

Portfolio: Housing and Property (Cllr Holly Whitbread)

Subject: Improving Payment Options for Leaseholders

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Recommendations/Decisions Required:

To consider the attached report and make recommendations to Cabinet in relation to:

- (1) The Council review its current Corporate Debt Policy to allow increased payment terms for leaseholders.**
- (2) That approval is given to:**
 - (a) offer a menu of payment options for resident leaseholders and for non-residential leaseholders who do not sublet more than one EFDC leasehold property where the property is owned by individuals.**
 - (b) approve that any repayment plan for a sum of £12,500 or above to be secured as a voluntary charge on the property. The administration cost associated with this should be borne by the applicant and will be in the region of £150.**
 - (c) agree to an interest rate for leasehold payment options based on 0.25% above the average Council lending rate for the previous year for the above.**
 - (d) delegate authority to Director for Housing & Property to consider any applications from leaseholders on the grounds of extreme hardship to vary the length of repayment periods.**
 - (e) delegate authority to the Director for Housing & Property in consultation with the Cabinet Member for Housing and Community the ability to agree payment plans on a project by project basis where leaseholders estimated bills are likely to be in excess of £12,500**

Report:

It is well understood that properties have a finite life cycle. In order to maximise the life span of our blocks, it is vital that we carry out regular improvement works. The process of improving blocks is worked out using life cycles, there is an industry average for all components for buildings. Our residential assets are reaching the point where major investment is required. Choosing not to invest would lead to a situation where the asset could become dangerous. Furthermore, lead to a disintegration of quality of life for our residents.

EFDC understands the financial strain which can be experienced by leaseholders who have to contribute to the cost of the works. As such it is important that this be considered, and steps be put in place to assist leaseholders with options for payment. A detailed report on improving payment options for the Leaseholders is attached as Appendix A

The proposals put forward in the options report (Appendix A) have been benchmarked with similar organisations, the approach lends itself to a fair compromise in terms of funding the works and giving leaseholders the opportunity to pay over an extended period.

Reason for decision:

A number of estates are now requiring major investment. This work needs to be carried out in order to improve both the living environment for tenants and leaseholders, in addition protect and prolong the life of the asset

Options considered and rejected:

The option was considered to not introduce payment options, this was rejected as it would lead to financial hardship

Consultation undertaken:

The Finance Team have been consulted and are in agreement. Subject to comments from this committee the proposal will be discuss with the resident panel before being presented to Cabinet

Resource implications:

Capital funding is required for any future projects, this has been factored into the business plan

Legal and Governance Implications:

This proposal meets with all requirements

Safer, Cleaner, Greener Implications:

Improving our estates will have a positive impact on the safety of residents, furthermore the improvements will include greener alternatives

Background Papers:

None

Impact Assessments:

Attached

Risk Management:

Projects of this nature are developed and managed under a project management system which includes risk management