

Housing Service Strategies
HOUSE/LAND/SALES
LEASEHOLD SERVICES

1. Introduction

- 1.1 This Housing Service 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 Housing Services.
- 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 Housing Services co-ordinate this function and draw upon the skills of colleagues within other services, i.e. Legal, Administration and Estates, Environmental 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 13th February 2006.
- 1.6. Housing Services has been awarded the international standard ISO 9001:2000 quality accreditation for all its services including Right to Buy and Leasehold Services, for a further 3 years commencing June 2004.
- 1.7. The Council was awarded the “Investors in People” status during 2002 and this was renewed in 2005 for a further 3 years. This incorporates all the functions in Housing Services, including “Right to Buy” and Leasehold Services.
- 1.8. In addition, the whole of Housing Services has achieved a Charter-Mark Award in 2004 for 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 House Sales/Leasehold Services Team of the Housing Resources Section in Housing Services. 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 30th September, 2005 the Council had received 11,300 applications to purchase Council stock under the Right to Buy legislation, from which 4,490 properties were sold up to the 30th September, 2005. 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 October 2004 to September 2005, 125 applications were received, of which 29 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 fact that the maximum discount allowance of £50,000 was reduced to £34,000 in 1998, which has not been increased.

- 2.3. Of these dwellings, 884 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 results in separate accounts for each leaseholder, and increases the workload.
- 2.5 This exercise is supported by staff within other services of the Council. Plans are produced by Environmental Services, valuations and conveyancing are undertaken by staff in Legal, Administration and Estates. And financial checks completed by Finance.
- 2.6. The working practices of the Sales and Leasehold Team were examined by the Council's Internal Audit Section in 1999 and were found to be satisfactory. In addition to this, the Council's Internal Audit follow up was completed in 2002. This again proved satisfactory.

3. Coverage

- 3.1 The majority of the Council's tenants have a legal right to submit an application to purchase their home after two years secure tenancy. There are a number of exceptions, but in the main this relates to those people occupying properties which have special features designated for the elderly and homeless families temporarily accommodated in Council stock. However, revised legislation in 2005 means that any secure tenants on or after 18th January 2005 will have to complete five years tenancy 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 Housing Services, all processes are contained within the Housing Services 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 own "Visions & Values". These relate to the form of service to the public, our customers, which must be a key factor in any strategy.
- 4.2 Standing Orders and delegated authority govern the powers of the Head of Housing Services to deal with the sale of small areas of land. These are built in to the works instructions that staff can follow for sales under 50 square metres. Any land over 50 square metres is reported to the Housing Portfolio Holder for approval.

- 4.3 The ODPM 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 various 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 web-site. This advises tenants of the implications of owning their own home.
- 4.4 Housing Services Works Instructions are in place to ensure 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, Best Value Performance Plan and HRA Business Plan are also relevant to this Strategy.
- 4.6 The Council's web-site incorporates a section on Housing Services 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 Service Strategy on House Sales/Leasehold Services;

“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 that performance against those requirements,
- c) providing applicants with accurate information to aid their decision making on this issue,
- 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 embodied 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 Leasehold Reform and Urban Development Act 1993 (Parts I & II) which deal principally with the rights of leaseholders to amongst other matters, acquire new leases.

The Landlord and Tenant Act 1954 also regulates leasehold properties, particularly:

- Terminations
- Duties in respect of rents and repairs
- Grounds for repossession

6.3. Further changes are covered by the Leasehold and Commonhold Reform Act 2002, in particular the following leasehold issues:-

- 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

6.4. Human Rights Act 1998 (Articles 6, 8 and 14)

- Appeal procedures.

6.5. Data Protection Act 1998.

- Protection of personal data held by the Council

6.6. Health and Safety at Work Act 1994

- Responsibilities of the Council as employees in respect of Health and Safety Issues

6.7. 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.

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 urges 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 over 60 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 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 leaflet containing relevant information related to leasehold issues.
- 7.9 Every applicant for the Right to Buy receives the booklet provided by the ODPM 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. The Council's web-site, Housing Section www.eppingforestdc.gov.uk also holds relevant information.

8. General Principles

- 8.1. Housing Services 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 deal with all activities relating to leasehold sales and ongoing service charges. Although the sales have decreased, there a still a significant number of applications and the number of leaseholders continue to grow.
- 8.2. 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 differing services need to be involved at the same time and as the computer system is integrated throughout Housing Services it will allow instant updating within all sections and also the rapid production of information for staff within other services. 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 Services will, at all times, attempt to attain the targets laid down by legislation.
- 8.7. In addition, Housing Management staff within Housing Services provide some details relating to both property and the purchaser, and Housing Maintenance 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 these dwellings and the details of the cost of that work must be passed to the leaseholder by the House Sales/Leasehold Services 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. The calculation and collections of monies, in respect of the leaseholders, are carefully monitored by this Section.
- 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 Housing Services was achieved in 2001 and renewed in 2004 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 adhered to.
- 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. Best Value Considerations

- 9.1. Housing Services undertook a service review, which was completed in 2003. Various working groups were established to progress the work undertaken and investigate all areas, with a view to improving and enhancing the service to the customers. In order to carry out the complete review the following was undertaken.
 - Challenge – Housing Services in general thoroughly challenged the service under the Best Value Review. The Review concentrated on those services which have the greatest impact on customers and those which were in most need of improvement.
 - Compare – The Best Value Review used information from a number of sources in order to compare the quality of services provided with those of similar providers. The Council is a member of House-mark, which provides useful data, monitors performance indicators and compares the findings of the three yearly STATUS survey.
 - Consult – The Council has adopted a strong consultation framework with the Epping Forest Tenants and Leaseholders Federation and the Epping Forest Leasehold Association. This is the main method of consulting customers about performance and areas of improvement that were undertaken under this Review. Other surveys may also be carried out in Housing Services.
 - Compete – The benefits of introducing competition in the provision of Housing Services was also be considered under the Best Value Review of Housing Services. Competition is more appropriate for some services than others and was not considered appropriate for Sales and Leases.

10. Future Developments.

10.1. 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.

11. Action Plan

Action	Lead Officer	Time-scale	Resource Implications
Maintain Performance Management Meetings.	Head of Housing Services	3 monthly	Existing Resources
Implementation of the Integrated Housing System for Leasehold Services.	Asst. Head of Housing and Housing Resources Manager. Head of ICT Services.	April 2007	Consultancy advice and programming. Additional hours of working for staff during implementation. ICT support.
Maintain systems and control to retain ISO 9001:9002 accreditation.	Housing Resources Manager	June 2007	Existing resources
Discuss with CAB through a CAB liaison meeting about providing advice to RTB applicants and prospective leaseholders free of charge. In addition to this advice and debt management and	Housing Resources Manager	March 2006	Existing Resources

assistance to leaseholders.			
Provide additional information to leaseholders on their right to enfranchise, the Council's right to buy back within the first 10 years and advice on handling debt and other rights.	Housing Resources Manager	June 2006	Existing Resources
Implement Common-hold and Leasehold Reform Act 2002.	Housing Resources Manager	Ongoing as and when new legislation is revised.	The implications of the changes could result in the need for additional resources
Participate in the corporate roll out of Electronic Record Management System to improve and streamline files for Leasehold Properties.	Head of ICT. Asst. Head of Housing Housing Resources Manager	April 2007	Additional cost of ERMS system to be purchased corporately
Introduce CD Rom for sold properties.	Housing Resources Manager	September 2005	Existing Resources
Review Leasehold Handbook and provide this information to all leaseholders including those who have bought on the open market.	Housing Resources Manager	September 2006	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	September 2005	Existing Resources
Inform Tenants annually of their RTB, and that of arrangements for special need client groups.	Housing Resources Manager. Principal Housing Officer	September 2006	Existing Resources

	(Information and Strategy)		
Encourage Leaseholders to pay their estimated charges by instalments and advise them of the availability to pay their actual accounts by this method as well. (To be included in new Leasehold Handbook)	Housing Resources Manager	September 2006	Existing Resources
Detail the service provided so that service users know and understand the service standards.	Principal Housing Officer (Information and Strategy)	September 2006	Existing Resources
Undertake a survey of service users and partners relating to RTB applicants and leaseholders.	Principal Housing Officer (Information and Strategy)	September 2006	Existing Resources
List other organisations and outside agencies available to leaseholders to assist them in Leasehold Handbook.	Housing Resources Manager	September 2006	Existing Resources
Leasehold handbook to provide information on buying back properties within the first 10 years and the Council's policy.	Housing Resources Manager	September 2006	Existing resources
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.	Principal Housing Officer (Leasehold and RTB)	March 2006	Existing Resources
Liaise with the Office of Fair Trading to ensure that the revised standard lease contains no unfair terms.	Principal Housing Officer (Leasehold and RTB)	September 2006	Existing Resources
Develop a strategy for debt recovery in respect of	Housing Resources	March 2007	Existing Resources

leaseholders for Housing Services.	Manager		
Form a policy on former leasehold arrears that includes the methods used to collect arrears and the factors to be taken into account when writing off these debts (Liaising with Finance and Legal).	Housing Resources Manager	March 2007	Existing Resources
Review staffing resources within the Sales/ Leases section in the light of reducing sales and increasing leaseholders.	Assistant Head of Housing Services (Property and Resources)	October 2006	Existing Resources
Set out clear guide-lines to Leaseholders on how the service charge system works, what are classed as relevant service charges and how service charges are calculated.	Housing Resources Manager	September 2006	Existing Resources
Provide a clear summary of leaseholders rights and responsibilities with service charge bills.	Housing Resources Manager	September 2005	Existing Resources
Inform Leaseholders of their right to a loan or to defer payment, provide Information on mandatory and discretionary service charge reductions in Leasehold Handbook.	Housing Resources Manager	September 2006	Existing Resources

12. Resourcing the Strategy

12.1 The number of staff resourcing this strategy equate to 3 full time staff within Housing Services (3 FTE). This excludes staff from other services who provide additional support in respect of sales such as Estates and Valuations, Legal, 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 this year and the continuous increase in Leasehold properties. However, the Council's Management Board has requested a review of staffing resources in the section during 2006.

12.2. 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		
2004/2005	2005/2006	2006/2007
3.20	3.20	3.20

Staff Resource Breakdown – 2005/2006			
Post(s)	Leasehold Services FTE	House Sales FTE	Total
Housing Management Team	0.06	0.02	
Housing Resources Section	1.49	0.90	
Housing Maintenance	0.30	0.16	
Housing Repairs	0.27	0.00	
Total	2.12	1.08	3.20

13. Key Targets and Performance Monitoring

The key targets for the service are as follows:-

Key Targets & Performance					
Performance Monitoring	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Target	2006/07 Target
Leasehold service charge estimated payments for residential properties, expressed as a percentage of the total amount charged in the year	81%	88%	75%	90%	90%
Average time to respond to RTB1 (Leasehold, in days). (Acknowledge RTB). Target 7 Working Days	0.8	0.7	1.9	7.0	3.0
Average time to respond to RTB 1 (Freehold, in days) (Acknowledge RTB). Target 7 Working Days	2.1	0.6	1.0	7.0	3.0
Average time to accept RTB application (RTB 2) (Freehold, in days) (Admit or Deny RTB) Legislative requirement - 28 Days	8.4	6.2	5.4	14.0	14.0
Average time to accept RTB application (RTB 2) (Leasehold, in days) (Admit or Deny RTB) Legislative requirement - 28 Days	6.9	3.8	4.1	14.0	14.0
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 introduced. This system also allows “danger signs” to be highlighted for Managers whenever key indicators are exceeded. This should adequately ensure that the provisions of this Strategy are always achieved. It also allows for an early warning to be given for the need to amend procedures. It is intended to introduce ongoing monitoring of the workload to ensure that demands against staff resources are not exceeded. 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.

14. Reviewing the Strategy

14.1. This Housing Service Strategy will be reviewed in consultation with representatives of the Tenants and Leaseholder Federation and the Leasehold Association no later than April 2009. However, an earlier review will be undertaken if required especially in the light of any significant changes in legislation or Council policy.