



## Leasehold Panel meeting 5 July 2011

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## Leasehold Panel

### Minutes of the meeting, 5 July 2011

**1. Attendance:** Ms Rita Batzias, Mr Piers Johnson (Chair of Leasehold Panel), Mr S Guven, Ms O Lewis, Mr Roger Bush, Mrs Delsie Grandson, Mrs Shirley Perlman, Ms Sue Brown, Ms Rosamund Tomalins, Ms Marion Merrick, Mr Peter Gilbert, Mr John Spence, Mr Ron Dalliday, Ms Hope Whitely, Ms Lucille Parris, Mrs M Shaw, Mrs Anne Goodhew (Vice Chair of the Leasehold Panel). (17)

Apologies: Ms Alena Breckova (Leasehold Board Member)

**Chair:** Mr Piers Johnson

**Officers:** Mr Nesan Thevanesan, Head of Home Ownership, Mr Michael Kelleher, Housing Enabling Manager, Place and Sustainability Directorate, Haringey Council, Ms Monica McKay, Acting Head of Tenancy Management (West), Ms Ruth Buckingham and Mr James Missenden, Project Managers, Projects & Best Value Team and Mr Bruce Nicholas, Leasehold Project Officer who took the minutes.

**2. Leasehold Alteration Policy** – Michael Kelleher, Housing Enabling Manager, Place and Sustainability Directorate, Haringey Council

Mr Kelleher said that he was planning to submit a policy paper to the Cabinet of the Council probably in September - a draft of this had been circulated with the agenda (see attachments to Nov minutes). He also circulated a list of the comments which leaseholders had made in response to it (Appendix 1). He began his talk by explaining that leaseholders are required to obtain permission from the Council for all alterations to their property under the terms of the lease. Landlord consent cannot be unreasonably withheld (*Landlord and Tenant Act 1927, section 19(2)*).

Mr Kelleher said that the purpose of the policy paper was to set out the existing policies in a comprehensive and systematic way. No new

standards or conditions were being proposed in the paper. The present policy would continue so that generally leaseholders will not be permitted to make any alterations to the exterior since they do not own the outside walls, windows or doors of their property. However any changes to the outside (such as the installation of satellite dishes) will in any case normally require planning permission. Proposed internal alterations that could affect the structure of the building or neighbouring properties will continue to require approval under the building regulations as well as landlord permission. The Council was generally opposed in principle he said to subdividing flats to create additional properties (for instance splitting a three bedroom flat into two or three bed sits).

Where the leaseholder owned the garden then it should be noted that the lease prohibits the building of any structure more than 12 inches (30 cm) in height he said. If the leaseholder still wanted to apply for an external development such as a conservatory (or new windows) then aesthetic considerations would be very important – that is the proposal had to be in keeping with the building or the surrounding area. Furthermore an alteration in a conservation area would have to be very similar in structure and appearance to existing properties to gain planning approval as well as landlord permission. A conservatory would not usually be permitted in a leaseholder's garden in a block of flats, since it would not fit in and it could cause inconvenience (loss of light, etc) to the neighbouring flats.

Mr Kelleher explained that the present way of processing applications would continue. In the first instance all applications for permission (landlord's consent) would be made in writing to the Home Ownership Team, Homes for Haringey (HOT). The leaseholder would have to give a clear description of the alterations they would like to carry out. HOT would then request comments from the Tenancy Management Team and the Repairs Service. They would then forward all the observations/recommendations to the Corporate Property Services and Strategic & Community Housing Departments of Haringey Council for final consideration. Responsibility for granting (or withholding) landlord consent would rest with the Strategic & Community Housing Service.

Mr Guven said he considered that the charge regarding a premium of 25% in respect of the added value resulting from any improvements made by a leaseholder was unreasonable. Mr Kelleher replied that that this was in accordance with the normal practice in the housing sector, which the Council had always followed. The finalised policy paper he said would set out full explanations of all the charges relating to such matters and how they would be calculated (as part of the general clarification of the Council's procedures).

Ms Zilkha referred to the charge of £1,250 in respect of routine landlord consents (such as the removal of non load bearing walls), which is referred to on page 1 of the comments (Appendix 1). She expressed surprise at the amount proposed in relation to this matter and said that it was far too high and that it would deter leaseholders from seeking landlord consent. Ms Brown expressed her strong agreement on this matter. Mr Kelleher replied that he accepted the point that it might deter some applicants.

Mr Kelleher concluded his talk by drawing attention to the fact that planning permission and landlord consent were totally different. Thus even if a leaseholder obtained planning permission for an extension to their property, if they did not obtain landlord consent the new structure would not have a proper legal basis. The Council as landlord could require the leaseholder to remove any type of structure for which landlord consent had not been obtained.

### **3. Anti social behaviour project update – Monica Mckay, Acting Head of Tenancy Management (West )**

Ms Mckay explained that the Council's Anti Social Behaviour Team (ASBAT) is a team dedicated to tackling more serious and complex cases of anti social behaviour problems across the borough. They work closely with the various agencies, such as the Police Safer Neighbourhood Unit, the Drugs Unit, Immigration and so on. They also have a special CCTV mobile unit to undertake monitoring. Homes for Haringey's Tenancy Management Officers (TMOs) deal with lower level ASB matters and work in partnership with other agencies and ASBAT. The TMOs work closely with Estate Service Officers and Concierge Officers where appropriate. When an ASB case is first reported, ASBAT decide on who should deal with it, and allocate it to the relevant team / caseworker.

When a resident first makes a report, they will give the details either on the phone or in an interview. In cases of noise nuisance, Environmental Health will often be involved. It is always important to collect evidence to enable action to be taken against those responsible. The procedure requires the complainant to be informed of what we can do and what they can do and how they will be kept up to date with the action being taken. Often neighbour disputes can be resolved after the TMO has raised the issue and suggested a way of resolving the problem.

Ms Mckay said that the Acceptable Behaviour Contract (ABC) provided a useful method in some cases. It is used by ASBAT, the TMOs and the Police are also involved. It is a voluntary written agreement between a young person and the Local Authority and the Police.

Under the ABC, the young person agrees not to be involved with certain specified anti-social acts. The terms of the ABC are agreed with the young person in an interview. It is not legally binding but, if breached, can be used as evidence if enforcement action needs to be taken through the courts.

In more serious cases legal remedies can be considered employing the use of hearsay evidence. This includes the use of Anti Social Behaviour Orders (ASBOs) which can be for two to five years. Injunctions can be issued in the case of neighbour disputes; witnesses do not need to attend court and they remain in effect for two years. Dispersal Orders can be used where young people are congregating in groups and causing trouble. In cases of drug dealing a Crack House Closure Order can be obtained to close down the property and take action against the owners. In other cases of serious ASB a Possession Order can be obtained to repossess the property. If a tenant is evicted, interlinking of the Council's records prevents them from being re-housed in the Borough.

Ms McKay explained that the general procedure with all complainants is for them to be asked to keep diary notes of incidents as they occur and to report anything of a serious (criminal) nature to the Police. All ASB reports go to ASBAT, who record them on their database. Homes for Haringey also work closely with housing associations, the Mental Health Team and so on, to address issues caused by problem individuals.

During the last financial year Ms McKay said there had been a lot of work undertaken in the Borough to combat ASB. One ASBO had been issued, 11 closure orders, 44 injunctions, 22 ABCs, 17 Possession Orders and 3 Dispersal Orders. Some high profile cases had had very good outcomes which had attracted quite a lot of positive publicity in the local press. Currently ASBAT was working on a Gang Injunction and it was expected that this method would provide a useful addition to the ways of combating ASB.

#### **4. Setting up the Scrutiny Panel – report back – Anne Goodhew (Vice Chair)**

Mrs Goodhew said that the Scrutiny Panel (SP) had now been selected and Leasehold Panel Members would be pleased that the SP had good representation from leaseholders, thus its members included Ms Sue Brown, Mr Peter Gilbert and Mr Roger Bush (together with 2 other leaseholders: Ms Amy Florin and Mr Ellington McDonald and 5 tenants). It was important to note that its role would not be to investigate individual

complaints. However it would have a very important role given that the Audit Commission would no longer exist.

The issue was raised that individual complaints were sometimes indicative of more general problems. Mrs Goodhew responded that all complaints are logged and the main issues summarised in reports. Furthermore all services have to collect statistics on their performance, thus enabling the identification of problem areas. Mr Thevanesan agreed stating that the Feedback Team provided regular reports on the types of complaints raised in the organisation.

#### **5. Leaseholder courses – feedback – Anne Goodhew (Vice Chair)**

Mrs Goodhew said that there had been 5 courses for leaseholders in May and June and that she had attended all of them. They were useful in that they provided a lot of information on various subjects of interest to leaseholders, such as their legal rights, consultation and channels of communication, where to obtain information on the web, subletting and so on. They also provided leaseholders with a good opportunity to exchange ideas on various topics. Unfortunately not all of them had been very well attended. She regretted that people had signed up and then not attended.

#### **6. Value for Money Review of the Home Ownership Team – Ruth Buckingham and James Missenden, Project Managers, Projects & Best Value Team**

Ms Buckingham began her presentation by referring to the Home Ownership Value for Money report (see October minutes) which had been circulated to the Panel with the agenda.

#### **Service areas considered for joint service provision**

In order to ascertain ways of reducing the organisation's costs, Homes for Haringey was looking at areas where it might be possible to engage in joint service provision in conjunction with other social housing providers. These areas included: Communications, People Management, that is Human Resources (Personnel) and Learning and Development, Governance, Home Ownership (Leasehold Services) and Equalities.

#### **Scope of benchmarking with other ALMOs**

Ms Buckingham explained that benchmarking is the process of comparing business methods and performance indicators in one organisation with other similar organisations in order to ascertain best practice and to find better ways of doing things. In order to ascertain

the potential opportunities for joint service provision, benchmarking exercises had been carried out to identify: scope & mode of service delivery; volumes of key deliverables; performance; quality; overall costs, and unit costs.

### **Main Findings- Scope and Volumes**

A number of Arms Length Management Organisations (ALMOs) in the South East had been asked to complete a benchmarking questionnaire on their services. Eight ALMOs had responded to the survey including Barnet, City West, Enfield, Homes for Islington, Redbridge, Stevenage, the Sutton Housing Partnership and Tower Hamlets. With regard to leasehold services the main findings had been as follows:

- Homes for Haringey's leasehold services cover a significantly wider range of activities than most other ALMOs
- Homes for Haringey's productivity is average in comparison to other ALMOs, but good compared to Enfield (which has the closest number of leaseholders).

### **Main findings- Performance**

Two performance measures were benchmarked; service charge collected and major works bills collected. The main conclusions were that:

- Annual service charge – Homes for Haringey has a good collection rate, although its service charge bills are above average.
- In the area of major works Homes for Haringey has the second highest average major works bill. This reflects the Decent Homes work currently being undertaken.
- The fact that Homes for Haringey does not set a target for the collection of major works payments was a disadvantage in being able to compare performance.

### **Main findings - Quality**

- Homes for Haringey's leasehold services rank first in both the number of information leaflets and the ways in which leaseholders are involved.
- Homes for Haringey is in the lower quartile for leaseholder satisfaction, although leaseholders generally register fairly low levels of satisfaction with their landlords. However, the fact that Homes for Haringey has not undertaken a leaseholder survey since 2008 means there is no information available about current levels of satisfaction.

- Homes for Haringey's leasehold services are ranked first for the number of improvements made and is also ranked equal top from the last Audit Commission inspection in 2010.
- Overall, Homes for Haringey provides a high quality service to leaseholders although it is unable to demonstrate that leaseholders are happy with this high quality service as current satisfaction levels are unknown.

### **Main findings -Costs**

- Homes for Haringey has high costs when looking at the average cost per property for the total number of properties it manages and also in terms of the average cost per leasehold property.
- Homes for Haringey's costs are about average when looking at its cost as a percentage of the service charge due. It is very comparable in cost as a percentage of the service charge due in comparison with ALMOs having a similar number of leaseholders, such as Enfield and Barnet.
- Homes for Islington is the most comparable ALMO in terms of activities delivered. However it has lower unit costs because it has more than twice the number of leaseholders of Homes for Haringey.
- Homes for Haringey's valuation charges (for Right to Buy) are high in comparison to other ALMOs

### **Recommendations**

Ms Buckingham said that the main recommendations contained in the report were that Homes for Haringey should:

- investigate any activities not delivered by other ALMOs to see if there is a marketing gap that it can fill. This could include providing advice on involving leaseholders and producing information leaflets/induction packs for other housing organisations.
- set a target for the collection of major works payments.
- look at ways of undertaking a new leaseholders' survey (in consultation with leaseholders).
- look at additional ways of reducing costs/increasing income without reducing productivity, performance and quality.
- challenge the charges in relation to valuations.

### **Final Report**

Ms Buckingham said that they would present the final report at the next meeting of the leaseholders' panel. She said that if Panel Members had any questions about these matters they should contact: Ruth Buckingham, Best Value Project Manager, [Ruth.Buckingham@Homesforharingey.org](mailto:Ruth.Buckingham@Homesforharingey.org), Ext 4614 or James Missenden,

Best Value Project Manager James.Missenden@ Homesforharingey.org,  
Ext 1257.

The question was raised as to why the benchmarking was only carried out with regard to other ALMOs. It was suggested that useful comparisons could be made with the costs of landlords in the private sector. Mr Thevanesan responded that it was very difficult to obtain comparable information from the private sector. Mr Johnson suggested that if leasehold services were made more efficient then this should result in reduced service charges. Mr Thevanesan agreed this was possible but pointed out that the number of staff in the Home Ownership Team had been kept constant since 2005. It was proposed to improve efficiency further by innovations such as more intensive use of office space, a new document management system (paperless office), greater use of emails and so on.

**7. Minutes of the meeting of the 6 June 2011.** The minutes were agreed as a true record.

## **8. Matters arising**

Mr Thevanesan reported back on the question as to whether a Board Member could represent the Leasehold Panel on the Core Group. He said he had spoken to the Resident Involvement Team but they were unable to provide a view on the matter. He had then intended to speak to the Governance Team, but had been unable to do so. Ms Zilkha said that she could see no reason why a Board Member should not represent the Panel.

Ms Brown disagreed; she said that the Chair of the Board had stated clearly in the past that the primary responsibility of a Board Member is to consider the interests of the organisation as a whole in a completely neutral way. She understood that this was the practice that Mr Anton Shelupanov had followed during his period as Leasehold Board Member. Ms Batzias supported Ms Brown's views and Mrs Goodhew said she was also in agreement with this assessment. Mr Nicholas pointed out that up to now the Leasehold Panel had chosen to be represented on the Core Group by either the Chair or the Vice Chair. Mr Johnson noted that Mr Thevanesan would report back to the next meeting on this matter.

❖ **Action point** – Mr Thevanesan to clarify the position as to whether a Board Member could sit on the Core Group.

In relation to the question as to why a charge had been introduced for leaseholders applying to install their own windows and doors, Mr Thevanesan explained that the Leasehold Panel had taken the view in the past that leaseholders in general should not have to bear any administrative costs arising from individual services.

## **9. Any other business**

Mr Thevanesan said he was thinking of providing email subscribers with an email copy of the Actuals Booklet (instead of a paper copy) and asked for the Panel's views. Ms Batzias said she was not sure. Mr Bush said it was often useful to have paper copy in relation to reference material of this nature.

Ms Zilkha said it would be useful if the statements could be printed in a different colour so they would stand out. A question was raised about the Leaseholders' Charter. Mr Thevanesan said that it was not proposed to review/revise its contents until the next year.

Mr Johnson recorded the Panel's thanks to the speakers for their interesting and informative presentations and he then closed the meeting.

## APPENDIX 1

### Results of consultation with leaseholders regarding the Alterations Policy

Comment/Feedback	Council's Response
These guidelines should also apply to tenants who may wish to do some work themselves	<i>The guidelines for alterations for tenants are contained within their Tenancy Agreements. They are also reproduced in the Tenant's Charter. However, the policy is intended to apply to all residents regardless of tenure.</i>
There needs to be in this policy a clear statement as to the procedure to be followed when a leaseholder is replacing boilers	This document is a policy which provides overarching principles and clarity of what leaseholders must do in order to get permission to carry out alterations to their homes. Procedures on individual issues will be produced separately.
it would be helpful to clarify what are "alterations" for which permission must be sought, in particular internal ones	Agreed. Clarity will be provided in the revised policy.
There should be a time period within which the landlord must respond to a leaseholders application	Agreed. A section on customer care standards will be included in the revised policy.
There should be clarity on what alterations should be subject to these very onerous conditions Surely small alterations - replacing windows, doors, some kitchen improvements etc may not have to be subject to these provisions, which will make any improvements potentially very costly	Agreed. Clarity will be provided in the revised policy. The policy does not introduce new requirements on leaseholders. It brings together in one document the principles and policies we currently adopt to provide clarity for leaseholders and staff. <b><i>It must be noted that certain cosmetic improvements such as replacing a bathroom suite or kitchen units do not require landlord's permission unless the work involves the re-routing of the pipe work etc.</i></b>
There is no distinction between blocks and small flats etc.	There are some minor distinctions between blocks and small flats, such as the approach to erecting a conservatory or extension, but mostly the policy applies to all leaseholders. The revised policy will make these distinctions clearer.
An estimation of the cost of the works for insurance revaluation purposes should NOT necessary at this stage	<b><i>Agreed. On major projects, such as extensions this will be made a condition of any consent granted.</i></b>

<p>Fees - no real indication of what these might be</p>	<p>Agreed. This will be included in the revised policy. Administration fees for routine landlord consents (such as removal of non load bearing walls) are levied at £1250. However, there will be instances when administration fees (such as the re-configuration and subsequent increase of accommodation) have to be assessed on a case by case basis.</p>
<p><i>Advice as to whether the payment of a premium of 25% for in respect of added value or a reasonable sum in respect of any damage to or diminution in value will be required</i> It's not clear what is meant by this but this sounds like the council plans to make money from leaseholders trying (at their own expense) to improve council property. This is very unfair. If you decide the works are ok then why also seek to further make money off leaseholders</p>	<p>The Council is not seeking to profit from leaseholders. The basis of negotiations undertaken for consents are similar to those adopted in commercial practice. The Council, as a public sector freeholder should act no different than how a private freeholder would. In fact, the Council has a fiscal and legal requirement to ensure good estate management when dealing with their property assets.</p>
<p>Meanwhile however my main comment would be that the authors of this document need some serious training in plain English</p>	<p>Agreed. The revised policy will be checked for plain English before it is published. It will also be available in alternative languages and formats on request.</p>
<p>Could you please explain the meaning of "Advice as to whether the payment of a premium of 25% for in respect of added value or a reasonable sum in respect of any damage to or diminution in value will be required"</p>	<p>It is reasonable for a freeholder to seek a premium from their leaseholder whose proposed improvements will increase the value of their property. Such instances could include when a leaseholder wishes to carry out alterations that would reconfigure their flat and result in an increase in accommodation (eg. from a 1 bed flat to a 2 bed flat). The Council believes a premium based on 25% of the uplift in value is both fair and reasonable.</p>
<p>Could you also please clarify how this draft differs from the existing policy</p>	<p>The revised policy does not differ to the existing policy. It brings together current policy and practice in one document for the first time in order to add clarity and help leaseholders understand what can at times be a complicated process.</p>
<p>There is nothing in the policy to indicate what type of alterations require consent, eg ? new kitchen.</p>	<p><b><i>The lease stipulates that no internal or external alterations are allowed without first obtaining the council's written consent. However, this does not</i></b></p>

Does this only apply to structural changes or what?	<b><i>apply to cosmetic improvements such as replacing kitchen units.</i></b>
Unclear what charges are being proposed and for what. If the leaseholder is paying, why payment should be made to the Council for anything.	The Council retains ownership of the flat/block and so its permission as landlord is needed before any work can be undertaken. The fees payable to the Council cover its costs in carrying out appropriate investigations and inspections as necessary.
Insurance: Clarity needed re when this is relevant for consideration. Only needs to go in the policy if additional costs to the leaseholder result.	<b><i>Refer to Trudie Eagle.</i></b>
Are there further charges levied with this?	The revised policy does not add any additional or new costs.
'leaseholders must then seek landlord's approval from the Council'  Does this affect the right to change own windows and doors and associated planning permission?	Landlord permission is needed to change external windows and doors. <b><i>Planning permission is also required if leaseholders wish to install their own windows and doors.</i></b> It does not affect planning permission but without landlord consent a leaseholder is not permitted to carry out alterations even if they have received planning consent. <b><i>You must obtain an Application Pack from the Home Ownership Team.</i></b>
how many hundreds of pounds in addition to the leaseholders actual works bill will the planning fees + additional admin fees + this new asking permission clause amount to?	The revised policy does not add any additional or new costs.
as i have refurbished my flat in 2010, with all the relevant paperwork, both planning permissions and application to council, can you confirm that this new policy, if new, is not applicable to me? unless, of course, I decided to carry out some more works.	The revised policy does not introduce new conditions. It does not affect alterations already carried out in accordance with council policy and planning consent.
I'm just interested to know if there is any provision for changing my lease re external decorations?	<b><i>No. This is the council's responsibility and will remain so.</i></b>
If the council has no funding for external decorating and no longer intends to carry out external decs to leasehold properties, then surely the lease should be changed to reflect this?	<b><i>Noted. However, the lease will not be changed irrespective of the fact that funding may not be available for such purposes. The council, as a responsible landlord will always aim to maintain its housing stock in a reasonable condition at all times but this is subject to funding. The lease does not stipulate when the council must carry out external decorations.</i></b>
this policy and the way in which it is written is out of	The revised policy reflects legislation and good practice. The Council

<p>touch with the reality of the ways in which people function as leaseholders and of the scale of financial, personal, emotional and creative investment they put into their properties.</p>	<p>acknowledges the investment that leaseholders make to their property and the policy seeks to clarify what leaseholders should do in order to comply with their legal obligations and what the Council should do in order to comply with its responsibilities as landlord.</p>
<p>You might want to mention the £750 in legal fees and extra £500 in department fees on top of the 25% 'potential' rise in value fees that you levy</p>	<p>Agreed. This will be included in the revised policy.</p>
<p>I do not quite understand what the applicant is supposed to provide to you under the seventh bullet-point. How can the applicant know which of the two alternatives you cite is likely to be required, which must be a pre-requisite for any payment that he or she may make? What is the premium of 25% in respect of added value to be based on, the cost of the work or the present current market value of the property? Are you saying that the applicant should pay a deposit of 25% of the cost of the work, which will either reflect a potential increase in value or compensate for damage or a diminution in the value of the property (bearing in mind that Haringey retains the freehold of the property)?</p>	<p>The 25% is only in respect of those alterations that creates added value, ie. where proposed alterations seek a re-configuration of a flat that results in an increase in the accommodation.</p>