

Individual Executive Decision Notice

Report title	Bushbury Hill Estate Management Board: Boundary Extension	
Decision designation	GREEN	
Cabinet member with lead responsibility	Cabinet Member for Resources	
Wards affected	Bushbury and Low Hill South	
Accountable Director	Director of City Environment	
Originating service	Housing Services	
Accountable employee	Mila Simpson	Service Lead Housing Strategy
	Tel	Tel: 01902 554841
	Email	mila.simpson@wolverhampton.gov.uk
Report to be/has been considered by	Housing and Assets Leadership Team	

Summary

As part of the Bushbury Hill Estate Partnership Agreement that the City of Wolverhampton Council entered into with Bushbury Hill Estate Management Board in August 2018, it was agreed that they could extend their management boundary to include an additional 164 properties, currently managed by Wolverhampton Homes as well as any new build that fell within the new boundary area.

Following a ballot in favour of a change in their management by tenants, this reports seeks approval to update the management agreement the Council has with Bushbury Hill Estate Management Board to include those 152 additional properties as well as 14 new build units at the Tap Works development. Bushbury Hill Estate Management Board's management allowance will be increased to account for these additional homes, which will result in a decrease to Wolverhampton Homes' management fee by the same amount.

Recommendation(s) for action or decision:

That the Cabinet Member for City Assets and Housing, in consultation with the Director City Assets and Housing:

1. Approves a variation to the Modular Management Agreement between City of Wolverhampton Council and Bushbury Hill Estate Management Board to extend its management boundary to include an additional 166 properties; 14 new build properties and 152 existing Council properties.
2. Approves an increase of £265,000 to Bushbury Hill Estate Management Board's management allowance in 2020-2021 to account for the extension of their management boundary to an additional 152 existing homes, following a successful ballot of Council tenants to transfer their management from Wolverhampton Homes to Bushbury Hill Estate Management Board.
3. Approves a corresponding decrease of £265,000 from The Management Allowances to be paid to Wolverhampton Homes for 2020-2021

Signature

Signature

Date:

Date:

1.0 Background

- 1.1 Bushbury Hill Estate Management Board (BHEMB) is a Tenant Management Organisation (TMO) which manages and maintains 828 Council properties within the Bushbury South and Low Hill ward. Established as a TMO in 1998 they have managed the estate for over 20 years under the Right to Manage.
- 1.2 A well performing TMO, BHEMB entered into a Better Homes Partnership Agreement with City of Wolverhampton Council (CWC) in August 2018, following approval at June 2018 Cabinet which supported BHEMB's ambitions of managing additional housing stock, having greater responsibilities around repairs and achieving additional investment in the properties they manage.
- 1.3 The partnership agreement set out the terms under which BHEMB could manage additional housing stock:
 - CWC and BHEMB to agree a new operating boundary of an additional 164 properties within three years (and potentially more if agreed by BHEMB), subject to formal tenant consultation.
 - CWC and BHEMB shall enter into a variation of the Modular Management Agreement for BHEMB to act as a managing agent for the management of new build homes (Dale House and Tapworks sites as well as all additional new build properties designated by the Council (acting in its absolute discretion) as being available for social or affordable rent in Bushbury and Low Hill wards).

2.0 Extending BHEMB's Operating Boundary

- 2.1 Under the authority of the report to Cabinet in June 2018 and the resulting partnership agreement, BHEMB presented to the Council their preferred boundary extension which focused on those roads whose management is currently shared between Wolverhampton Homes (WH) and BHEMB including Goodyear Avenue, Dickinson Avenue and Colley Avenue and some properties along Second Avenue, Third Avenue, Fifth Avenue, Showell Circus and St Chad's Road, as illustrated in appendix 1, map of boundary extension. This excludes the nine tenanted flats above the shops above the Showell Circus flats. As the shops are managed by WH, this will ensure consistency of management across the whole precinct.
- 2.2 CWC, BHEMB and WH worked together to organise a ballot of affected tenants (including both tenants where a joint tenancy was in place) in the 152 affected properties currently managed by WH. Open Communities, an independent tenant advisor service, was appointed by the Council to provide an independent ballot. All tenants received a letter and a newsletter from CWC, drop in sessions were held for tenants to speak with CWC, BHEMB and/or Open Communities face to face and Open Communities visited affected properties to provide all residents with a range of ways for understanding the purpose and implications of the ballot.

- 2.3 Following consultation across a four-week period, the ballot went live on the 5 November 2019, giving tenants the opportunity to vote up until 19 November 2019, when the ballot closed with the majority of tenants that voted electing for management to be transferred from WH to BHEMB. With a response rate of 60% the ballot resulted in 76% of those voting, voting for the transfer of management to BHEMB.
- 2.4 This 'yes' votes serves as a mandate to extend Bushbury's boundary by an additional 152 properties to the area outlined in appendix 1, with BHEMB delivering the services set out in their management agreement.
- 2.5 WH will continue to deliver those services that are retained by the Council and not delegated to BHEMB, including out of hours repairs and gas servicing.
- 2.6 CWC, BHEMB and WH are working together on the operational arrangements to ensure the transfer of management can go live from 6 April 2020, which will result in an adjustment to the allowances of BHEMB and WH to reflect the change in management of the homes.
- 2.7 Tenants will be supported throughout this process through ongoing communications, so they are clear on how to make contact and report to BHEMB a range of housing management matters. WH will undertake a handover of housing management to BHEMB including alerting BHEMB to any additional needs of tenants as well as any ongoing housing management issues. BHEMB will also be undertaking home visits to all new tenants, where they too can identify if households have any additional needs and what support can be put in place.

3.0 Tap Works New Build Development

- 3.1 The Tap Works housing development of 150 new homes is a Council led development in the Low Hill area to the south of the Bushbury Hill estate. This new development of housing is a mixed tenure scheme across three sites consisting of 110 market sale and 40 affordable council units. The affordable homes are a mix of one-bedroom apartments, two and four bed houses and two-bedroom bungalows, including a Homes England grant funded block of one-bedroom flats designed as a scheme to support people with mental health issues.
- 3.2 BHEMB are managing the eight flats and six houses on Showell Road, as they are enclosed within their agreed extended boundary as illustrated in appendix 1, delivering the services delegated to them in their modular management agreement. BHEMB will receive a £1,000 per property annual management fee for these new build units, to reflect the lower level of maintenance requirements in the short to medium term.
- 3.3 Wolverhampton Homes are managing the mental health scheme and the additional affordable homes, which fall outside of the management boundary requested by BHEMB.

4.0 Evaluation of alternative options

- 4.1 Option one would be to approve the variation to the management agreement for the extension of BHEMB's management boundary to include the additional 166 properties. This will fulfil the commitment CWC made to BHEMB in the signed Partnership Agreement and meet the expectations of tenants who have been balloted and voted for the change in management.
- 4.2 Option two would be to not extend BHEMB's management boundary and for it to continue to manage only the homes set out in their management agreement. This would act in direct opposition to the majority vote of tenants balloted on transferring their management from WH to BHEMB, which could damage the reputation the Council and WH has with it's tenants as well as damage the relationship between CWC and BHEMB's Board not to honour the commitment made to extend the operating boundary as per the Partnership Agreement. It would also mean that BHEMB would not realise the operational efficiencies they intend on achieving through expansion of their boundary and number of properties they manage and would counter BHEMB's ambitions for growth as the number of homes they manage reduces annually due to the impact of Right to Buy.

5.0 Reasons for decision(s)

- 5.1 CWC recognised that BHEMB are a well performing TMO in their offer of a Partnership Agreement. With no detrimental change to their performance since this time, option one respects the commitments made in the Partnership Agreement and fulfils the result of the tenant ballot.

6.0 Financial implications

- 6.1 The Partnership Agreement agreed an increase of £1,700 per property for any additional existing homes that BHEMB take on the management of, to be increased or decreased annually, in line with the rent increase or decrease charged for the property. With the 2.7% rent increase approved by council, this amounts to £265,000 for the 152 additional properties being added to BHEMB management allowance, taking effect from 6 April 2020.
- 6.2 The Housing Revenue Account Business Plan 2020-2021, adopted by Cabinet on 22 January 2020, made allowances for an increase of £14,000 to BHEMB's management fee from 1 April 2020 for the management of the additional 14 new homes developed by the Council at the Tap Works site, at a cost of £1,000 per property.

[JM/18022020/B]

7.0 Legal implications

- 7.1 Under the terms of the Partnership Agreement between CWC and BHEMB, signed on 10 August 2018, BHEMB agreed to withdraw its Stock Transfer claim and the parties agreed

future joint working on the delivery of an agreed programme of activity for the Bushbury Hill estate.

- 7.2 The Partnership Agreement sets out that the parties shall agree a new operating boundary for BHEMB of an additional 164 properties within three years (and potentially more, if agreed by BHEMB and the Council).
- 7.3 The tenants will remain the tenants of CWC. This means that they maintain their Right to Buy and their rents will remain the same changing in line with the Council's annual rent increase or decrease on which they will be consulted.

[DC/12022020/E]

8.0 Equalities implications

- 8.1 Tenants will be supported through the transfer of management through clear and ongoing communications. WH will undertake a handover of housing management to BHEMB including alerting BHEMB to any additional needs of tenants as well as any ongoing housing management issues. BHEMB will also be undertaking home visits to all new tenants, where they too can identify if households have any additional needs and what support is needed.
- 8.2 BHEMB will be subject to equalities monitoring in the delivery of their housing management services to tenants.

9.0 Climate Change and Environmental implications

- 9.1 There are no climate change or environmental implications for this report.

10.0 Health and Wellbeing Implications

- 10.1 Both WH and BHEMB are well performing managing agents to the Council's housing stock who account for and work to improve the health and wellbeing of the tenants whose homes they manage. This is done as part of their day to day delivery of housing management services and interactions with the Council and other statutory organisations to whom they may work in partnership, make referrals to and sign post tenants to. There are therefore no Health and Wellbeing implications for this report.

11.0 Human resources implications

- 11.1 There are no human resources implications for this report.

12.0 Corporate landlord implications

- 12.1 There are no Corporate Landlord implications for this report as it relates to homes which sit within the Housing Revenue Account portfolio of assets.

13.0 Schedule of background papers

- 13.1 6 June 2018, Bushbury Hill Estate Management Board Update, Cabinet

13.2 22 January 2020, Housing Revenue Account Business Plan 2020-2021 including Rents and Service Charges, Cabinet

14.0 Appendices

14.1 Appendix 1 – *Map of extended boundary to the Bushbury Hill Estate.*