

**Housing Service Strategy
HOME OWNERSHIP**

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 the Housing Directorate and Council owned ‘stand alone’ garages.
- 1.3 The Home Ownership Team provide an essential service to the Housing Directorate co-ordinating the Right to Buy process and the day-to-day management of residential leasehold properties.
- 1.4 This Strategy sets out how the home ownership process will be delivered over the next three years.
- 1.5 The home ownership service is provided by the Housing Directorate and is supported by the Council’s Finance team and Corporate Support Services
- 1.6 This Strategy was formulated in consultation with representatives of the Epping Forest Tenants and Leaseholders Federation together with the Epping Forest Leaseholders Association and the Housing Scrutiny Panel. It was approved by the Portfolio Holder on xxxxxxxxxxxx.

2. Background to Service

- 2.1 Since the introduction of the Right to Buy (RTB) in 1980, it has been necessary for the Housing Directorate to provide staff to support and co-ordinate the RTB function and leaseholder manage process.
- 2.2 The Home Ownership Team (HOT) consists of 2 full time and two part time employees who 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.
- 2.3 Between 1st April 1977 and 1st April 2012 the Council received 11,655 applications to purchase Council properties under the Right to Buy legislation and as a result, 6,171 homes were sold. These figures also include properties that were sold under a scheme that was run by the Council before the RTB legislation came into force.
- 2.4 As time went on, however, the number of sales declined significantly as a result of the sharp rise in property prices and the current financial climate. The number of sales was also impacted by the reduction of the maximum discount allowance from £50,000 to £34,000 in 1998. The Government increased this to £75,000 in April 2012 and this has resulted in a sharp increase in the number of applications as is shown in the Table below, however, in the current economic environment it is difficult to predict the effect that the increased cap will have on sales:

Table 1: Numbers of RTB Applications (yearly since 2007)

Year	N° RTB Applications	Of which completed
2007	67	28
2008	29	7
2009	34	8
2010	27	9
2011	23	7
Since April 2012	41	1

2.5 Of these dwellings, 940 were sold on a leasehold basis, with the Council retaining a freehold interest. As a result of this, the HOT provides leasehold services, such as the calculation and collection of an annual service charge and dealing with all the associated queries, on an ongoing basis.

2.6 The HOT works in conjunction with staff in other Council Directorates. Plans are produced by the Environment and Street Scene Directorate, valuations and conveyancing are undertaken by staff in Corporate Support Services and financial support is provided by Finance and ICT.

3. Coverage

3.2 This Strategy deals with all aspects of any request to purchase residential, Council-owned property from receipt of the initial enquiry to the completion of the sale at which time ownership transfers to former tenant(s), either on a freehold or leasehold basis. It also covers the sale of small plots of land that are within the management of the Housing Directorate.

4. Relationships to other documents

4.1 The Council's Housing Charter, Customer Charter and Service Standards apply directly to the work carried out by the HOT. These high-level documents relate to the service we provide to the public, our customers, which must be a key driver for any strategy concerning Housing services.

4.2 Any financial transaction involving the Council, including the sale of properties under the RTB, leasehold management and the sale of small pieces of land that are within the management of the Housing Directorate, are governed by the Council's Financial Regulations.

4.3 The Government's department for Communities and Local Government, the CLG, issues a number of forms and information booklets that the Council provides to those making enquiries or applications. The Council also produces a Tenant's Handbook, which contains important information for tenants including a booklet called 'Buying your home from the Council'. Information, including a link to the booklet, is also so available on the Council's website.

4.4 The Housing Directorate's Management System has also achieved ISO 9001.2008 approval. The Management System includes written processes and works instructions that are subject to ongoing review in order to provide continuous improvement.

4.5 The Council's Community Strategy, Corporate Plan, Housing Strategy, HRA Business Plan and Tenant Participation Agreement are also relevant to this Strategy.

- 4.6 The Council's website has a section on the Housing Directorate which includes information relating to home ownership. This can be found at 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 are followed in order to fulfil all statutory and Corporate requirements;
- b) monitoring performance against those requirements;
- c) providing applicants with accurate information to aid their decision-making;
- d) following best practice relating to the management of public services;
- e) calculating service charges using accurate information and apportioning the resulting costs fairly between the leaseholders and the Council;
- f) reviewing procedures on an ongoing basis and implementing improvements wherever possible;
- g) responding promptly to any changes in legislation;
- h) maintaining ISO 9001:2008 quality systems; and,
- i) consulting with customers when required by legislation and/or this would result in an improved service to customers.

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; and,
- Long term leases.

- 6.2 Further legislation concerning leasehold management is contained in the Commonhold and Leasehold Reform Act 2002. This includes:

- The provisions relating to commonhold;
- Leasehold Enfranchisement;
- Right to Manage;
- Forfeiture of Lease;
- Leasehold Valuation Tribunal Powers;
- Consultation under Section 20 of the Housing Act 1985;
- Long Term Contracts;
- Major Works;
- Service and Administration Charges; and
- Leaseholders Rights and Obligations.

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

- Appeal procedures.

- 6.4. Data Protection Act 1998.
- The management of data held by the Council
- 6.5. Health and Safety at Work Act 1994
- The Council's responsibilities as an employer in respect of Health and Safety Issues
- 6.6. The Landlord and Tenant Act 1985
- Matters relating to tenancies and leases
- 6.7. The Housing Act 2004, Housing and Regeneration Act 2008 and The Housing (Right to Buy) (Limit on Discount) (England) Order 2012
- Incorporate 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" to ensure that they are kept up to date on housing issues, such as the RTB eligibility criteria and conditions. Housing News also includes articles encouraging tenants and leaseholders to participate in shaping services through consultation and information on any relevant, forthcoming changes in legislation.
- 7.2 The District-wide Tenant Participation Agreement sets out in detail the way in which leaseholders will be consulted on housing issues. The Housing Directorate includes a Tenant Participation Officer to take forward the obligations set out in the Tenant Participation Agreement.
- 7.3 Epping Forest District Council's Tenants and Leaseholders Federation includes a Leaseholders Association. The Association has 98 members and provides a channel through which the Council can consult with leaseholders.
- 7.4 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.
- 7.5 Statutory consultation procedures are adhered to when carrying out major repairs or improvements a block of flats/maisonettes where there are leasehold properties.
- 7.6 All the Council's tenants are issued with a Tenant's Handbook which provides useful and relevant information. This includes information on buying their homes from the Council.
- 7.7 Every new leaseholder receives a Leaseholders Handbook containing relevant information related to leasehold issues.
- 7.8 Each Right to Buy applicant receives a copy of the CLG's booklet on the right to buy which includes information on the implications of purchasing a property.
- 7.9 Customer satisfaction with the Directorate's RTB service is monitored through customer satisfaction questionnaires which are sent to each applicant after they have received their offer notice. A detailed survey of leaseholders' satisfaction with the service they receive from the Council was last carried out in 2008 and another is due to be carried out in 2012/13.

- 7.11 The Council's web site, Housing Section www.eppingforestdc.gov.uk also holds relevant information.

8. General Principles

- 8.1. The HOT includes two full-time and two part-members of staff dedicated to the activities covered by this Service Strategy. This is equivalent to three full-time members of staff (FTEs). Their time is split so that one FTE deals with freehold sales and two FTEs with all activities relating to leasehold sales and ongoing service charges.
- 8.2. The section is committed to respond promptly to any changes in legislation.
- 8.3 All land sales comply with Council policies and are administered in accordance with Standing Orders and Financial Regulations.
- 8.4 Throughout the processes undertaken by the HOT, 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 perpetrated in connection with Housing Benefits or Council Tax.
- 8.5 It is a priority for staff to respond to leaseholders and prospective purchasers promptly and accurately. In instances where an immediate response is not possible, staff will advise when they will be able to respond.
- 8.6 It is also a priority for HOT staff to attain the targets set out in the relevant legislation. Data on response times is monitored through Performance Indicators which are discussed at quarterly 'Continuous Improvement Meetings' between the Director of Housing, the Assistant Director of Housing (Private Sector and Resources) and the Housing Resources Manager.
- 8.7 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 HOT carefully monitors the calculation and collections of these charges.
- 8.8 The HOT has close links with other sections of the Housing Directorate. When properties are sold on a leasehold basis, the Council continues to be responsible for any external or structural work and details on the cost of that work, which must be passed to the leaseholder, are provided by the Housing Assets team. In addition, there are close links with Housing Management who provide information relating to both properties and leaseholders.
- 8.9 While the Directorate's integrated IT system already has a Right to Buy module, it does not yet include a module to assist with the management of leaseholder accounts. The implementation of the leasehold module has commenced and this is expected to be completed by the summer of 2013.
- 8.10 The Housing Directorate was successful in achieving the Customer Service Excellence award in 2007 and the accreditation was successfully reviewed in 2012. The Directorate was also successful in having its quality management system re-accredited to the ISO 9001:2008 standard in January 2012. The Directorate is committed to maintaining these standards by continuously improving services.

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.

STRENGTHS <ul style="list-style-type: none">❖ Knowledgeable and committed staff❖ Processes and Work Instructions available to staff on Intranet❖ ISO 9001:2008 Accreditation❖ Good relationship with tenants and leaseholders❖ Comprehensive performance monitoring❖ Good procedures and time-scales❖ Good tenant and Leaseholder consultation framework❖ An action plan is in place to improve the service	WEAKNESSES <ul style="list-style-type: none">❖ Leasehold not on OHMS Integral System❖ Unable to provide facility for payment by Direct Debit to Leaseholders
OPPORTUNITIES <ul style="list-style-type: none">❖ Improvement of service through implementation of leasehold module of integrated computer system	THREATS <ul style="list-style-type: none">❖ Major changes in legislation❖ Major increase in volume of RTB applications as a result of increased discount❖ Increase in number of leasehold accounts to manage as a result of more leasehold properties being sold under RTB

10. Action Plan

Action	Lead Officer	Time-scale	Resource Implications
Implement Norhtgate Ohms Leasehold Accounting Module	Principal Housing Officer (IT Systems)	Completion summer 2013	Existing resources
Maintain Quarterly Continuous Improvement Meetings	Assistant Director of Housing (Private Sector & Resources)	3 monthly	Existing resources
Maintain systems and control to retain ISO 9001:2008 accreditation	Housing Resources Manager	Ongoing	Existing resources
Update Leasehold Handbook and provide to all Leaseholders where the Council owns the freehold (regardless of whether they have purchased through RTB or on the open market)	Home Ownership Officer	Handbook to be revised in 2013	Existing resources
Invite all new leaseholders, where the Council owns the freehold, to participate in the Leaseholders Association	Housing Resources Manager Tenant Participation Officer	Ongoing	Existing resources
Provide appropriate information to tenants of their RTB.	Housing Resources Manager Principal Housing Officer (Information and Strategy)	Ongoing	Existing resources

Action	Lead Officer	Time-scale	Resource Implications
Provide a clear summary of leaseholder's rights and responsibilities with service charge bills.	Housing Resources Manager Home Ownership Officer	April 2012 and ongoing	Existing resources

11. Resourcing the Strategy

- 11.1 The number of staff resourcing this Strategy equate to 3 full time staff within Housing Services. 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 RTB sales as a result of the increase in the maximum discount to £75,000 in April 2012 which will also result in there being more leasehold properties.
- 11.2 The cost of administering the leasehold service is re-charged to the leaseholders. The cost of administering the sale of Council dwellings and land is met by the capital receipt generated.
- 11.3 The level of staffing is as described in paragraph 11.1. It is envisaged that these will remain the same for each of the three years until 2014/15.

12. Key Targets and Performance Monitoring

- 12.1 The key targets and performance for the service are as follows:-

Key Targets & Performance					
Performance Indicator	Target	2008/09	2009/10	2010/11	2011/12
Average time to acknowledge RTB (Leasehold) Working days	7.00	2.67	3.92	2.42	3.44
Average time to acknowledge RTB (Freehold) Working Days	7.0	4.68	2.82	2.67	3.92
Average time to admit/deny RTB application (Leasehold) Legislative requirement - 28 days Working Days	14	2.67	5.67	3.45	4.38

Performance Indicator	Target	2008/09	2009/10	2010/11	2011/12
Average time to admit/deny RTB (Freehold) Legislative requirement - 28 days Working Days	14	5.65	3.23	3.36	5.75
Percentage of formal RTB applications formally admitted/denied within statutory time-scales (leasehold)	100%	100%	100%	100%	100%
Percentage of formal RTB applications formally admitted/denied within statutory time-scales (freehold)	100%	100%	100%	100%	100%
Average time to serve S125 Notice (leasehold) from RTB2 Weeks	12	5.5	4.89	4.35	6.56
Average time to serve S125 Notice (freehold) from RTB2 Weeks	8	7.44	4.82	4.1	5.06
Percentage of S125 notices issued for leasehold property within 12 weeks from RTB2	100%	100%	100%	100%	89.89%
Percentage of S125 notices issued for freehold property within 8 weeks from RTB2	100%	60%	92.31%	100%	93.33%

- 12.2 In view of the legislative targets involved, ongoing monitoring is essential. The OHMS integrated computer system provides regular, detailed reports for the RTB, and will ultimately assist with Leasehold Service Charges when this module is introduced. This should ensure that the provisions of this Strategy are always achieved.
- 12.3 Legislative changes, and indeed the rumour of changes, can lead to uneven levels of demand which require managing to avoid backlogs developing. The monitoring of workload is essential to ensure that customer demands are met and timescales adhered to.