



CAERPHILLY HOMES TASK GROUP – 16TH FEBRUARY 2017

SUBJECT: LEASEHOLDER CHARGES

REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND SECTION 151 OFFICER

- 1.1 The attached report, which responded to a Member's request for further information on leaseholder legislation, process and good practice, was considered by the Policy and Resources Scrutiny Committee on 17th January 2017.
- 1.2 Members were informed that currently 417 flats within the Council's housing stock are now owned by leaseholders, following their sale under the Right to Buy (RTB) scheme. The Council has continuing responsibilities to maintain the external structure and communal areas of the blocks of flats. The Scrutiny Committee noted the leaseholder procedures in respect of these properties, which are in line with legislation and national guidance, and are currently being reviewed by Legal Services.
- 1.3 In referring to the main charges for leaseholders as contained in the report, Officers explained that it is intended for work to be carried out to reassess the current management and administration fee for leaseholders. Although the current annual charge of £10 generates income of £4,170, the minimum annual cost of administering the leaseholder properties is £53,034. It is also intended to assess charges for solicitors' enquiries in relation to the sale or purchase of leasehold flats. Additionally, it is planned to cap the administration charge levied for WHQS works (currently 10%) and review alternative charging mechanisms, as the volume of these works are resulting in higher bills for leaseholders than might normally be the case.
- 1.4 In response to a Member's query, Officers confirmed that disputed charges had only been partially upheld in the very few cases where these had been referred to the Leasehold Valuation Tribunal (LVT). A Member suggested that it could be beneficial to establish a leaseholder forum and Officers confirmed that this was an avenue that could be explored further as part of a range of potential involvement options. Officers also outlined the process relating to leaseholders' obligations and payment options in respect of buildings insurance.
- 1.5 Discussion took place regarding the consultation process for repair/improvement works to leasehold properties. Officers explained that on occasions where this process is not fully completed (due to a need to carry out urgent works to these properties), the leaseholder contribution is capped at £250 and any remaining costs are covered by funds from the Housing Revenue Account (HRA). Officers agreed to circulate to Members further information on the costs incurred by the Authority arising from such occasions.
- 1.6 The Scrutiny Committee also discussed the disparity between the current management and administration fee for leaseholders and the minimum annual cost of administering the leaseholder properties. Officers explained that in addition to the reassessment of the current fee, the associated collection processes are also being reviewed, and that overall, work is already underway against many of the improvements identified in the report.
- 1.7 Following consideration and discussion, the Policy and Resources Scrutiny Committee extended their thanks to the Leaseholder Services Team for the informative report and noted its contents.

1.8 The Caerphilly Homes Task Group are asked to consider the report and note its contents.

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Appendices:

Appendix 1 Report to Policy and Resources Scrutiny Committee on 17th January 2017 – Agenda Item 10