



Jacqui Sinnott-Lacey
Chief Operating Officer

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L39 2DF

Thursday, 26 May 2022

TO: EXECUTIVE OVERVIEW & SCRUTINY COMMITTEE

Dear Councillor,

Please find attached Agenda Item 9 – Leasehold Housing Management Policy – Updated and Agenda Item 13 – Motorfest – Updated and Additional Information.

Yours faithfully

A handwritten signature in black ink, appearing to be 'JS', written over a horizontal line.

Jacqui Sinnott-Lacey
Chief Operating Officer

**AGENDA
(Open to the Public)**

- 9. LEASEHOLD HOUSING MANAGEMENT POLICY 2022** 133 - 136
To consider the report of the Corporate Director of Transformation Housing and Resources.

(NOT OPEN TO THE PUBLIC)

- 13. MOTORFEST** 137 - 142
To consider the report of the Corporate Director of Place and Community.

We can provide this document, upon request, on audiotape, in large print, in Braille and in other languages.

MOBILE PHONES: These should be switched off or to 'silent' at all meetings.

For further information, please contact:-

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LSC 1st June 2022

**EXECUTIVE OVERVIEW &
SCRUTINY COMMITTEE: 26th May
2022**

CABINET: 7th June 2022

Report of: Corporate Director of Transformation Housing and Resources

Relevant Portfolio Holder: Councillor Nicola Pryce- Roberts

Contact for further information: Name Mrs Jane Maguire (Extn.5003)

(E-mail: jane.maguire@westlancs.gov.uk)

SUBJECT: Leasehold Housing Management Policy 2022

Wards affected: Borough wide

1.0 PURPOSE OF THE REPORT

- 1.1 To recommend approval of the Leasehold Housing Management Policy 2022 (appendix 1)

2.0 RECOMMENDATIONS TO EXECUTIVE OVERVIEW & SCRUTINY COMMITTEE

- 2.1 That the Committee consider the Leasehold Housing Management Policy and that the agreed comments of Executive Overview and Scrutiny Committee be passed to Cabinet for consideration.

3.0 RECOMMENDATIONS TO CABINET

- 3.1 That Cabinet approve and agree to the implementation of the Leasehold Housing Management Policy 2022 (appendix 1)
- 3.2 That the Director of Transformation, Housing and Resources in consultation with the relevant Portfolio Holder be given delegated authority to implement, update and amend the policy after consultation, and then every 3 years or when there are legislative changes.
- 3.3 That the Director of Transformation, Housing and Resources in consultation with the relevant Portfolio Holder be given delegated authority to make any minor or

4.0 BACKGROUND

- 4.1 When a tenant purchases a flat under the Right to Buy, they enter into a legal agreement to become a Leaseholder. The Council currently has 455 Leaseholders who live in a flat. For these Leaseholders, as part of the purchase, the Leaseholder agrees to pay service charges towards the cost of the services provided.
- 4.2 The service charges vary depending on the property type and cover costs for the external repair, ground rent, upkeep of the structure of the building, insurance, communal heating, lighting, caretaking, ground maintenance and management charges. The Leaseholder is charged annually for the costs of the service.
- 4.3 A Leasehold property can be resold, remain in owner occupation, or be sublet. We currently have 35% of leaseholder property that is sublet.
- 4.4 The service has continually sought to improve delivery to achieve best practice and legislative requirements. The key objectives of the Leaseholder service is to ensure we:
- optimise income through service charges
 - provide transparent charges
 - comply with the terms of the leases and legislation
 - have a robust policy and processes for recharging for major investment work and recovering charges due
- 4.5 The Housing Quality Network (HQN) was commissioned in April 2021 to review the service, provide advice on the current approach, and identify improvement to deliver best practise. This has helped to formulate the basis of the Leasehold Housing Management Policy 2022

5.0 CURRENT POSITION

- 5.1 Leasehold Management is guided by a legal framework, lease agreements, case law, regulations, and sources of good practice. To recognise this and provide a focus for continual improvement we have developed a Leaseholder Policy.
- 5.2 The proposed Policy outlines the key guiding principles that we will follow to deliver services to current and new Leaseholders, notwithstanding the individual terms of each property lease and the legal framework.
- 5.3 The Policy supports delivery of good practice and will be supplemented with procedural guidance and be reviewed every three years.

6.0 SUSTAINABILITY IMPLICATIONS

- 6.1 By developing a Leasehold Housing Management Policy, the Council is providing a broad overview of services that meet the requirements of the lease and legislation, and it will ensure the service continues to meet best practice whilst providing robust documentation for business continuity.

7.0 FINANCIAL AND RESOURCE IMPLICATIONS

- 7.1 There are potential financial and resource implications arising from this policy in respect of creating a coding structure, transparent charges, dealing with the recovery of day to day and major works charges, and issuing estimates and actuals.
- 7.2 Leaseholder service charge income billed for 2022/23 is £282k, an average of £620 per leaseholder for the year. The total income collected is split and £216k pays for the services and the balance of £66k is added to the Leaseholder reserve fund. This money is held and used to offset major works on the external fabric of leaseholder properties as part of the Council's obligation to maintain our tenanted blocks.
- 7.3 Around 90% of 2021/22 leaseholder service charges were paid.
- 7.4 If we continue with the current approach to leaseholder service charges, the Council could expect at least £254k of 2022/23 service charges to be paid. This is a useful benchmark for assessing the financial value for money of any additional actions, through recovery work, though there are other non-financial considerations too, covered in paragraph 4.4.
- 7.5 We need to be mindful of the value for money implications to this work and so it is intended, that there will be a desk top pilot carried out on 10% of properties linked to service charge actuals and estimates. This will allow the Leasehold Services Manager along with the Finance team to establish working practices, understand if there is a requirement for additional resource and to ensure that changes to the process are cost effective and deliver value for money. However, we need to be mindful of the housing regulatory requirements, and that in any legal challenge, we need to evidence transparent service charges.
- 7.6 Whilst any financial gains are not quantifiable at this stage as we continually improve how we manage the service and administer charges, the Leasehold Services Manager along with the Finance team will collate and report as part of the local performance indicator process how our charges and recovery work compares with our peers.

8.0 RISK ASSESSMENT

- 8.1 The actions referred to in this report are covered by the scheme of delegation to officers and any necessary changes have been made in the relevant risk registers
- 8.2 The policy supports compliance with service charging and lease regulations.

8.3 In the current economic climate we will have Money advice and robust systems to support service charge payers, whilst ensuring we maximise transparent charges and so minimise financial risk

9.0 HEALTH AND WELLBEING IMPLICATIONS

9.1 Any financial impact related to charges and recovery within the Policy have been mitigated for Leaseholders through the provision of repayment options, and provision of budgeting support.

9.2 The policy ensures we have systems that supports the requirements for a property to be safe and compliant to current regulations, and so maintain the health and wellbeing of Leaseholders

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Background Documents

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Report.

Equality Impact Assessment

There is a direct impact on members of the public, employees, elected members and / or stakeholders, therefore an Equality Impact Assessment is required. A formal equality impact assessment is attached as an Appendix 2 to this report, the results of which have been considered in the recommendations contained within this report

Appendices

Appendix 1 – Leasehold Housing Management Policy 2022

Appendix 2 – Equality Impact assessment

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

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