

<p align="center"><b>London Borough of Hammersmith &amp; Fulham</b></p> <p align="center"><b>ECONOMIC REGENERATION, HOUSING AND THE ARTS POLICY &amp; ACCOUNTABILITY COMMITTEE</b></p> <p align="center"><b>8 November 2017</b></p>	
<p><b>LEASEHOLDER SERVICES</b></p>	
<p><b>Report of the Director of Finance &amp; Resources – Kath Corbett</b></p>	
<p><b>Open Report</b></p>	
<p><b>Classification: For review and comment</b> <b>Key Decision: No</b></p>	
<p><b>Wards Affected: All</b></p>	
<p><b>Accountable Director: Kath Corbett, Director of Finance &amp; Resources</b></p>	
<p><b>Report Author:</b> Jana Du Preez, Head of Leasehold Services</p>	<p><b>Contact Details:</b> Tel: 020 8753 4242 jana.dupreez@lbhf.gov.uk</p>

## **1. EXECUTIVE SUMMARY**

- 1.1. The report sets out the improvements which have been made to services to leaseholders to date, as well as projects currently in progress. It then considers and asks for suggestions for future projects.

## **2. RECOMMENDATIONS**

- 2.1. To note and comment on the improvements to date and in progress. To suggest further improvements that could be made.

## **3. INTRODUCTION AND BACKGROUND**

- 3.1. The Council manages 4,710 leasehold properties and 158 freehold houses on estates where the owners pay service charges. These are former Council homes which have been sold, mostly under Right to Buy.
- 3.2. 59% of the properties are recorded as being owner occupied. The actual figure could be lower as some leaseholders may not have notified the council that they are not resident at the property even though their lease requires them to.
- 3.3. Approximately 15.3% are still owned by their original Right to Buy purchasers.

3.4. The average annual service charge per property is £797, which compares favourably to other Local Authorities such as Islington at £1,098 and the London Borough of Camden at £1,271. Leaseholders also have to pay major works bills.

3.4 The Council currently provides many services to its leaseholders<sup>1</sup> in addition to those provided to all residents in the borough. These include:

- Caretaking on housing estates
- Horticulture on housing estates
- Delivering planned major works e.g. window and roof repairs/replacement
- Day to day repairs to communal areas, this includes dealing with leaks and other emergencies
- Granting licenses for alterations
- Fire safety, property inspections and other Health & Safety work, taking action where needed
- Estate Support and Security including the concierge offices
- Dealing with anti-social behaviour
- Carrying out quarterly Estate Inspections.
- Investigating lease breaches and ensuring the lease is complied with.
- Calculating, invoicing and collecting the individual contributions from leaseholders for the cost of delivering day to day services (such as caretaking, communal electricity and maintenance) and major works charges (such as window repairs or replacements and roof repairs/replacement where larger bills are normally expected)
- Consulting with leaseholders on major works and charges
- Providing sellers packs to leaseholders and their solicitors when they want to sell their properties

3.5 The Council recognised in 2014 that services to its leaseholders weren't good enough and has been working with them to improve the service.

3.6 This report looks at the improvements made to date which have been summarised in three categories:

- clearer communication
- better invoicing;
- professionalising the team.

It suggests plans for future service improvements and invites further suggestions / prioritisation for these improvements.

---

<sup>1</sup> The term leaseholders should generally throughout be taken to include those freeholders on council estates where the Council provides a service that also covers those homes.

- 3.7 The improvement process to date has been led by the Leasehold Services team. They organise the regular Leasehold Forums which we've used to talk to leaseholders about the improvements needed. They also calculate, invoice and collect the individual contributions from home owners and carry out the statutory consultation required before major work, as well as providing sellers packs. As part of our planned future projects we're looking at how we can integrate this Leasehold Services more into the other services we deliver to leaseholders.

#### **4. CLEARER COMMUNICATION**

##### **Helping Leaseholders understand their rights and responsibilities**

- 4.1 The relationship between the council and its individual leaseholders is defined in the lease which is a form of contract and not always easy to understand. So, we've put in place a Leaseholder's Charter, to help both Council Officers and leaseholders understand their responsibilities more easily.

- 4.2 We worked with leaseholders at the Listening to Leaseholders Conference in 2015 on this and received a lot of feedback which was incorporated in the charter. It was published on the website in October 2015. Councillor Homan endorsed the charter and a copy can be found in **Appendix A**.

- 4.3 In addition, as well as our regularly leaseholder forums which normally happen three times a year, the Leasehold Services team led sessions for leaseholders at the Residents' Conference in 2016. They were well received and many different topics were discussed, such as service charge calculations, major works consultation, alterations, lease extensions etc.

##### **Making our letters and emails to leaseholders easier to understand**

- 4.4 We've worked with our residents' reading group (some of whom are leaseholders) and other specific volunteer leaseholders to revise all our standard correspondence to make it easier to understand.
- 4.5 We've also sent officers on "Better Letters" training to improve the quality of our all correspondence and now have a "Better Letters" champion in the Leasehold Services team who reads most outgoing emails and letters.
- 4.6 We're continuing to work on this area with leaseholders so we can further improve.

##### **Improving our website**

- 4.7 Resident customer focus groups have reviewed and advised on the design and content of our website to help ensure customers can find the information they need. We are continually reviewing the data and leaseholders were invited at the recent Love Where You Live estate roadshows to partake in website usability testing. Further improvements will be made following the feedback. However we've still not delivered online account services to leaseholders and this will form part of our future plans.

### **Leasehold Forums**

- 4.8 We strive to keep our customers informed about changes that may affect them. For this reason, we facilitate regular Leasehold Forums in three different areas of the Borough. They are chaired by a councillor and each service is represented, (Housing Services, Pinnacle, Mitie, Leasehold Services etc). A drop-in session precedes the main meeting allowing leaseholders to discuss any personal query face to face with the appropriate officer. These meetings are popular, attendances have increased significantly over the years and continue to grow.

## **5. BETTER INVOICING**

### **Joint major works inspections**

- 5.1 Leaseholders made it clear to us at forum meetings that they were not happy with the quality of the work they were being invoiced for and in some cases, couldn't see where the work had been done.
- 5.2 So, after talking to leaseholders, we bought in joint inspections of major works to try to address this. We invite all leaseholders who will be billed over £5,000 to an inspection before we raise the invoices. They are attended by leaseholders, Mitie, the Project Manager from Property Services and an officer from Leasehold Services (who acts as a layperson's pair of eyes for the Council and where needed challenges colleagues on the quantity and quality of works).
- 5.3 Leaseholders are encouraged to raise any queries they have regarding the work or cost at this inspection. The aim of this meeting is to resolve any disputes before the invoices are raised and improve the accuracy of our invoicing, increasing leasehold satisfaction and income recovery.

### **Leaseholders checking reactive repairs statements**

- 5.4 At the end of the financial year, leaseholders receive a statement of all the repairs carried out at their building/estate that they are required to contribute towards. Some of the repairs orders are disputed and after some investigation some of these may have to be refunded.
- 5.5 To avoid this, we have asked leaseholders at the Leasehold Forums to volunteer to go through the repairs breakdowns for their block and/or estate before the bills are raised. Their feedback ensures only valid repairs are passed on for charging. This year 15 leaseholders took part and we have again asked for more volunteers at the Leasehold Forums held in September.

### **Focus group of leaseholders working on consultation notices**

- 5.6 Leaseholders told us at the forums that the major works consultation notices are not clear enough. This notice includes information on the planned works and the prospective cost and invites leaseholders to make observations. The notice has to adhere to the requirements of the Act and as a result, if not carefully written, can be difficult to understand.

- 5.7 Over the past two years' the quality of the notice has improved thanks to the comments received from customers. Both the notice and accompanying schedule of works are easier to understand and read. But there is further room for improvement.
- 5.8 We have asked for volunteers to look at again at different aspects of the major works process and the first discussion is around the notice itself. To make it as accessible as possible it is a virtual group which allows the members to dip in and out of discussions as they choose, and they do not have to attend any physical meetings although we can also offer this option.

## **PROFESSIONALISING THE TEAM**

### **Leasehold Management**

- 5.9 It is hard across the sector to recruit officers to leasehold management positions. For long periods in the past the team was severely understaffed but this position has slowly changed and most vacancies are now filled.
- 5.10 To ensure that leaseholders receive the best possible professional service the following projects were undertaken in the Leasehold Services team:
- a) Customer services and technical training sessions are undertaken regularly and improvements monitored by managers.
  - b) The team is encouraged to become members of the Institute of Residential Property Managers (IRPM). Five officers are signed up to this course and one officer was presented with the Ann Garland Award for the most outstanding paper in the Associate Exam.
  - c) Leasehold Services was restructured in 2016, allowing for some growth, with the view of increasing leasehold satisfaction. The team are now able to take on additional duties, such as registration of legal notices of assignment from Legal Services cutting down on the time taken to register new contact details as well as undertaking joint inspections of major works. We don't want to remain static and are keen to keep on improving so continually review the way we deliver the service.
  - d) Deployed a new phone system to better steer calls to the most appropriate staff member and allowing clear reporting. The system also records calls enabling better investigation of complaints.
  - e) The team collocated with the Property Services team on 23<sup>rd</sup> October 2017. This should help us further join up the services and enable easier joint working.

### **Wider Housing Department**

- 5.11 Leasehold Services led on training sessions for colleagues in Property Services, Mitie and Housing Management. The sessions covered leaseholder's rights and obligations and the Council's rights and obligations under the lease; refining processes to ensure a quick, right first time solution to leasehold queries.

- 5.12 Leasehold Services offer shadowing and training opportunities within the team. The offer has been taken up by the Housing Office, Estate Support & Security and staff from the Mitie Repairs Call Centre. In turn, Leasehold Services had the opportunity to shadow staff in their teams. By understanding each other's area of work better we can deal with more queries at the point of call without the need of further input from the service provider.

## **6. CURRENT PROJECTS**

### **Webchat**

- 6.1 We're installing a webchat facility on the most popular web pages for Leaseholders. It will allow customers to receive help with their queries more easily and quickly and add to the number of ways the department can engage with customers.

### **Speeding up processing legal notices of assignment**

- 6.2 Leaseholders have to serve a legal notice on the council when the leaseholders change, for example new owners after a sale or a transfer after the death of one of the leaseholders, re-mortgages, change names or sublets. These notices are receipted by Legal Services and there can be a delay between receipting of the notice and the service being advised which can mean invoices and correspondence can be addressed incorrectly.
- 6.3 The service will take on the registration of notices from Legal Services. This should happen by the end of November 2017 subject to successful recruitment. The aim will be to receipt and make all the required changes to the systems within 10 working days.

### **Improving Sellers Packs**

- 6.4 When leaseholders want to sell their property they can request a Seller's Pack from the council. This pack contains information about the service charges, future major works, buildings insurance, an asbestos survey and a fire risk assessment. There is a fee of £168 payable. The pack is usually provided to the solicitor of the vendor and therefore pitched at that audience.
- 6.5 We have seen an increase in leaseholders applying for the pack themselves and have decided to review the pack in the light of this to ensure that it is user friendly. It is in the process of being commented on by a panel of volunteers (including solicitors) and further changes will be made once the feedback is received.

### **Keeping our data up to date**

- 6.6 From time to time, leaseholders' details change and Leasehold Services are not always informed resulting in out of date data being held. To help ensure we have the most up to date correspondence details, a letter was issued late September 2017 to all customers asking them to check the details we hold and to let us know of any changes that may be needed. We also used this opportunity to ask for phone numbers and email addresses in case we need to get in touch urgently, i.e. leak or a fire.

### **Easier access for officers to leaseholder files, allowing us to respond more quickly to leaseholders**

- 6.7 Each leasehold property has a correlating paper file where documents such as the lease and correspondence are filed. There is an ongoing project to scan all the paper files into an electronic management system. This will not only reduce the risk of damage or destruction associated with a fire or leak, but will also enable remote access to all records which will assist all colleagues in Housing and in turn ensure a quicker resolution of customer's queries.

## **7. CONTINUOUS IMPROVEMENT AND FUTURE PLANS**

- 7.1 We want to keep on working closely with Leaseholders to improve our services and regularly reviewing the changes we've already made to ensure that they are still meeting leaseholders' requirements. For example, our standard letters and consultation notices.
- 7.2 We're also reviewing of our payment options as we know how hard it can be to pay bills and we continuously review the way we deliver services to ensure we are structured to provide the best service we possibly can. Our current payment options are set out in Appendix B.
- 7.3 We'd love to deliver more online services and are working on delivering more services. Some elements of this, such as being able to view a leaseholder account online, may take a little longer to do as we may need to change the system we hold leaseholders accounts on first.
- 7.4 We'd like your ideas for future projects and want to work with you to improve our services further.

## **8. LEGAL IMPLICATIONS**

- 8.1 There are no legal implications. Requirements are set out in the report.
- 8.2 *Implications verified/completed by: David Walker, Principal Solicitor 020 7361 2211)*

## **9. FINANCIAL IMPLICATIONS**

- 9.1 There are no direct finance implications arising from this report. Any individual projects that might incur significant costs will be the subject of a separate report to the Cabinet member or Cabinet depending on the level of cost. The projects detailed in this report should result in service improvements which ultimately should result in improved, more efficient collection of service charges and major works charges from leaseholders
- 9.2 *Implications verified/completed by: Kath Corbett, Director of Finance & Resources).*

## 10. BACKGROUND PAPERS USED IN PREPARING THIS REPORT

None

### LIST OF APPENDICES

Appendix A – Leasehold Charter

Appendix B - Current Major Works Payment Options

### Appendix A

#### Leasehold Charter

Dear Leaseholder,

Please find below our new Leasehold Charter; this represents our commitment to improve services to our leaseholders. We want to develop and improve the services you receive from us by working closely with you.

In producing this charter, we consulted leaseholders via the Leasehold Forums and at the Listening to Leaseholders Conference. We will continue to ask for your input as amendments become necessary.

This Charter gives a summary of our commitment to leaseholders when managing leasehold properties and should be read in addition to your lease. The lease will remain the foundation of the relationship between the council and its leaseholders; however, you are encouraged to seek your own independent legal advice when needed.

The charter is a very important document and tells you:

- the services you can expect from us and
- what we expect of you

We will regularly review the charter and update it when necessary.

If you would like more information, please contact the Leasehold Services Team on 020 8753 4500 or [service.charges@lbhf.gov.uk](mailto:service.charges@lbhf.gov.uk).



**Councillor Lisa Homan**  
**Lead Member of Housing**

## Leasehold Charter

### The Council, our contractors and homeowners will:

- Deal with you politely and treat you with respect.
- Keep the exterior and communal parts of the building in good repair to extend the life of the building.
- Offer you a choice of paint colours, finishes and floor coverings for the communal parts of the building.
- Deal promptly with any nuisance (e.g. noise, antisocial behaviour) caused by your neighbours' and other visitors.
- Provide you with an itemised service charge bill and provide supporting information if you request it.
- Offer a wide range of payment methods.
- Consult with you before making any changes to our services.
- Continue to develop the knowledge of our housing staff in leasehold management to help you better.
- Carry out regular leaseholder satisfaction surveys, share the results with you and use these to help improve our services.
- Aim to respond fully to all your enquiries within 10 working days. Where we need more time we will keep you informed by giving you a clear timeline. We will also act on any proposed solutions to issues as soon as possible.
- Share with you how we are doing on meeting our key performance targets. Where we are not meeting our targets, we will give you the reasons.
- Hold meetings with groups of leaseholders to plan and monitor Major Works and resolve issues to ensure we charge leaseholder a reasonable cost for major works undertaken.

### We expect from you:

- You will ensure you understand and comply with the all terms of your lease.
- You respect our right of access under the lease to your property.
- You appreciate we need to keep the whole block in good order
- You will report communal repairs promptly so we can stop problems getting worse which costs you more.
- You, your household, your tenants and visitors will not cause nuisance to others.
- You will respect all our other residents in your block.
- You will inform us immediately if your contact details, including your phone number change.
- You will tell us in writing if you are sub-letting your property, pay the £30 admin fee required under the lease and will act as a responsible landlord.
- You will pay your service charges and major works bills promptly and tell us quickly if you have a problem or dispute so we can help.
- Before altering your home you will contact [h&fhome-buy@lbhf.gov.uk](mailto:h&fhome-buy@lbhf.gov.uk) or call 020 8753 6464 to get permission. Note this is separate to any planning application.

- You will ensure any works you do to your property are carried out during reasonable hours, with a minimum level of disruption to other residents and no damage to anyone else's property.
- You will ensure you submit claims under the buildings insurance we provide as soon as possible after the incident which gave rise to the claim.
- You will be polite and respectful to our staff and give them a reasonable time to respond to your enquiries.

## Appendix B

### Major Works Payment Options

## Major Works Repayment Options

Under the terms of your lease, you are required to pay a contribution towards any costs your landlord incurs in maintaining the common and structural parts of your building.

Once these works have been completed, you will be sent an invoice for your proportion of costs. This sum is payable within 21 days.

However, we recognise that major work charges can be significant so we have developed a range of flexible repayment options that should allow you to settle any charge without falling into hardship.

These are a selection of those options:

Repayment Options	Available To
<b>2.5% Prompt Payment Discount</b> If you settle your charge in full within 21 days of invoice, you will qualify for a 2.5% Prompt Payment Discount. We will advise you what this is when we send you your invoice.	All homeowners
<b>Interest-Free Instalment Plan</b> If you cannot afford to repay the cost of the work in one payment, you may be able to pay your bill, interest-free, over a period of up to 36 months. This is subject to status.	Owner-occupiers
<b>5 Year Repayment Scheme</b> If you cannot afford to repay the cost of the work over three years, we can extend this to five years. The first three years are interest-free and the second two years attract interest at 5% above the Bank of England Base Rate. This is subject to status.	Owner-occupiers
<b>Voluntary Charge</b> If you cannot afford to repay the cost of the work over five years and have no means of financing repayment, you may be able to secure the charge against your property. This option attracts interest and is subject to status.	Vulnerable owner-occupiers

### Benefits

If you are on Income Support, you may be able to get help with the cost of any major work service charges. You should contact the Department of Works and Pensions Mortgage Department and they will be able to tell you if you are eligible and how to claim. You should apply now or you may not be entitled to any benefit.



### **Savings**

Please note you will not be sent an invoice until the works have been carried out. You may therefore want to begin setting aside money now. If you pay this into a bank or building society, you will also earn interest on your savings.