

Minutes



Name of meeting: Meeting 4 - Service Charge Working Group

Date: Wednesday 10th May - 18:30-20:45

Venue: online Teams

<p>Attendees</p> <p>Residents Barbara Cliffe (BC), Jean Harry (JH), Lee Hall (LH), Michael Roberts (MR), Roger Hankey (RH) Grace Famoriyo (GF)</p> <p>Milton Keynes City Council Andrew Hodgson (AH), Catherine Arnold (CA), Mohammad Bari (MB) Sebastian Kulig (SK) Rahima Ahmed (RA)</p>	
Apologies: Julian Cross and David Locke	
Note taker: Rahima Ahmed	

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REF	ACTION	RESP
1	Welcome and Apologies AH welcomed all to the meeting and acknowledged apologies	AH
2	Approval of minutes (Time on video 0:00-23.00)	
2.1	<p>Updates on actions from previous minutes</p> <ul style="list-style-type: none"> Definition of rents and service charge AH produced a 5-page guide which covered the key components of rents and service charges. He is working on a Milton Keynes City Council working definition which in a nutshell is: Rent is for your use and occupation, housing management costs and maintenance of your property generally behind your front door. Service charge is for the provisions of services in nearly all cases communal. The caveat that there may be a service charge that could be pair per instance or a tenancy support service. That is a personal one to the tenant only. Estimates Mohammad Bari has produced service charge spreadsheets that will be discussed later in the meeting. 	AH

	<ul style="list-style-type: none"> • Full recovery Upon reflection the group does not fully agree with decision 5. Group will discuss further in this meeting. • Leaseholder engagement Insufficient numbers of leaseholders came forward to discuss changes. This could be due to lack of interest, awareness, trust, or apathy. • Building insurance Further discussions needed on the best way forward in terms of building insurance. The key point is that all properties/ blocks need to be insured. <p>ACTIONS</p> <p>a) AH to circulate MKCC definition of rents and service charge to group. Once agreed then add to webpage.</p> <p>b) AH to send BC the 5-page guide.</p> <p>c) SK to add 5-page document onto the webpage week commencing 15th May 2023</p> <p>d) AH to send letter with August billing regarding building insurance.</p> <p>e) AH, RA, SK, to put Leaseholder calendar change</p> <p>The group agreed that MKCC put forward their proposal on the website and invite leaseholders to vote</p> <div style="background-color: #008080; color: white; padding: 5px;"> <p>Decision 1 Leaseholder calendar change The group agreed that MKCC put forward their proposal on the website and invite leaseholders to vote.</p> </div>	<p>AH</p> <p>AH</p> <p>SK</p> <p>AH</p> <p>AH, SK, RA</p>
2.2	<p>Service Charge estimates (23:00- 54:50)</p> <p>AH shared spreadsheets created by MB showing how we arrive at our estimates for all our service charges. The main points were:</p> <ul style="list-style-type: none"> • Consumption costs. It is not the unit price but the consumption that is making bills costly. • Service costs. BC and LC were interested in a staffing breakdown of how many people it takes to run a service. • Service standards & performance. There is a gap in service standards and performance. Concerns over Mears contract ending and no service standards in place, Future meetings will be agreeing the standard and delivery. Also, section 20 consultation will be taking place for tenants and leaseholders to share their opinions on the Mears contract end. • Contract management. Concerns about poor contract monitoring and management was expressed by LC, GF and BC. AH said measures are being put in place to address this. • Tenant Satisfaction Measures. SK shared there will be regulatory commitment from next year for landlords to ask tenants and shared owners about their perception of the 	<p>AH</p> <p>SK</p>

	<p>service being provided. Landlords will also be asked to share performance information.</p> <p>ACTION</p> <p>a) AH will be writing a report to the Landlord Board requesting a review of how we consume energy. He will be looking at energy efficiency and education around consumption.</p> <p>b) AH will find seek advice from HR and share staffing costs within the boundaries of data protection</p> <p>c) Natasha Hutchin group Head of Finance for MKCC will come in June meeting to give the group an update on what the future capital works and repairs service might look like</p> <p>d) SK to share the estimates spreadsheet on the website.</p>	<p>AH</p> <p>AH/HR</p> <p>NH</p> <p>SK</p>
3	<p>Main Activities (55:00-1:43)</p> <p>AH shared presentation on different flat scenarios to generate discussion on how the group thought service charges should be apportioned. Some thoughts were:</p> <ul style="list-style-type: none"> • Residents should pay only for what they have access to. • Apportionment could be proportionate to usage. • Ground maintenance of communal areas that are only shared by blocks of flats can be divided by all the blocks. • Need to check what is covered by Parish precepts and The Parks Trust. • Grouping properties together to reduce administrative burden and cost to the resident is acceptable. • MKCC are updating their housing system (NEC Housing) so we are working towards efficiencies. 	
4	<p>Any other Business</p> <p>Visual Guides (1:44-2:07)</p> <p>RA and SK shared visual guides on full recovery, and apportionment. They also shared the voting form and discussion followed.</p> <ul style="list-style-type: none"> • Full recovery - After further discussion group does not agree with the concept of full recovery. Main reason are residents don't have any control over void turnover times so it should be up to the landlord to manage the risk and cost. <p>Decision 2 Full recovery option</p> <p>The group decided not to have a wider vote on implementing full recovery. As they did not agree with the principle of full recovery and decided not to move forward with this option.</p>	<p>SK, RA,</p>

	<ul style="list-style-type: none"> • Apportionment - Group would like more detail on the different types of apportionment. Also, the examples shown need to be viable options for MKCC. • Major Works - Major works is outside the scope of this project. Consultation will be covered by Section 20. <p>ACTION</p> <p>a) SK and RA to amend the Apportionment visual guide with the recommendations suggested by the group.</p> <p>b) Add amended visual guide on the website.</p>	SK, RA
		RA/SK

Date of Next Meeting: Wednesday 7th June 2023 Online

In the next meeting we will:

- Get an update from Natasha Hutchin on what the future capital works and repairs service might look like
- Look at different ways to structure service charges.
- Update on block structure.