

Minutes

Name of meeting: Meeting 11 Service Charge Working Group

Date: Wednesday 13th December 2023 18:30-20:45

Venue: Teams online

Attendees Residents Barbara Cliffe (BC), Jean Harry (JH), Michael Roberts (MR), Roger Hankey (RH) Milton Keynes City Council Andrew Hodgson (AH), Catherine Arnold (CA), Mohammad Bari (MB) Roz Duffy (RD), Brighton Eraki (BE) Sebastian Kulig (SK)	
Guests: NA	
Apologies: Julian Cross, Rahima Ahmed	
Note taker: Sebastian Kulig	

1.	Introductions and Apologies	Action
	AH welcomed all to the meeting and acknowledged apologies	
2.	Approval of minutes (click link to watch)	
2.1	Updates on previous minutes <ul style="list-style-type: none"> AH reminded about the visit by Euan Darling a Landscaping Client Manager who introduced the group to how landscaping service is currently being delivered across MK, and how this could potentially be expanded to include maintenance of open spaces on land that fall under Housing Revenue Account (HRA). AH confirmed that all but about 1% of GIS (mapping) work has been completed. Full preview may potentially be presented at the January meeting. AH corrected that 50% more Open Spaces that fall under HRA was discovered when doing the GIS work. This is 50% more than what was previously shared with the group. More updates on this will be presented at the January meeting. BC asked if Euan Darling could take part in the next meeting. AH confirmed he will try to arrange that. AH also mentioned the issue of sending out low-cost homeownership/shared owners building insurance requests. At the same time, AH pointed in two-months' time estimates for leaseholders will be sent out, and AH proposed to include building insurance requests to be included with those letters. The group agreed. 	

	<ul style="list-style-type: none"> Minutes have been approved with no changes <p>ACTIONS</p> <ul style="list-style-type: none"> AH/SK to invite Euan Darling for the next meeting. At the next meeting to confirm if GIS work completed At the next meeting to confirm the size of open spaces to be maintained under HRA, and the potential cost. AH low-cost homeownership/shared owners building insurance requests to be sent out together with service charge estimates. 	<p>AH/SK AH AH AH</p>
<p>3. 3.1 3.2 3.3 3.4 3.5</p>	<p>Consultation Results (click link to watch)</p> <p>AH gave the group a presentation of the high-level results of the consultation and highlighted that whilst some of the results were close, MKCC will apply the same logic as if this was an election, in that the majority decision is the direction that we will apply as part of the outcomes of the consultation.</p> <p>BC said she still disagreed with Full Recovery. AH confirmed that as 53% of voters had agreed to full recovery this is what MKCC will do. However, as the group has expressed concerns around our Lettings performance in previous meetings, we will cap all void periods to a maximum of 30 days, which is generally around the average lettings period. Any losses created for a void period over 30 days will not be included in the service charge calculations.</p> <p>AH asked the group how they think would be best to publish the results and suggested that we could include a short booklet together with the rent review letter in February for tenants and shared owners and within the leaseholder estimates for 2024-2025 for RTB leaseholders. The group thought this was a sensible recommendation and agreed. This will be discussed in more detail in January's meeting.</p> <p>AH explained to the group that MKCC was taking external legal advice on its ability to recharge leaseholders for the cost of open space maintenance and the fly tipping rubbish collection and enforcement. This information is not likely to be back to us before the new year. Ah confirmed that we will not share this information with the group but will explain the outcomes as a result of it. He explained that it's a simple Yes or No answer when it comes to the lawyer's advice on lease covenants.</p> <p>BC suggested that leaseholders should be able to have their say if it comes to MKCC taking the legal advice on things that may affect them, and that MKCC should pay for any legal costs. AH stated that he did not see any conflict in MKCC asking for external legal advice and surely everyone would welcome MKCC getting it right, based on external legal advice.</p>	

<p>4.</p>	<p>Prize Draw Winners (click to watch)</p> <p>The Prize Draw winners are:</p> <p>5x £100</p> <ul style="list-style-type: none"> • Phinehas Oteng Agyei • Philip Corton • Isabella Arkaah • Katherine Smith • John Andrew Hailey <p>2x £250</p> <ul style="list-style-type: none"> • Lynda Renshaw • Joyce Gordon-Puddifoot <p>1x £500</p> <ul style="list-style-type: none"> • Nidhi Kaura <p>ACTION</p> <ul style="list-style-type: none"> • We will be contacting the winners before the next meeting in January. 	<p>SK, RA</p>
<p>5.</p>	<p>Management and Administration Fees (click to watch)</p> <p>AH reminded these are intended to cover the landlord costs of running the service charges.</p> <p>5.1. Management Fees (click to watch)</p> <ul style="list-style-type: none"> • AH acknowledged that the general feedback from residents was that in general terms we were not managing contracts to a good standard. To ensure we get better value for money in terms of service delivery in key areas like fly-tipping, or grounds maintenance, there is currently an Environment Enforcement Officer to deal with fly-tipping, AH also confirmed that NH approve a Landscaping Services Officer to be recruited to monitor future grounds maintenance contract. The focus of the new Landscaping Services Officer will be solely on housing, and they will also be responsible for carrying full open spaces consultation in 2024. • AH confirmed that residents in Sheltered Housing who currently receive any gardening service will also be consulted, and their service charge will not change until the full consultation have been completed. 	

<p>5.2.</p>	<p>Administration Fees (click to watch)</p> <ul style="list-style-type: none"> Leaseholders are already paying admin fee of £150 For Tenants the proposal is to have for all eligible service charges a 10% admin fee, for all ineligible service charges EG communal heating and water & sewerage charges there is a 5% fee. Sinking fund and Reserve fund contributions will not attract any management fee. AH confirmed that at this time this is only proposed percentages. Once we have calculated our estimated charges for 2024-2025 we will know how much income these admin fees generate. We will have calculated our operating cost for next year and providing our costs are covered, the admin percentages could be amended to ensure that no “profit” is made. Any differences between estimated and actual costs are dealt with through deficits / surpluses and carried forward into future years for tenants and reflected in actual charges for leaseholders. Shared owners are not currently paying administration fee, however this may change depending on the result of the legal advice we are seeking on this. This will be confirmed hopefully at the next meeting in January. 	
<p>6.</p>	<p>Publishing consultation results (click to watch)</p> <ul style="list-style-type: none"> AH said we need to inform residents formally about the results of the consultation. AH proposed to send it out to residents together with rent review letters in February. MR said about the need for the letters to be send electronically as well in the paper version, as online version tends to be more accessible. AH said that system changes that are currently being implemented will facilitate preferable contact methods, where residents will be able to choose how they want to be contacted, however current system setup does not support this. Providing residents with alternative methods will still be possible, but on an individual basis if this is requested. There was a general agreement to include results of the consultation in the rent review letter, and this will be confirmed at the next meeting in January. <p>ACTION</p> <ul style="list-style-type: none"> Confirm if the formal information about the results of the consultation is to be send together with rent review letter 	<p>All</p>
<p>6.</p>	<p>AH confirmed to the group that January’s meeting will be the last for this working group.</p>	

	After rent review and leasehold estimate work in completed in February and March 2024, we will restart consultation, but these will be small single subject consultation to allow more customers to engage with us about services that impact them directly.	
7.	<p>BE gave an update on the caretaking and cleaning service review. The specific consultation with all customers receiving this service closes at 11:00 pm on Friday 5th January 2024. (click to watch)</p> <p>BC recalled previous conversations about cost pressures on tenants and a paper that Natasha Hutchins, Assistant Director of Finance, was going to add to the next year Budget document. BC asked where she could find information on one-off cleaning that she believed was going to be included in the Budget proposal as the cost that MKCC would cover. In our response we said that the mentioned proposal was only going to cover one-off grounds maintenance cost, and cleaning was not going to be included in that, however we said we would double check that and that we would confirm this at the next meeting.</p> <p>ACTIONS</p> <ul style="list-style-type: none"> • Review satisfaction responses to exclude votes of those residents who do not receive cleaning and caretaking service and present results at the next meeting. • Check and confirm if one-off cleaning to tackle poor cleanliness of some of the blocks is going to be covered from MKCC budget. 	<p>SK</p> <p>BE, CA</p>
8.	The Next Steps update by AH (click to watch)	
<p>Date of Next Meeting: 17 January 2024 In-Person (Online available)</p>		