomes.org.uk/money-advice).

Wolverhampton Homes, 01902 556789, Dovecotes TMO, 01902 552780, New Park Village TMC, 01902 552670 and Bushbury Hill EMB 01902

Yours sincerely

John Roseblade  
Interim Director of City Housing & Environment

Wolverhampton City Council

**Appendix 2C: Template letter to tenants / Customers – Temporary Accommodation**



February 2022

Dear

Payment Reference

Permitted number for your property is

**Notice of review of weekly charges from 04 April 2022**

Wolverhampton City Council has completed a review of rent and service charges following online consultation with tenants and leaseholders in addition to feedback from Council's managing agents: Wolverhampton Homes, Dovecotes TMO, New Park Village TMC, and Bushbury Hill EMB. We would like to thank tenants for taking the time to provide us with their thoughts and opinions.

In line with Government guidelines, the Council's Cabinet decided at its meeting on 19 January 2022 to increase charges by the Consumer Price Index (CPI) at 3.1% plus 1%, meaning charges will increase by 4.1%.

All service charges have increased by 3.1% to cover the cost of recovery for providing the service.

This letter gives you notice under Sections 102 and 103 of the Housing Act 1985, that from Monday 04 April 2022, your total weekly charge will be £      per week.

If you don't wish to accept this change in your weekly charge, then you have the right to give up your temporary accommodation. Refer to section 6 of your Licence Agreement before the new weekly charge is introduced on Monday 04 April 2022.

**Appendix 2C: Template letter to tenants / Customers – Temporary Accommodation**

**How your new weekly charge is made up**

An amount for use and occupation of your accommodation/room	
Service charge for any services provided to you	
Electric consumption charge	

**Total weekly amount payable from  
04 April 2022 £**

**Total Monthly  
Amount payable £**

If you have an agreed payment plan in place continue with this, if you do not have an agreed payment plan, we may contact you to discuss this further.

Remember, your accommodation charge is always due in advance. If you pay weekly, make sure your charge is paid and up to date before the coming Monday. If you pay fortnightly or monthly, you need to make sure your account is always clear or in credit.

You may be able to get financial assistance towards the cost of your temporary accommodation if you are on a low income. You will need to complete a Housing Benefit form online; your Temporary Accommodation Officer will be able to help you.

When the Housing Benefit has been assessed if the charge is reduced you will need to pay the difference and your electric consumption charge. Housing Benefit is paid to the landlord direct.

If you receive Universal Credit, you will need to provide the Department for Work and Pensions (DWP) with the information below so that they can update your claim. You can do this yourself online by updating your Universal Credit claim journal. You should complete the 'Confirm your housing costs' to-do, on the 'date of change' or as soon after 04 April 2022

Basic charge	
Eligible service charges	
Ineligible service charges	
Total Weekly amount due, charged over 52 weeks	

If you have any questions or concerns about this letter, you can contact your Temporary Accommodation Officer.

Yours sincerely

John Roseblade  
Interim Director of City Housing & Environment  
Wolverhampton City Council



Appendix 2D: Template letter for Tenants / Customers – Use and Occupation



February 2022

Dear

Payment Reference

Permitted number for your property is

**Notice of charge increase and review of service charges from 04 April 2022**

Wolverhampton City Council has completed a review of rent and service charges following online consultation with tenants and leaseholders in addition to feedback from Council's managing agents: Wolverhampton Homes, Dovecotes TMO, New Park Village TMC, and Bushbury Hill EMB. We would like to thank tenants for taking the time to provide us with their thoughts and opinions.

In line with Government guidelines, the Council's Cabinet decided at its meeting on 19 January 2022 to increase charges by the Consumer Price Index (CPI) at 3.1% plus 1%, meaning charges will increase by 4.1%.

All service charges have increased by 3.1% to cover the cost of recovery for providing the service.

This letter gives you notice under Sections 102 and 103 of the Housing Act 1985, that from Monday 04 April 2022, your total weekly charge will be £        per week.

## Appendix 2D: Template letter for Tenants / Customers – Use and Occupation

## How your new charge is made up

Basic Charge	
Conditional Garage	
District Heating Maintenance	
Property	
Heating Improvement	
Concierge	
Communal Facilities	
Digital TV	
Communal Area Cleaning	
Fencing	

**Total Weekly amount payable  
from 04 April 2022**                      £

**Total Monthly  
amount payable**                      £

Remember, your charge is always due in advance. If you pay weekly, make sure your charge is paid and up to date before the coming Monday. If you pay fortnightly or monthly, you need to make sure your account is clear or in credit.

## Claim benefits to help pay your charge?

- If you receive Housing Benefit, the team will write to you.
- If you receive Universal Credit, you will need to provide the Department for Work and Pensions (DWP) with the information below so that they can update your claim. You can do this yourself online by updating your Universal Credit claim journal. You should complete the 'Confirm your housing costs' to-do, on the 'date of change' or as soon after 04 April 2022

Basic Charge	
Eligible service charges	
Ineligible service charges	
Total Weekly amount due, charged over 52 weeks	

## Get help and support with your finances


If you're having difficulty paying your charge, then please speak to your managing agent, as soon as you are able. There are other people who can help, like Citizens' Advice, the Money Advice Service and the National Debt line. You can find lots more information about the support available on Wolverhampton Homes' website at [www.wolverhamptonhomes.org.uk/money-advice](http://www.wolverhamptonhomes.org.uk/money-advice).

If you have any questions or concerns about this letter, please contact your managing agent.

Yours sincerely

John Roseblade  
Interim Director of City Housing & Environment  
Wolverhampton City Council

# Board Report

	<b>Agenda Item 6</b>
	<b>Wolverhampton Homes Market Rent and Service Charges - Wolverhampton Homes Owned Properties (Annual Update)</b>
	<b>Open Report</b>
<b>Status:</b>	For Information
<b>Author and job title:</b>	Darren Baggs, Assistant Director – Housing
<b>Contact No:</b>	01902 552956
<b>Recommendations:</b>	<p><b>Board members are asked to note the content of the report in relation to:</b></p> <ul style="list-style-type: none"> <li>• <b>rent and service charge increases associated with Wolverhampton Homes (WH) owned property portfolio and services charges beyond the Management Agreement.</b></li> </ul>
<b>Key risks and contentious issues:</b>	<p>Not applying a rent or service charge increase would reduce resources available to Wolverhampton Homes to deliver services or maintain and fund future capital investment upon the stock it owns.</p> <p>Any increase in costs may impact on customers. Wolverhampton Homes is fully committed to providing support to customers who are facing financial difficulty.</p>

## **Management Summary**

### **1.0 Purpose**

- 1.1 To confirm Board members of the increase in rents and service charges, associated with properties owned by Wolverhampton Homes (WH), or for customers in receipt of services outside of WH management agreement with the City of Wolverhampton Council (CWC).
- 1.2 The increases relate to the financial year 2022 - 2023 and are effective as at 04 April 2022.

### **2.0 Background**

- 2.1 Board members are required to undertake an annual review of Wolverhampton Homes rents and service charges, associated with the properties owned by WH, and of the services delivered beyond the management agreement with CWC.
- 2.2 Wolverhampton Homes purchased 19 properties developed by WV Living, as a commercial enterprise, increasing the availability of good quality living accommodation within the City.
- 2.3 The properties owned by WH are available as Market Rent accommodation, using Assured Shorthold Tenancy (AST) agreements. The agreements allow for annual consideration of rent increases and the requirement to give at least 4 weeks' notice of any proposed increases.
- 2.4 In addition to WH owned properties, WH provides services to 15 homeowners of properties developed by WV Living, for the maintenance and upkeep of external environments not covered by other CWC service areas (Highways, Leisure, Public Realm). These services are referred to as 'Estates Charges'. There will be a further tranche of Estate Charges following the completion and hand over of the WV Living development at The Marches, Wednesfield during 2022 - 2023.
- 2.5 Wolverhampton Homes also provides a Tidy Garden Service to approximately 120 customers, who will also see an increase in their services charges.

### **3.0 Rent and service charges 2022 - 2023**

- 3.1 Board will be aware of the CWC rent and service charge on-line consultation and the subsequent Cabinet decision to increase Social and Affordable rents by 4.1% and Service Charges by 3.1% for the financial year 2022 – 2023.
- 3.2 Board agreement in accordance with the company's Standing Orders, was sought to mirror these increases on WH owned stock, and services charges as applicable. Board agreed the following increases:
  - 4.1% associated with the 19 properties owned by WH.
  - 3.1% service charges (known as an Estate Charge) associated with 15 homes built by WV Living at Danesmore Pastures, Wednesfield.
  - 3.1% service charge for customers in receipt of WH tidy garden service.

- 3.3 Applying a 4.1% rent increase across the 19 properties owned by WH will lead to an increase in gross rents by £6200 pa. This equates to an approximate weekly increase of circa £6.30 per week per customer.
- 3.4 Applying a 3.1% service charge increase where customers receive an 'Estate Charge' for services provided by Wolverhampton Homes (15 Customers), will see an average increase of circa £8.20 per annum per customer or £0.16 per week.
- 3.5 There will be a 3.1% increase for customer in receipt of a 'Tidy Garden Service' resulting in an increase of around £0.18 per week.
- 3.6 Appendices 1, 2 and 3 set out the template letters WH customers will receive ahead of the intended rent increase from 04 April 2022.

#### **4.0 Legal implications**

- 4.1 Board are required to review Wolverhampton Homes rent and service charges in line with the properties under its ownership, and any services provided under commercial activity.

#### **5.0 Human resources implications**

- 5.1 There are no human resources implications identified within this report

#### **6.0 Health and safety implications**

- 6.1 There are no health and safety implications identified within this report.

#### **7.0 Financial Implications**

- 7.1 Wolverhampton Homes gross income, as a result of a 4.1% increase to rents associated with the 19 properties it owns, together with a 3.1% increase associated with the 'Estate Charge' to 15 customers, and customers in receipt of the 'Tidy Garden Service', equates to approximately £162,000 pa: an increase of around £7,000 pa from the financial year 2021 - 2022.
- 7.2 Capital investment on the properties owned by Wolverhampton Homes is yet to be triggered given the young age of the stock, however, it is prudent to ensure reserves are built ahead of time and as part of a planned investment strategy, and before predicted life cycles and component failure occurs.
- 7.3 A Capital investment programme and anticipated life cycles, together with predicted component failure dates associated with the 19 properties, will be presented to Board in due course.

## **8.0 Equalities implications**

- 8.1 The Senior Management Team considered options and implications associated with increased costs for WH customers outside of the HRA. On completion of the due diligence the decision was made to mirror the increase agreed by Cabinet as this demonstrates consistency across CWC and WH.
- 8.2 WH continues to provide a range of support options for all customers experiencing financial difficulty.

## **9.0 Impact on the environment and community**

- 9.1 The increase of none HRA rents will support future investment and capital works needed as the 19 properties age over time. It is prudent financial management to prepare for such investment needs to ensure WH can manage and maintain the stock that it owns.
- 9.2 Providing a Tidy Garden Service and a range of Estate Charge services, supports neighbourhoods and communities to take pride in their environment.

## **10.0 Long term consequences for the company**

- 10.1 Increasing rents and service charges is always a challenging decision, more so in the current economic climate and where inflation, cost of living and fuel costs are constantly in the headlines. However, Wolverhampton Homes needs to plan and be in a position to repair and maintain owned stock, for which it is prudent to consider long term implications should rents and service charges not be applied, at a time when costs are increasing for all.

## **11.0 Impact on business relationships with suppliers, customers, and others**

- 11.1 Any increase in costs for customers could impact in some way. WH is committed to supporting customers and where they are facing financial difficulties support is available via contact with the relevant services.

## **12.0 Impact of Covid-19**

- 12.1 All services have been delivered to customers associated with WH owned stock, estate charge services and the tidy garden service. Services have been restricted and some delays experienced.

## **13.0 Impact on Wolverhampton Homes' Management System**

- 13.1 Work has commenced to amend rent accounts on WH's NEC Housing system ahead of 04 April 2022 implementation.

## **14.0 List of appendices**

14.1 Appendix 1: Template Letter – Wolverhampton Homes Rent Review

14.2 Appendix 2: Template Letter – Tidy Garden Service

14.3 Appendix 3: Template Letter – Estate Charges

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## Appendix 1: Template Letter - Wolverhampton Homes Rent Review

┌  
Name  
└

┌  
Address  
└

29 Market Street  
Wolverhampton  
WV1 3AG  
PSL@wolverhamptonhomes.org.uk

Dear Name

Account Payment Reference:

### Notice of rent increase 04 April 2022

Wolverhampton Homes has recently completed a review of rent, in line with Government Guidelines. As of Monday 04 April 2022, your rent charge will increase by 4.1% - this is the Consumer Price Index (CPI) at 3.1% plus 1%.

As of 04 April 2022, your total weekly rent will be **£0.00** per week.

This is your full rent and does not take into account any local housing allowance (LHA) or Universal Credit Housing costs you may be entitled to.

If you have any rent arrears, you must continue to pay these as well as your new rent. If you are not sure how much to pay, please contact us.

If you get LHA, you need to contact City of Wolverhampton Council and tell them about the change in rent.

Chief Executive: Shaun Aldis

Registered Office: Wolverhampton Homes Limited, 29 Market Street,  
Wolverhampton WV1 3AG

Wolverhampton Homes Limited, a company controlled by City of Wolverhampton Council  
and limited by guarantee, registered in England and Wales no.5441967



If you receive Universal Credit you will need to provide the Department for Works and Pensions (DWP) with this information by updating your Universal Credit claim journal. You should complete the 'confirm your housing costs' to-do, on the 'date of change' i.e. 04 April 2022.

If you do not accept the above changes to your rent or service charges, you have the right to give up your tenancy, in which case you must give four weeks' written notice before Monday 04 April 2022.

If you pay by Bank Standing Order you will need to update your instruction with your Bank to ensure the correct amount of rent (and any arrears) are paid.

The easiest way to pay your rent is by Standing Order

Bank: HSBC

Account Name: Wolverhampton Homes

Account No: 32779617

Sort Code: 40-47-11

**Please ensure you quote your payment reference number.**

If you have any questions or concerns about this letter, you can contact the Wolverhampton Homes at [psl@wolverhamptonhomes.org.uk](mailto:psl@wolverhamptonhomes.org.uk).

Yours sincerely



Shaun Aldis

Chief Executive, Wolverhampton Homes

## Appendix 2: Template letter – Tidy Garden Scheme

29 Market Street  
Wolverhampton  
WV1 3AG  
XXX@wolverhamptonhomes.org.uk

Dear:

Payment Reference:

### **NOTICE OF INCREASE OF TIDY GARDEN CHARGES**

Wolverhampton Homes has recently reviewed its Tidy Garden charges

As of Monday 04 April 2022, your total weekly charge will be increased by 3.1% per week to cover the cost for providing this service. Your new weekly charge will be £

Your Tidy Garden charges should be paid by Direct Debit.

Direct Debit is the easiest and most convenient way for you to pay your charges. We will agree with you in advance the date and confirm the amount of money to be collected from your bank account.



It's easy to set up a Direct Debit. Go to our website at [www.wolverhamptonhomes.org.uk/direct-debit](http://www.wolverhamptonhomes.org.uk/direct-debit) and fill in the online form or call on Freephone 0800 408 0440.

If you pay your garden rent by direct debit, it will automatically be updated, and you will receive a letter to confirm the dates and amounts being collected from 04 April 2022.

If you have any questions about this letter, please contact Wolverhampton Homes and we will be pleased to help you.

Yours sincerely

A handwritten signature in black ink that reads 'Shaun Aldis'.

Shaun Aldis  
Chief Executive, Wolverhampton Homes

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## Appendix 3: Template letter – Estate Charges

29 Market Street  
Wolverhampton  
WV1 3AG  
XXXX@wolverhamptonhomes.org.uk

Dear:

Payment Reference:

### **NOTICE OF INCREASE OF ESTATE CHARGES**

Wolverhampton Homes has recently reviewed its Estate Charges.

As of Monday 04 April 2022, your total weekly charge will be increased by 3.1% per week to cover the cost for providing this service. Your new weekly charge will be £

Ways to pay your Estate Charges:

- Telephone via City Pay's 24-hour, free phone number on 0800 180 4464. Please have your debit or credit card and payment reference to hand.
- Bank Standing Order – you will need to instruct your Bank to send the money to:  
**Bank:** HSBC  
**Account Name:** Wolverhampton Homes  
**Account No:** 32779617  
**Sort Code:** 40-47-11

**Please ensure you quote your payment reference number.**

Please note we are unable to accept Direct Debit as a payment method for your Estate Charges.

If you have any questions about this letter, please contact Wolverhampton Homes and we will be pleased to help you.


Yours sincerely



Shaun Aldis  
Chief Executive, Wolverhampton Homes

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# Board Report

	<b>Agenda Item 7</b>
	<b>18 March 2022</b> <b>Quarter Three Revenue Forecast for 2021 - 2022</b>
	<b>Open Report</b>
<b>Status:</b>	For Information
<b>Author and job title:</b>	Jo McCoy, Head of Financial Management, City of Wolverhampton Council
<b>Contact No:</b>	01902 554415
<b>Recommendations:</b>	<b>Board members are asked to note the Revenue outturn forecast for 2021 - 2022 as at quarter three.</b>
<b>Key risks and contentious issues:</b>	<p>There have been some areas where the forecasts have been revised since quarter two to reduce the forecast underspend down from £1.2 million. These are referred to within the report, but it has been necessary to increase resources to maintain performance relating to responsive repairs and voids, which has been made possible due to the strong budget position at quarter two.</p> <p>An overall position of a budget underspend against a balanced budget position in a challenging year is a good achievement.</p>

## Management Summary

### 1.0 Purpose

1.1 This report is to inform the Board of the quarter three revenue outturn forecast position for 2021 - 2022 as of 31 December 2021.

### 2.0 Revenue Forecast 2021 - 2022

2.1 A balanced budget was set for 2021 - 2022, with no planned contribution from reserves to ensure that the company can operate within the limit of our annual income and use reserves for contingency and investment purposes only.

2.2 The forecast budget position on 31 December 2021 is for a £451,000 underspend against the budget. The position is summarised below in Table 1.

**Table 1 – Summary Forecast Outturn for 2021 - 2022 at Quarter Three**

	2021 - 2022 Budget £000	2021 - 2022 Forecast £000	2021 - 2022 Variance £000
<b>Expenditure</b>			
Employees	27,721	27,498	(223)
Non-Pay Costs	22,279	23,408	1,129
<b>Total Expenditure</b>	<b>50,000</b>	<b>50,906</b>	<b>906</b>
<b>Income</b>			
Management Fee	(39,647)	(39,979)	(332)
Trading Income	(9,302)	(10,167)	(865)
Other Income	(1,051)	(1,211)	(160)
<b>Total Income</b>	<b>(50,000)</b>	<b>(51,357)</b>	<b>(1,357)</b>
<b>Net Budget position</b>	<b>-</b>	<b>(451)</b>	<b>(451)</b>

2.3 The employee budget is forecast to underspend by around £223,000. The forecast expenditure has increased by £366,000 from the quarter 2 forecast, due to an increase in the forecast costs of agency staff covering vacant posts and due to incurring some pension strain costs. The underspend equates to under 1% of the total budget. At any time there will always be some budget slippage while recruitment takes place to replace staff who retire or leave the company.

2.4 The forecast allows for a pay award of 1.75%, based on the Local government employers' offer. Provision will be made in the company accounts for 2021 - 2022 for the costs of the pay award.

2.5 Expenditure on repairs and maintenance is forecast to be higher than budget by £1.3 million for the following reasons:

- Around £400,000 is spending above budget on responsive repairs, which is £200,000 higher than the forecast at quarter two



- £800,000 is spending above budget on voids, which is around £200,000 higher than the quarter two forecast. Around £550,000 of this will be offset by income by capitalising the major voids
  - £100,000 is due to a planned increase to the fencing programme, which will reduce next year's fencing budget accordingly.
- 2.6 There has been an impact from the pandemic resulting in increases of repairs and voids spend. Additional costs are being incurred as a result of accelerating the reduction in outstanding planned repairs that had accumulated during previous lockdowns. The condition of void properties being received are also challenging with high costs associated with waste removal, pest control, damp and mould. Productivity with internal trade teams is being closely monitored, but additional resources through the use of contractors, is being utilised to maintain performance, improve customer service and minimise void loss.
- 2.7 Transport related budgets are anticipated to be £450,000 under budget, £50,000 relating to car allowances with the balance being against the budget for fleet hire. Budget provision was made for anticipated increases to lease costs with new vehicles. Budget setting will examine how much of this provision is now required. Board are reminded, as WH consider the move to more environmentally friendly electric vehicles, it is inevitable that costs will increase, potentially reducing the options for future savings.
- 2.8 There is a further underspend due to a reduction on the cost of the Service Level Agreement with ICT of £140,000, which is also a potential budget saving. This is being offset by monthly variable charges for software, equipment, which the company has been investing in.
- 2.9 These charges contribute to £200,000 to the overspend of £550,000 against the supplies and services budget. It was planned that it would be funded from reserves if the company had no offsetting overall savings.
- 2.10 Other pressures on the supplies and services budget include surveys for building safety and costs of financial assistance for which some grant funding has been received, and passported over from the council.
- 2.11 Overall, income is expected to exceed targets by £1.3 million. There is some budget realignment required and some additional capital programme income to offset additional expenditure. However, the council has approved the transfer of the Springfield Horseshoe TMO Management Fee to Wolverhampton Homes. For 2021 - 2022 this has now been confirmed as £332,000, after adjusting invoices for TMO to be paid by the council.
- 2.12 The company has also received £150,000 from Help to Own for onboarding services, which it is resourcing using existing staff and £133,000 grant income passed over from the council for Housing First resourced by staff within the current employee forecasts.
- 2.13 Further detail on the income and expenditure forecast for 2021 - 2022 can be seen at Appendix 1.

### **3.0 Summary of Financial Position**

- 3.1 The overall position at quarter three is of an overall underspend of £451,000 against the budget for 2021 - 2022. This is a good position to be in as the approach of the end of a challenging year and demonstrates Wolverhampton Homes' track record of controlling expenditure and maximising income.
- 3.2 The final Wolverhampton Homes owned property was purchased in May 2021 at a cost of £185,000 including stamp duty. This has been charged against reserves.
- 3.3 Reserves balances now total £5.6 million, the forecast underspend for the year would increase this to around £6 million at 31 March 2021. This leaves funding available as planned for one off investment as the company looks to decrease costs overall in line with the MTFS.

### **4.0 Financial and value for money implications**

- 4.1 Wolverhampton Homes has a long-term record of effective budgetary control and retains reserve balances of £5.6 million.

### **5.0 Legal and regulatory implications**

- 5.1 There are no legal and regulatory implications identified within this report.

### **6.0 Human resources implications**

- 6.1 There are no human resources implications identified within this report.

### **7.0 Health and safety implications**

- 7.1 There are no health and safety implications identified within this report.

### **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 There is no impact on the environment and community identified within this report.

### **10.0 Long term consequences for the company**

- 10.1 Tight control of budgets and getting the best use on cash reserves is essential to ensure WH have sufficient resources in the long term.

### **11.0 Impact on business relationships with suppliers, customers, and others**

- 11.1 Careful financial planning is required to ensure WH can continue to provide the same level of service for customers and support local suppliers.

## **12.0 Impact of Covid-19**

12.1 Where there is any noted impact, this will be referenced within the body of the report.

## **13.0 Impact on the Wolverhampton Homes' Management System**

13.1 Will any new policy or policy updates have an impact on the management system. **No.**


## **14.0 List of Appendices**

14.1 Appendix 1: Income and Expenditure Forecast 31 March 2022 as at Quarter 3

## Appendix 1: Income and Expenditure Forecast 31 March 2022 as at Quarter 3

	2021 - 2022 Budget £000	2021 - 2022 Forecast £000	2021 - 2022 Variance £000	Comment
<b>Expenditure</b>				
Employees	27,731	27,498	(223)	0.8% of budget.
Repairs and Maintenance	14,253	15,564	1,311	£900,000 offset by additional income, £100,000 planned increase to fencing programme. Balance Repairs and voids overspend.
PSL payments to landlords	580	433	(147)	Strategy to reduce number of leases.
Facilities	813	825	12	
Transport	1,534	1,083	(452)	Car allowances (£50,000) Balance - budget provision for increased anticipated costs for leases for new vehicles. Potential budget saving.
Supplies and Services	3,393	3,946	553	ICT costs, building surveys.
Support Services	1,706	1,558	(148)	ICT Service Level Agreement (SLA).
<b>Total Expenditure</b>	<b>50,000</b>	<b>50,906</b>	<b>906</b>	
<b>Income</b>				
Management Fee	(39,647)	(39,979)	(332)	Now includes SHTMO allocation.
Trading Income	(8,447)	(9,489)	(1,042)	Offsetting expenditure.
PSL rental income	(725)	(530)	195	Strategy to reduce number of leases.
Income from Wolverhampton Homes owned properties	(130)	(148)	(18)	
Other Income	(1,051)	(1,211)	(160)	Includes £150,000 from Help to Own.
<b>Total Income</b>	<b>(50,000)</b>	<b>(51,357)</b>	<b>(1,357)</b>	
<b>Budget surplus</b>	<b>-</b>	<b>(451)</b>	<b>(451)</b>	

# Board Report

	<b>Agenda Item 8</b>
	<p><b>18 March 2022</b></p> <p><b>Revenue Budget 2022 - 2023 and Medium-Term Financial Strategy update 2022 - 2023 to 2026 - 2027</b></p>
	<b>Open Report</b>
<b>Status:</b>	For Decision
<b>Author and job title:</b>	Julie Haydon: Assistant Director – Corporate Services
<b>Contact No:</b>	01902 552956
<b>Recommendations:</b>	<p><b>Board Members are asked to:</b></p> <ul style="list-style-type: none"> <li>• <b>approve the outline Revenue Budget for 2022 – 2023 and Medium Term Financial Strategy for the financial year 2022 – 2023 to 2026 - 2027</b></li> <li>• <b>note the contents of the report</b></li> </ul>
<b>Key risks and contentious issues:</b>	<p>Effective financial management is a critical part of our business assurance framework.</p> <p>For 2022 - 2023 in setting the draft budget, Board will see that a contribution from reserves of £1 million is required. Various measures are being considered to mitigate the impact.</p> <p>From the £451,000 forecast underspend from 2021-2022 will be allocated to fund invest to save provision for systems and IT development.</p> <p>The Board will receive regular updates on the position of this revenue budget during the next financial year, with updates to the Medium-Term Financial Strategy alongside the 'Our Future' redesign proposals.</p>

## Management Summary

### 1.0 Purpose

1.1 An annual budget is presented for approval by the Wolverhampton Homes Board before 31 March each year in accordance with financial regulations. The budget is prepared in the context of the Medium-Term Financial Strategy, which is reviewed and updated at least annually. This strategy and revenue budget reflect the four-year Business Plan 2019 - 2023 and is also set within the context of the Council's 30-year Housing Revenue Account (HRA) Business Plan.

### 2.0 Income Forecast for 2022 - 2023

2.1 The annual Management Fee from the Council provides around 80 percent of Wolverhampton Homes' income. The council have approved a Management Fee for 2022 - 2023 of £40,460,000 for the delivery of core landlord services and Homelessness services. This incorporates the allocation for the homes where management transferred from the former Springfield Horseshoe TMO.

2.2 The company also receives income for the provision of general fund services, Anti-Social Behaviour, Independent Living, Telecare, Out of Hours Service, Housing Assistance and Affordable Warmth.

2.3 The company also earns income from delivering capital schemes on behalf of the Council's Capital Programme and from third parties for Asbestos removal services. The cost of staff working on Capital Projects is recharged to the Capital Programme and is a source of income. The budgeted income in this report reflects planned work programmes for 2022 - 2023 and estimated demand for services in the next 12 months. Where possible, budget forecasts are reflected in corresponding reductions in expenditure budgets.

2.4 Additional miscellaneous income streams include fees and charges, grant income and rental income from the 19 owned properties and private sector leasing properties.

2.5 Table 1 below sets out the forecast income for 2022 - 2023.

**Table 1 – Income Forecast 2022 - 2023**

<b>Funding Source</b>	<b>2022 - 2023 £000s</b>
Base Management Fee from Wolverhampton City Council	40,460
General Fund Services (revenue and capital funded)	2,886
Capitalisation of salaries	2,217
Trading Income	4,214
Private Sector Leasing Income	260
Income from Owned Properties	150
Miscellaneous Income	913
<b>Total income for the year</b>	<b>51,100</b>

### **3.0 Expenditure Forecast 2022 – 2023**

3.1 The coming year for 2022 - 2023 is already shaping up to be a challenging year. Inflation is the highest it has been since March 1992 with Consumer Price Index (CPI) reaching 5.5% in January and expected to climb during the year. We are also seeing an impact on the general costs of materials that is currently around 10% and energy costs (landlords electric and gas and district heating of circa 40-60%). In addition, there is a spike on diesel fuel where WH operate a fleet of 100+ vehicles.

3.2 Due to the uncertainties in the economic climate and the unprecedented increase in living costs, it can be expected that many of our customers will experience increased financial challenge over the coming year in terms of fuel poverty and as such their ability to pay rent. Relevant support will be available via a number of services. It is imperative therefore, that the Our Future redesign already underway, brings tangible benefits that will ensure services are reimagined in a cost effective and efficient way, that income and expenditure on non-pay is continually reviewed and our ability to provide the wider services.

These increased costs will be noticeable nationally across all sectors and it is expected that sub-contractors' costs will be passed on too.

3.3 The Medium-Term Financial Plan will be regularly reviewed to take into account those costs that are out of the control of the company, so that restorative action can be taken on an ongoing basis to align pay and non-pay budgets with the aim of delivering a balanced budget.

3.4 Employee costs make up just over half of Wolverhampton Homes' expenditure. As well as direct pay costs, the budget includes occupational health, recruitment, and training expenses. The budget incorporates the cost of salary increments, the 1.25% increase in National Insurance and provision of 2% for a pay award. A vacancy factor of 2.5% has been included, to be held centrally - to reflect slippage that occurs as posts are recruited to.

3.5 Repairs and maintenance budgets are coming under increasing pressure as Wolverhampton Homes continues to experience high demand for its repairs and maintenance services, some of which have been accumulated during the pandemic. There are significant emerging cost pressures in delivering these services including above inflation increases from contractors due to market forces and availability and increase in costs of materials.

3.6 Enhanced building safety and regulatory regimes are improving homes for customers, but these also increase maintenance and quality assurance costs in administering repairs and improvements. The company is also directing additional resources to provide more swift responses to reports from customers about damp or mould in their homes. This is currently an area of national focus and demands could increase further as tenants struggle to heat their homes due to rising energy bills.

3.7 An additional £1.6 million has been built into repairs and maintenance budgets to reflect the demand and the cost pressures. Since these are unprecedented the company could consider funding from reserves, approaching the council to consider some additional funding from the Housing Revenue Account (HRA) or a combination of both.

3.8 The budget for fleet was previously increased to reflect the expected increased costs after delivery of new vehicles. This budget has been underspent due to a phased approach to delivery. Increased hire costs of the replacement electric vehicle fleet is expected to be around £25,000 a year which has been allowed for in the budget.

3.7 Further work will be undertaken to aim to balance the budget and has identified the opportunity to review the realignment of internal financial controls and functions.

#### 4.0 Budget Summary and Medium-Term Financial Strategy

4.1 Table 2 below sets out the forecast budget position 2022 – 2023:

**Table 2 – Summary Budget Position**

<b>Budget for 2022 - 2023</b>	
<b>Expenditure</b>	<b>£000s</b>
Pay	28,550
Non-pay	23,550
<b>Total expenditure</b>	<b>52,100</b>
<b>Total income</b>	<b>51,100</b>
Contribution from reserves or Housing Revenue Account	1,000

4.2 The updated Medium-Term Financial Strategy is illustrated in Table 3 below. The 2021 - 2022 forecast position is as reported in the Q3 revenue report.

**Table 3 – Medium-Term Financial Strategy Summary:**

	Outturn 2020- 2021 £000	Q3 2021- 2022 £000	Budget 2022- 2023 £000	Forecast 2023- 2024 £000	Forecast 2024 - 2025 £000	Forecast 2025- 2026 £000	Forecast 2026- 2027 £000
<b>Expenditure</b>		50,906	52,100	51,800	52,700	53,700	54,500
<b>Income</b>		51,357	51,100	51,800	52,700	53,700	54,500
<b>Contribution (to)/ from reserves</b>		(451)	1,000	-	-	-	-
<b>Opening</b>		5,849	6,300	5,300	5,300	5,300	5,300
<b>Contribution to/ (from) revenue</b>		451	(1,000)	-	-	-	-
<b>Closing</b>	5,849	6,300	5,300	5,300	5,300	5,300	5,300



Table 3 above demonstrates that income and expenditure will be brought in line, so that the reserves contribution will be zero by 2025 - 2026, leaving sufficient reserves funding for contingency. It is intended that with effect from 01 April 2022 that every effort will be made to consider new initiatives and ways of working that offer an innovative and value for money approach in how we deliver our services. This will underpin the aim to balance the budget and to use reserves only for service improvement and investment purposes.

- 4.3 The current MTFs means that Wolverhampton Homes will aim to hold reserves from 2023 - 2024 at around £3 million – which equates to around 6% of the actual income. However, given the volatility of the current economic climate, it could be argued whether this is sufficient at this time or whether it is prudent to aim to hold in excess of 3 million in reserves.

## **5.0 Financial and value for money implications**

- 5.1 As this is a financial report, these can be considered to be contained within the body of the report.
- 5.2 Wolverhampton Homes is committed to driving efficiencies by implementing new ways of working with a focus on delivering fit for purpose core services to meet customer needs while demonstrating a value for money approach.
- 5.3 In line with the Social Housing White Paper, Wolverhampton Homes will be required to provide a clear breakdown of how their income is being spent.

## **6.0 Legal implications**

- 6.1 There are no legal implications identified in this report.

## **7.0 Human resources implications**

- 7.1 As part of the redesign of services and new ways of working, it is imperative that Wolverhampton Homes continues to learn from experience, looking for opportunities to reimagine service delivery ensuring that there are fit for purpose structures and services that are managed in line with its budget that will deliver first time resolution for customers. Reimagining our services, could have an impact on the structure of the organisation and establishment head count.

## **8.0 Health and safety implications**

- 8.1 As part of the company's service delivery, Health and Safety requirements are included in the budget forecasting. There are no proposals within this report with health and safety implications.

## **9.0 Equalities implications**

- 9.1 Has an equality impact assessment been carried out? **Not applicable.**

Explanation: This is financial budget setting which is required annually.

## **10.0 Impact on the environment and community**

- 10.1 In line with the Social Housing White Paper, Wolverhampton Homes will continue to work with the City of Wolverhampton Council to provide adequate access to high quality green space for the local community.
- 10.2 Wolverhampton Homes will embed corporate social responsibility as part of its procurement considerations.

## **11.0 Long term consequences for the company**

- 11.1 Tight control and regular monitoring of budgets and getting the best use of our cash reserves is essential to ensure the company is sustainable and has sufficient resources for the long term.

## **12.0 Impact on business relationships with suppliers, customers and others**

- 12.1 Careful financial planning is required to ensure the company can continue to provide more efficient service delivery to its customers, and to support local suppliers.
- 12.2 To ensure that strategic procurement and financial decisions reflect and support Wolverhampton's 'Relighting Our City' principles.


## **13.0 Impact of Covid-19**

- 13.1 The Covid-19 pandemic has, and will continue to have, an impact upon the services WH offers and ultimately on the company finances in both the short and foreseeable medium term.

## **14.0 Impact on Wolverhampton Homes' Management System**

- 14.1 Will any new policy or policy updates have an impact on the management system? **No**

# Board Report

	<b>Agenda Item 9</b>
	<b>18 March 2022</b> <b>Modern Slavery Statement</b>
	<b>Open Report</b>
<b>Status:</b>	For Decision
<b>Author and job title:</b>	Emma Rolinson, Head of People
<b>Contact No:</b>	07964 121484
<b>Recommendations:</b>	<b>Board Members are asked to approve the Modern Slavery Statement for Wolverhampton Homes.</b>
<b>Key risks and contentious issues:</b>	<p>Key risks can arise through the commissioning of services through the supply chain. These risks should be mitigated by the presence of a robust procurement process.</p> <p>In spite of the Modern Slavery Act, many thousands continue to work in slavery-type conditions in the UK.</p> <p>Large businesses are required to carry out due diligence to combat modern slavery and human trafficking.</p> <p>Without the appropriate statement in place, as detailed under the Act, WH may suffer reputational damage and put individuals at risk of exploitation.</p>

## **Management Summary**

### **1.0 Purpose**

1.1 Board members are asked to approve the Modern Slavery Statement in accordance with the Modern Slavery Act 2015, as it applies to Wolverhampton Homes (WH).

### **2.0 Background**

2.1 The Modern Slavery Act 2015 is designed to consolidate various offences relating to slavery and human trafficking. The legislation addresses slavery, servitude, forced or compulsory labour and human trafficking. Section 54 of the Modern Slavery Act 2015 requires specified organisations to prepare a slavery and human trafficking statement for each financial year to include information on its:

- structure, business, and supply chains
- policies in relation to slavery and human trafficking
- due diligence processes in relation to slavery and human trafficking in its business and supply chains
- parts of its business and supply chains where there is a risk of slavery and human trafficking taking place
- the steps that it has taken to assess and manage that risk
- the training about slavery and human trafficking available to its employees

2.2 The slavery and human trafficking statement must be approved at the highest level of an organisation, and WH must publish the slavery and human trafficking statement on its website.

2.3 In March 2021, the Government introduced a new Modern Slavery Register online, to provide a platform for organisations to voluntarily share the positive steps they have taken to tackle and prevent modern slavery. WH registered last year's statement following Board approval in June 2021.

2.4 By bringing modern slavery statements together in one place the register will make it easier to find and compare them allowing users to search for statements and scrutinise the action organisations are taking to identify and address modern slavery risks in their operations and supply chains.

2.5 Wolverhampton Homes Modern Slavery Statement for 2021 - 2022 is located at Appendix 1. This document outlines all the above as well as WHs commitment to ensure that there is no modern slavery or human trafficking in the supply chains, partner organisations or in any part of the business.

2.6 Following approval by Board, this statement will be published on WH website and on the Governments Modern Slavery Register.

### **3.0 Financial and value for money implications**

3.1 There are no financial and value for money implications identified within this report, but failure to ensure its compliance with the Modern Slavery Act could impact on the costs associated within the supply chain.

#### **4.0 Legal and regulatory implications**

4.1 Statement to be published on WH website to meet the requirements of the Modern Slavery Act 2015.

#### **5.0 Human resources implications**

5.1 To ensure all employees are aware of modern slavery and human trafficking through publication on WH intranet / SharePoint site.

#### **6.0 Health and safety implications**

6.1 There are no health and safety implications identified within this report, however, indirect implications relate to ongoing responsibility as an employer.

#### **7.0 Equalities implications**

7.1 Members of the LGBTQ+, females, minority ethnic groups, elderly and employees with a disability may be perceived to be more vulnerable to modern slavery and human trafficking, therefore having a policy statement that protects against such acts may have a positive impact for these groups.

#### **8.0 Impact on the environment and community**

8.1 Through the services it provides, Wolverhampton Homes staff will raise through the appropriate mechanisms, any concerns regarding modern slavery.

#### **9.0 Long term consequences for the company**

9.1 To continue to publish a statement on modern slavery on an annual basis.

#### **10.0 Impact on business relationships with suppliers, customers and others**

10.1 To ensure through the procurement process that any partners and supply chain adhere to the Modern Slavery Act 2015.

#### **11.0 Impact of Covid-19**

11.1 There is no impact of Covid-19 identified within this report.

#### **12.0 Impact on Wolverhampton Homes' Management System**

12.1 Will any new policy or policy updates have an impact on the management system? **Yes.**

12.2 If yes and approved by board members, update to go on the management system by:

Date: March 2022

Officer responsible: Emma Rolinson

## **13.0 List of Appendices**

13.1 Appendix 1: Modern Slavery Policy Statement 2021 - 2022

# Appendix 1: Modern Slavery Policy Statement 2021 - 2022

March 2022



## Monitoring and review

Document owner	Approved by	Authorised by	Effective date	Review date
Title: Head of People	Title: Assistant Director, Corporate Services	Title: Board Members	March 2022	Annually
Name: Emma Rolinson	Name: Julie Haydon	Name: WH Board		

## Document History

Version	Summary of changes	Document Status	Date
V2.0	Rebranded document, links to further information on Modern Slavery and associated guidance, defined roles and responsibilities, reference to the government modern slavery statement registry.	Live	June 2021
V3.0	Annual update		March 2022



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- 1.0** Introduction
- 2.0** Structure and supply chain
- 3.0** Due diligence
- 4.0** Monitoring
- 5.0** Modern slavery policies

## 1.0 Introduction

Wolverhampton Homes (WH) must ensure that all potential modern slavery risks related to its business are understood and that steps are in place that aim to ensure there is no slavery or human trafficking in its business activity, nor its partners and supply chains. WH is further committed to making sure that properties are not used to accommodate the work of human traffickers or to detain others against their will.

This statement is made under section 54 (1) of the Modern Slavery Act 2015 (MSA) and refers to the financial year ending 31 March 2022 and received approval from the Board in March 2022.

WH acknowledges its duty to notify the Secretary of State of suspected victims of slavery or human trafficking as introduced by section 52 of the Modern Slavery Act 2015.

## 2.0 Structure and supply chain

WH is an Arm's Length Management Organisation (ALMO) responsible for managing the portfolio of council homes in Wolverhampton.

WH want to help make Wolverhampton a better place to live, ensuring the provision of great homes in clean, safe neighbourhoods where customers can access training, skills and job opportunities.

WH partners and supply chain consist mainly of services rather than goods, with the highest risk areas being associated with our repairs and maintenance activities. WH do not have any supply chain outside of the United Kingdom. All suppliers of WH services are obtained through a procurement process (via a service level agreement with the City of Wolverhampton Council) that requires all contractors to comply fully with the Modern Slavery Act 2015.

There is an approved list of contractors and suppliers that we work with, and our purchase order payment system requires the use of pre-approved suppliers.

## 3.0 Due diligence processes

### **Chief Executive:**

Responsibility for compliance rests at the highest level with our Board, and with responsibility delegated to the Chief Executive.

### **Senior Management and Leadership Teams:**

Responsible for assessing risks associated with modern slavery and human trafficking within their areas of responsibility.

### **First Responder:**

WH have a statutory 'Duty to Notify' the Home Office when they come across potential victims of modern slavery. This duty is discharged by either referring a potential victim into the National Referral Mechanism (NRM) where they are a child,

or consenting adult, or by notifying the Home Office where an adult does not consent to enter the NRM.

A First Responder Organisation is (in England and Wales) an authority that is authorised to refer a potential victim of modern slavery into the NRM.

For Wolverhampton Homes, the First Responder Organisation (Adult and / or Children's Social Care) is at the City of Wolverhampton Council (CWC) through a MARF (children) or SA1 (adults) referral.

### **Supply Chain:**

We expect our partners and suppliers to share our values on modern slavery and carry out their own due diligence on their own supply chains, to limit the risk of modern slavery taking place. All suppliers of our services are obtained through a procurement process (via a service level agreement with CWC), which forms part of the Condition of Contract. This requires all contractors to comply fully with the Modern Slavery Act 2015. CWC also proactively vet the supply chain to ensure no instances of modern slavery are taking place.

### **Procurement:**

The tendering of new contracts includes an obligation for suppliers to comply with the Modern Slavery Act. City of Wolverhampton Council, who are responsible for the procurement of goods and services for WH, is also a signatory to the Charter Against Modern Slavery. This goes further than existing law and guidance, committing councils to proactively vetting their own supply chain to ensure no instances of modern slavery are taking place.

### **Tenancy Management:**

All applications for properties at WH are checked to ensure accuracy of the information supplied by an applicant. Support is provided to help with the completion of such forms as required.

### **People Services:**

WH are not exposed to a high risk of recruiting employees who may be subject to human trafficking, however our recruitment process ensures that all potential employees are checked to ensure they are eligible to work in the UK and carrying out the necessary pre-employment checks such as DBS (Disclosure and Barring Service), references and qualifications.

WH safeguarding and modern slavery awareness training is provided to ensure that all staff have an awareness and understanding of their role.

### **Employees and Line Managers:**

All employees are encouraged to report any concerns about a person or property to their line manager. Any suspected instances or concerns on modern slavery or trafficking will be reported to the First Responder through a Multi-Agency Referral Form (MARF) (children) or SA1 (adults) referral.

### **Business Services:**

WH maintain a risk register ensuring the effective identification, monitoring and management of risk across the company. Modern Slavery is one of the risks identified on the operational risk register.

#### **4.0 Monitoring**

The primary method of monitoring effectiveness within the supply chain will be the pre-qualification criteria for suppliers, which includes a requirement to have measures in place to minimise the possibility of modern slavery in their business and supply chain.

WH is represented on the Adults and Children's Safeguarding Board so can monitor any referrals that concern WH tenants or their families.

This statement will be reviewed annually in accordance with the Modern Slavery Act 2015 and published on WH's website. It will also be included on the new government modern slavery statement registry.

#### **5.0 Modern slavery policies**

Policies and procedures are reviewed regularly to ensure they are fit for purpose and compliant with regulatory and statutory obligations. Where required, new policies are agreed through the relevant governance structure and consultation with Trade Unions.

There are a number of policies and procedures in place that contribute to ensuring modern slavery does not occur in the business. These include:

- Employee Code of Conduct - a requirement for all staff to adhere to which includes requirements in relation to workplace behaviour and equality and diversity.
- Anti-Fraud and Bribery Policy.
- Recruitment and Selection Policy - which includes the requirement to undertake DBS (Disclosure and Barring Service) and checks for eligibility to work in the UK.
- Health and Safety Policy.
- Whistleblowing Policy and Procedure - which protects staff should they raise concerns about issues such as modern slavery.
- Financial Regulations / Standing Orders.
- Tenancy Management policies - which set out the action to be taken where our properties are used for unlawful purposes.
- Domestic Abuse Policy.
- Safeguarding procedures.
- Statement on Equality and Diversity.

Further information on Modern Slavery and associated guidance documents can be found on the Safer Wolverhampton website.