

Housing Service Strategy HOME OWNERSHIP

1.Introduction

- 1.1 This Housing Directorate Strategy relates to the statutory obligation of local authorities to administer the “The Right to Buy” scheme available to all secure tenants and the management of residential leasehold properties.
- 1.2 In addition, this strategy encompasses the sale of small plots of land within the management of the Housing Directorate.
- 1.3 Legislation lays down clear time-scales within the Right to Buy procedure, which must be met. Failure to do so would leave the Council open to criticism and legal challenge. This work is therefore essential.
- 1.4 Staff within the Housing Directorate co-ordinate this function and draw upon the skills of colleagues within other Directorates, i.e. Corporate Support Services, Environmental Street Scene and Finance.
- 1.5 This Strategy was formulated in consultation with representatives of the Epping Forest Tenant and Leaseholder Federation together with the Epping Forest Leaseholder Association and the Housing Scrutiny Panel. It was approved by the Portfolio Holder on xxxxxxxxxxxx.
- 1.6 Housing Directorate has been awarded the international standard ISO 9001:2000 quality accreditation for all services (post restructure in 2008) including Home Ownership, for a further 3 years commencing June 2008.
- 1.7 The Council was awarded the “Investors in People” status during 2002 and was re-accredited again in 2008 for a further 3 years. This incorporates all the functions in the Housing Directorate, including Home Ownership.
- 1.8 In addition, the whole of Housing Services achieved a Charter-Mark Award in 2004 and was re-accredited in 2007 for a further three years.

2. Background to Service

- 2.1 The staffing resources comprise of one full time and two part time members of staff (2.5 FTE staff) in the Home Ownership Team of the Housing Resources Section in the Housing Directorate. They co-ordinate all activities involved with the sale of Council housing stock and small plots of Council land and the issuing of all accounts in respect of service charges for leasehold properties. This involves all initial liaison with the purchasers as well as being the main contact with other services in order to complete the transfer of dwellings to the applicants' ownership.
- 2.2 Between 1st April 1977 and 31st October 2008 the Council had received 11,542 applications to purchase Council stock under the Right to Buy legislation, from which 6,146 properties were sold up to the 31st October 2008. These figures also include properties that were sold on a voluntary basis over this period. However, this is no longer Council policy. Over the period November 2007 to October 2008, 37 applications were received, of which 11 went through to completion. The number of sales has declined significantly over recent years. This is mainly due to the significant rise in the market prices and the current financial climate together with the fact that the maximum discount allowance of £50,000 was reduced to £34,000 in 1998.
- 2.3 Of these dwellings, 993 were sold on a leasehold basis, where the Council still owns the freehold. This requires the ongoing provision of leasehold services, involving the calculation and collection of an annual service charge on a monthly basis and all associated queries relating to that issue. It also involves full consultation with leaseholders.
- 2.4 The government has introduced a number of changes over the years in order to protect leaseholders against high service charges and control the charges that can be passed onto leaseholders. The number of leaseholders has grown in recent years and in particular since 1997. A number of properties can be re-assigned two or three times in one financial year, which increases the workload. Although sales have declined the majority that complete are leasehold properties where the Council owns the freehold
- 2.5 This exercise is supported by staff within other directorates of the Council. Plans are produced by the Environmental Street Scene Directorate, valuations and conveyancing are undertaken by staff in the Corporate Services Directorate and financial checks being completed by the Finance Directorate.

3. Coverage

- 3.1 The majority of the Council's tenants have a legal right to submit an application to purchase their home two years after the commencement of their secure tenancy. There are a number of exceptions, but in the main this relates to those people occupying properties, which have been designated for the older people or temporary accommodation for the homeless. However, revised legislation in 2005 means that any secure tenancies, which commenced on or after 18th January 2005, will have to complete five years occupancy before they can purchase their property.
- 3.2 This Strategy deals with all aspects of any request to purchase. From initial enquiries, through the completion of formal applications, the identification of the actual property to be sold, its valuation, progressing to the completion of the sale and the transfer of ownership of the property to the former tenants, either on a freehold or leasehold basis.
- 3.3 The Strategy ensures that these processes flow smoothly and provides a responsive service to residents.
- 3.4 Legislation, detailed below, provides strict time limitations upon the processes, although the Council is committed to reducing any administrative time to the minimum.
- 3.5 Within the Housing Directorate, all processes are contained within the Housing Directorate Work Instructions. These are available to staff on the intranet and are subject to review in order to seek to achieve continual improvements.

4. Relationships to other documents

- 4.1 The provisions of the Council's Housing Charter apply directly to the provision of House Sales and Leasehold Services, as do the Council's Customer Charter. These relate to the form of service to the public, our customers, which must be a key factor in any strategy.
- 4.2 The Council's Standing Orders and delegated authority govern the powers of the Director of Housing to deal with the sale of small areas of land. These are built into the works instructions that staff can follow for sales under 50 square metres. Any land sales over 50 square metres are reported to the Housing Portfolio Holder for approval.
- 4.3 The CLG issue a number of forms and information booklets that the Council provide to those making enquiries or applications. The Council also provides the Tenants Handbook, which contains related information. These are effectively good practice guides for staff. In addition to this, the Council also provides an information leaflet to all new tenants and all prospective purchasers, which is also available on the Council's web site. This advises tenants of the implications of owning their own home.
- 4.4 The Housing Directorate Works Instructions are in place to ensure relevant staff have clear processes to follow. This is subject to continual review in order to achieve improvements.
- 4.5 The Council's Tenant Participation Agreement, Council Plan, Community Strategy for the District and HRA Business Plan are also relevant to this Strategy.
- 4.6 The Council's website incorporates a section on the Housing Directorate and is relative to this Strategy. The address is www.eppingforestdc.gov.uk/housing.

5. Aims & Objectives

5.1 It is the aim of the Council's Housing Directorate Strategy on Home Ownership to:

“administer the sale of residential properties and housing land, and to manage the collection of leasehold service charges, in an efficient and effective manner”.

5.2 This aim will be achieved by:

- a) ensuring adequate procedures exist in order to fulfil all statutory and Council requirements,
- b) monitoring performance against those requirements,
- c) providing applicants with accurate information to aid their decision-making.
- d) following best practice relating to all aspects of the management of public services,
- e) ensuring that all activities relating to leasehold properties follow the terms of the lease and legislation,
- f) calculating service charges using accurate information and apportioning as necessary any charges fairly between the leaseholders and the Council,
- g) continually reviewing all aspects of the procedure and implement improvements wherever possible,
- h) responding promptly to any changes in legislation.
- i) maintaining ISO 9001:9002 quality systems
- j) increased consultation with customers and Epping Forest Leasehold Association.

6. Statutory Requirements

- 6.1 Right to Buy and leasehold legislation is contained within the Housing Act 1985, Part V, (sections 118 – 188 inclusive) as amended. The main provisions include:
- Right to Buy qualifying criteria
 - Procedure and time scales for the service of statutory notices
 - Valuation of properties
 - Calculation of discounts
 - Appeal procedures
 - Long term leases of properties
- 6.2 Further leasehold legislation is contained in the Commonhold and leasehold Reform Act 2002 which deals principally with the rights of leaseholders
- Commonhold
 - Leasehold Enfranchisement
 - Right to Manage
 - Changes to Consultation
 - Demand for rent
 - Forfeiture of Lease
 - Service charge improvements
 - Leasehold Valuation Tribunal Powers
 - Consultation under Section 20 of the Housing Act 1985
 - Long Term Contracts
 - Major Works
 - Service and Administration Charges, Leaseholders Rights and Obligations
- 6.3. Human Rights Act 1998 (Articles 6, 8 and 14)
- Appeal procedures.
- 6.4. Data Protection Act 1998.
- Protection of personal data held by the Council
- 6.5. Health and Safety at Work Act 1994
- Responsibilities of the Council as employees in respect of Health and Safety Issues
- 6.6. The Landlord and Tenant Act 1985
- Provisions relating to tenancies and leases
- 6.8 The Local Government Act 1999
- The Council's responsibilities in respect of the Best Value regime.
- 6.9 The Housing Act 2004
- Incorporated changes to the Right to Buy
- 6.10 Housing and Regeneration Act 2008
- Incorporated changes to the Right to Buy

7. Client Consultation, Information and Involvement

- 7.1 All leaseholders are included in the circulation of the Council's publication "Housing News". This is to ensure that they are kept up to date with regard to housing issues and also encourages their involvement within the Council's consultation process. Changes in legislation are also covered in this document and tenants are reminded annually of their right to buy their property if they meet the criteria.
- 7.2 The District-wide Tenant Participation Agreement sets out in detail the way in which leaseholders will be consulted on housing issues.
- 7.3 The Epping Forest Tenants and Leaseholders Federation has established a Leaseholders Association to represent the views of leaseholders and with whom the Council can consult on leasehold issues. This is now well established and has 98 members representing a fair proportion of the leaseholders in the District.
- 7.4 A Tenant Participation Officer promotes the obligations set out in the Tenant Participation Agreement. The Council actively involves the Epping Forest Tenants and Leaseholders Federation.
- 7.5 The Chairman of the Epping Forest Tenants and Leaseholders Federation is a co-opted member of the Housing Scrutiny Panel, which considers housing issues in detail.
- 7.6 Statutory consultation procedures are adhered to when carrying out major repairs or improvements a block of flats/maisonettes where there are leasehold properties.
- 7.7 Various information is provided in the Tenant's Handbook issued to all tenants.
- 7.8 Every new leaseholder receives a Leasehold Handbook containing relevant information related to leasehold issues.
- 7.9 Every applicant for the Right to Buy receives the booklet provided by the CLG and right to buy information on the implications of purchasing a property.
- 7.10 A Service Review was undertaken on Housing Services in 2003, which incorporated the Right to Buy and Leasehold Services. Under this review a wider consultation exercise of all clients was carried out
- 7.11 A census survey has also been undertaken in 2008 and an analysis is now taking place to ensure the Council meets and understands the needs of the customers.
- 7.12 In addition to this a satisfaction survey is undertaken of every Right to Buy applicant. This is sent out with the offer notice in order to gauge satisfaction with the service provided and each completed return is carefully monitored. Also, a full-length survey of leaseholders has been undertaken and an analysis of the returns has been established in October 2008. This will be closely scrutinised in order to assess satisfaction and strive for continual improvement and any lessons to be learned from comments received. In addition to this the results will be compared with the Essex Leasehold Group who have adopted a similar survey so that comparisons can be undertaken.
- 7.13 The Council's web site, Housing Section www.eppingforestdc.gov.uk also holds relevant information.

8. General Principles

- 8.1. The Housing Directorate will continue to provide one full time member of staff and two part members (2.5FTE) dedicated to the activities covered by this Service Strategy. The two part time members concentrate on freehold sales, equating to (1FTE) and the rest, equivalent to one full time member of staff and one part time member deal with all activities relating to leasehold sales and ongoing service charges. Although the sales have decreased, there are still a significant number of applications and the number of leaseholders continues to increase.
- 8.2. In addition to this, this financial year a new cash incentive scheme was launched under the first time buyers initiative. This scheme offers five grants of £34,000 each to applicants who meet the Right to Buy criteria to purchase a property on the open market. The scheme has proved successful with all five grants being taken, which will in turn release these properties for letting.
- 8.3. The introduction of a computer module as part of the Council's integrated housing system on Right to Buy applications allows greater efficiencies and the provision of additional information both to purchasers, leaseholders, and to Council staff.
- 8.3. Introduction of a computer system in respect of leaseholders will allow a reduction in the amount of paperwork duplication. Staff from other sections within the Directorate will need to be involved in the implementation as the computer system is integrated throughout the Housing Directorate. This system will allow instant updating within all sections and also the rapid production of information for staff within other Directorates. The I.T. Strategy determines the priority placed on implementation of the leasehold module but this is also subject to the corporate I.C.T. implementation plan.
- 8.4. Staff will ensure that the prospective purchaser or leaseholder is responded to promptly and accurately.
- 8.5. In instances where an immediate response is not possible, staff will advise when they will be able to respond, or provide details of which service will be able to provide the necessary information.
- 8.6. The Council's Housing Directorate will, at all times, attempt to attain the targets set out under the legislation.
- 8.7. In addition, Housing Management staff provides some details relating to both property and the purchaser, and Housing Assets staff provide on-going information relating to properties sold on a leasehold basis. The Council continues to be responsible for any external or structural work related to leasehold dwellings and the details of the cost of that work must be passed to the leaseholder by Home Ownership staff.
- 8.8. By law, each leaseholder has to be fully consulted on all major works. Annual service charges are calculated on an estimated basis and charged each month. At the end of the financial year the actual charges are calculated and accounts raised accordingly. This section carefully monitors the calculation and collections of charges, in respect of the leaseholders.
- 8.9. Procedures will be monitored and reviewed regularly to ensure time-scales are met and targets achieved and to implement improvements, wherever possible. Also, to ensure that all procedures fulfil all statutory and Council requirements.
- 8.10. Tenant and Leaseholder consultations and satisfaction surveys will continue to be undertaken.

- 8.11. The achievement of ISO9001: 9002 accreditation for the Housing Directorate was achieved in 2001 and re-accredited in 2008 for a further three years and works instructions will be maintained and appropriate controls held in place for this to continue.
- 8.12. At all times it is essential to ensure accuracy of Right to Buy and leasehold calculations.
- 8.13. All land sales will be administered in accordance with Standing Orders and Financial Regulations and Corporate Policies will be complied with.
- 8.14. Throughout this process, staff are also mindful of the possibility of fraud, both with regard to the actual sale of the property and also fraud that may have been perpetuated in connection with Housing Benefits or Council Tax.
- 8.15. The section will also respond promptly to any changes in legislation.

- **9. Future Developments.**

9.1 The following “SWOT” analysis identifies the strengths and weaknesses, opportunities and threats for the areas covered by this Service Strategy.

<p>Strengths</p> <ul style="list-style-type: none"> ❖ Knowledgeable and committed staff ❖ Policy and Work Instructions available to staff on Intranet ❖ ISO 9001:9002 Accreditation ❖ Good relationship with tenants and leaseholders ❖ Comprehensive performance monitoring ❖ Good procedures and time-scales ❖ Good tenant and Leaseholder consultation framework ❖ Charter-Mark for Housing Services ❖ Investors in People Accreditation ❖ Charter-Mark Accreditation 	<p>Weaknesses</p> <ul style="list-style-type: none"> ❖ Leasehold not on OHMS Integral System. ❖ Unable to provide facility for payment by Direct Debit to Leaseholders.
<p>Opportunities</p> <ul style="list-style-type: none"> ❖ Action Plan to improve service provided. ❖ Leasehold Module of Integrated Computer System 	<p>Threats</p> <ul style="list-style-type: none"> ❖ Major changes in legislation ❖ Loss or Damage to files. ❖ Reduction in RTB sales. ❖ Increasing Leasehold Properties.

10. Action Plan

Action	Lead Officer	Time-scale	Resource Implications
Maintain Quarterly Performance Management Meetings.	Housing Director and Asst. Housing Director	3 monthly	Existing Resources
Implementation of the Integrated Housing System for Leasehold Services.	Housing Director. Asst. Director of Finance in respect of ICT and Asst. Director of Housing	April 2010	Before implementation can take place adequate resources will need to be in place within Housing I.T. in order to project manage this implementation and maintain after implementation. ICT.support will also be required. Additional hours of working for staff during implementation.
Maintain systems and control to retain ISO 9001:9002 accreditation.	Housing Resources Manager	Ongoing	Existing resources
Provide all Leaseholders with Leasehold Handbook regardless of whether they have purchased through Right to Buy or on the open market where the Council owns the freehold	Home Ownership Officer	Leasehold Handbook Produced 2008 Ongoing	Existing Resources
Inform all new leaseholders, including those who have purchased on the open market about the Leasehold Association available for them to participate.	Housing Resources Manager. Tenant Participation Officer	Ongoing	Existing Resources
Inform Tenants annually of their RTB.	Housing Resources Manager. Principal Housing Officer (Information	Ongoing	Existing Resources

	and Strategy)		
Analyse the number of valuations undertaken each year compared to the number of re-determinations made to the DVO to ascertain if the tenants are satisfied that the Council is setting the correct valuations.	Home Ownership Officer	April 2009	Existing Resources
Review staffing resources within the Home Ownership Section and report to Cabinet, if necessary	Housing Resources Manager	April 2009	Existing Resources
Provide a clear summary of leaseholders rights and responsibilities with service charge bills.	Housing Resources Manager Home Ownership Officer	April 2009 Ongoing	Existing Resources
Provide a more detailed breakdown of costs and information on annual statements	Home Ownership Officer Housing I.T.	September 2008	Existing Resources
Review the annual statement for presentation and clarity	Home Ownership Officer Housing I.T.	September 2008	Existing Resources
Complete Impact Assessment on Leaseholders	Housing Resources Manager	April 2009	Existing Resources
Complete analysis of Leasehold Survey and seek to improve service where appropriate	Housing Resources Manager. Home Ownership Officer	April 2009	Existing Resources

11. Resourcing the Strategy

- 11.1 The number of staff resourcing this strategy equate to 2.5 full time staff within Housing Services (2.5 FTE). This excludes management of the service and time spent by other staff within the Housing Directorate. It also excludes staff from other services who provide additional support in respect of sales such as Estates and Valuations, Legal and Finance. The service appears to be at the minimum level that can be achieved in order to maintain the service effectively, especially due to the increase in land sales last year and the continuous increase in Leasehold properties.
- 11.4 The cost of administering the leasehold service is re-charged to the leaseholders. The cost of administering the Sale of Council Houses and land is met by the income generated from the capital receipt received.

Staff Resource Projections		
2007/2008	2008/2009	2009/2010
2.5	2.5	3.00

Staff Resource Breakdown – 2008/2009			
Post(s)	Leasehold Services FTE	House Sales FTE	Total
Housing Resources Section	1.50	1.00	2.50
Total	1.50	1.00	2.50

12. Key Targets and Performance Monitoring

The key targets for the service are as follows:-

Key Targets & Performance					
Performance Monitoring	2004/05 Actual	2005/06 Actual	2007/08 Actual	2008/09 Target	2009/10 Target
Average time to respond to RTB1 (Leasehold, in days). (Acknowledge RTB). Target 7 Working Days	1.9	1.36	2.40	3.87	7.00
Average time to respond to RTB 1 (Freehold, in days) (Acknowledge RTB). Target 7 Working Days	2.0	1.25	1.84	4.0	7.0
Average time to accept RTB application (RTB 2) (Leasehold, in days) (Admit or Deny RTB) Legislative requirement - 28 Days	5.4	3.9	4.15.	5.53	14

Average time to accept RTB application (RTB 2) (Freehold, in days) (Admit or Deny RTB) Legislative requirement - 28 Days	4.1	3.0	3.06	6.47	14
Percentage of formal Right to Buy applications formally denied or admitted within statutory time-scales	100%	100%	100%	100%	100%

13.1. In view of the legislative targets involved, continual monitoring is essential. The OHMS integrated computer system has allowed more detailed and frequent reports for the RTB, and will assist with Leasehold Service Charges, when this module is introduced. This should ensure that the provisions of this Strategy are always achieved.

13.2 Legislated changes, and indeed the rumour of changes can lead to uneven levels of demand which require management response to avoid the development of any backlog. Therefore, monitoring of workload is essential to ensure the customers demands are met and legislative timescales adhered to.

14. Reviewing the Strategy

14.1 This Housing Directorate Strategy will be reviewed in consultation with representatives of the Tenants and Leaseholder Federation and the Leasehold Association no later than April 2012. However, an earlier review will be undertaken if required especially in the light of any significant changes in legislation or Council policy.