



## Leasehold Panel Meeting Monday 30 July

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## **Minutes of the Leasehold Panel for the meeting in the Civic Centre, Monday 30 July 2007.**

**1. Attendance.** Mrs A Goknel, Ms J Mangrogbang, Mr M Ruggins, Ms O Johnson, Mr P Patel, Ms M Mboizi, Ms D Grandson, Mr B Hines, Mr M Laheen, Mr R Towerzey and Mr N Martin-Clark.

Officers. Mr N Thevanesan, Home Ownership Manager, who chaired the meeting, Ms T Eagle, Risk and Insurance Manager, Haringey Council, Mr J Missenden, Project Manager and Mr B Nicholas, Project Officer who took the minutes.

**2. Minutes of the last meeting (11 June)** – Mr Ruggins pointed out that his name had been omitted from the list of attendees. Mr Martin-Clark complained that there had been a failure to record an important matter in the minutes. He referred to the fact that Pauline Hinds had stated that the archetypes (which were used in the tendering for the Decent Homes Programme) related to actual blocks in the Wood Green area. In response to a question he had put to her she had agreed to obtain some information about the archetypes. Mr Thevanesan agreed that these matters should be recorded in the minutes and said he would ascertain the position by the next meeting.

**3. Matters arising.** Mr Martin-Clark raised the subject of proposed changes of policy in relation to charging leaseholders for the replacement of windows, where they had already installed their own. Under the current policy leaseholders have to pay towards the cost when the Council installs new windows in the block, regardless of whether they had already double-glazed their flat. He said that even if the Council agreed to change its policy, it appeared that leaseholders might have to bear considerable costs in respect of a deed of variation of the lease and a survey of the windows they had installed.

Mr Thevanesan responded by saying that the Council was considering a policy which would enable leaseholders who had installed their own windows to enter into a form of agreement not requiring a variation to the lease. He

said that the matter would be scheduled for discussion at a forthcoming Panel meeting in the near future.

**4. Tendering in April 2008 of building insurance contract –(leasehold properties)**

**Trudie Eagle, Risk and Insurance Manager, Haringey Council.** Ms Eagle explained that the Council re-tendered the contract every three years. Tenders will now be invited in October this year. Leaseholders would not have the right to submit nominations in respect of contractors, since the contract was of a sufficient size that it had to be tendered under the procurement rules of the EEC.

The advertisement, which has to be published in the Official Journal of the European Commission will include the required criteria. Insurance Companies can then express an interest. The tendering will be carried out with the assistance of insurance brokers, who have the necessary specialist knowledge of these matters. The deadline for the return of tenders is the 20 December. Ms Eagle said she would report back to the Panel after this.

- ❖ **Action point.** The Panel expressed an interest in the matters covered by the specification. Ms Eagle agreed to provide the details, when these had been finalised.

Mr Towerzey raised a matter which had occurred in relation to his insurance premium. He said that his building society believed that the rebuilding valuation in respect of his property was too low. Ms Eagle responded that from time to time banks and building societies raised issues of this nature and there was no problem in increasing the valuation (and the premium accordingly). However if the request was in excess of 10% of the current valuation, a copy of the lender valuation would be required.

Mr Laheen suggested that leaseholders should have a greater degree of involvement in the procurement process. Ms Eagle said that this would really not be appropriate in view of the fact that the issues concerned were of a highly technical nature requiring the advice of brokers etc. Leaseholders would not be able to contribute very much in view of the level of expertise involved. She pointed out that the insurers (Zurich Municipal) had not increased the actual insurance rate (£1.60 per £1000 sum insured) for about 10 years.

Mr Laheen said he had had some reports that Zurich was not providing a very good service to leaseholders. Mr Thevanesan responded that he disagreed with Mr Laheen on this matter. As far as he was aware Zurich was providing a very good service and no complaints had been received in the Home Ownership Team. Zurich Municipal provide the following services:

- 24 hour advice on a possible claim
- Answer questions on the progress of a claim

- o Access to a network of recommended trades people

Their phone number is 08700 108855. Ms Eagle also referred to contents insurance for people who wanted cover for furniture and personal belongings. People who wanted this had the option of using the scheme arranged by the Council with the Royal Sun Alliance, which provided very competitive rates for those living in council housing -they can be contacted on tel: 08457 337788.

#### **5. Value for Money Review of service provided by the Council's Cashier's Office – James Missenden, Project Manager, Best Value Team.**

During his talk Mr Missenden referred to the paper (Appendix 1) which he had circulated previously to Panel Members - with the minutes of the previous meeting. He explained that an important part of the work of the Best Value Team was to review services provided by the Council to ascertain whether they met our requirements at a competitive cost.

He had therefore carried out a review of the Cashiers Service, which processes cash payments made in person by people paying their rents and service charges. The office is located next to the Civic Centre. He said that the charge made for this service is £111,000 each year. However owing to changes in the payment methods which most people now use, whereas there had been 190,000 transactions processed on behalf of the housing service 2 years ago, last year there had only been 14,000 of these. This represents a cost of about £8 per transaction which is clearly uneconomic.

For the quite small number of people who wish to pay by cash, they can do so through a bank, building society or Post Office. Tenants also have the option to pay their rents through the Allpay system. Hence Mr Missenden explained it is proposed to cease the use of this service from the beginning of the next financial year in April. He had prepared a paper for presentation to the Board on this subject which contained the information he had provided to Panel Members.

Mr Thevanesan explained that leaseholders could not use the Allpay system because under the SAP system the invoice number always has to be quoted. After a short discussion of the general principles involved, the Panel agreed that it was a sensible step to discontinue the use of this service.

#### **6. Options for paying for major works – consideration of observations received (Appendix 2).**

Panel Members gave the matters some consideration and Mr Thevanesan agreed to bring some detailed proposals to the next meeting.

Mr Ruggins said that the estimate provided in the Section 20 Notice should be more accurate and more detailed. If a lot more work was required, a new notice should be issued. Mr Martin-Clark emphasised he felt that the proposed change, which would require payment shortly after the section 20 estimate, would represent a substantial deterioration in the terms of payment from the point of view of leaseholders. This would be particularly the case with regard to the large bills which some leaseholders would face under the Decent Homes Programme.

It was difficult to see how the introduction of an interest free period of 3 years could adequately compensate for the removal of the period of up to 18 months before any payments had to be made. In addition the present system, whereby leaseholders were invoiced after Council had recorded the payment details in its accounts often meant that there leaseholders received interim invoices over a period of several years. He also said that the following should be considered:

- a. The capping of very large bills
- b. A guarantee of no repossession - no one should be in danger of losing their home on account of the bills arising from the Decent Homes Programme
- c. Since Houseproud loans were only available to the retired and the disabled, similar provisions should be made available for people such as single mothers and the chronically very ill.

He noted that Councillor Diakides, Cabinet Member for Housing Services, had said during the recent AGM of the HLA that the Council was sympathetic to anything that could be legally done to assist leaseholders regarding the payment of major works bills.

**7. Business Plan for Home Ownership Team 2008/9.** Mr Thevanesan presented a copy of the Appendix 3 to the Panel. No matters were raised in relation to proposals it contained.

**8. Top ten performance areas – to choose the most important (information attached)** The Panel agreed that Members should forward any comments to Mr Nicholas.

**9. Conclusion.** Mr Thevanesan thanked Ms Eagle and Mr Missenden for their very interesting and informative talks.

**Appendix 1: Value for Money Review of service provided by the Council's Cashier's Office**

(James Missenden, Project Manager, Best Value Team)

**Report to Leasehold Panel 30 July 2007**  
**(Cashiers Service)**

|   |  |
|---|--|
| Report Title                                      | Value for Money Review – Corporate Finance, Cashier's Office (Payments Centre) |
| Reporting Officer, Team, Role and Contact Details | James Missenden, Project Manager, Best Value Team, Ext. 4614                   |
| Executive Director                                | Rowan Limond   |
| Meeting Description                               | Leaseholders' Panel  |
| Meeting Date                                      | July 30th 2007   |
| Agenda Item                                       |  |
| Status of Report                                  | Not confidential   |

**1. Introduction**

- This paper sets out our proposed recommendation to the Homes for Haringey Board resulting from the value for money review of the Council's Cashiers Service. The paper provides the background and explanation as to why we are proposing to make this recommendation.
- We would like to know if the Leaseholders' Panel will agree to endorse the recommendation and if you have any particular comments to make about this review and its outcomes. Your feedback will be included in our final submission to the Board and will help Homes for Haringey Board make a decision on the future of the service.

**2. Background**

- Homes for Haringey has a Service Level Agreement with the Council's Corporate Finance Service.
- One of the key services provided to Homes for Haringey by Corporate Finance is the facility for residents to make housing related payments in the Council's Cashiers Office (the Payments Centre ) located in Wood Green
- This enables council tenants and leaseholders to pay the following housing charges – rents, leaseholders' service charges, estate visitors parking permits, any other housing debt
- Homes for Haringey is currently being charged **£111 500** in respect of this service in 2007/8

**3. Recommendation**

The Leaseholders Panel is asked to agree the following recommendation that:

**Homes for Haringey will give notice to the Council's Corporate Finance Service in respect of the Cashiers' Service with effect from April 2008.**

- Council tenants and leaseholders will no longer be able to pay housing related charges in the Payments Centre from April 2008.
- However, you will still be able to use the Payments Centre to pay for other Council bills e.g. Council Tax, Parking fines, any other council (non housing related) bill which you currently are able to pay there.
- This will lead to a saving of **£111 500** to Homes for Haringey
- The savings will be used to invest in our services

**4. Why we wish to give notice to Cashiers**

- The Payment Centre is high cost in comparison with both the costs of other council's cashiers and the costs of other payment methods available to HfH residents

**4.1 High costs of Cashiers Service**

- Compared to a number of London councils, the unit charge for Haringey Council's cashiers service is particularly high (Table 1 below).

**Table 1 Cashiers unit costs**

| <b>Council</b>           | <b>Charge per transaction</b> | <b>Period</b>        | <b>Comment</b>   |
|--------------------------|-------------------------------|----------------------|--|
| Haringey Council         | £4.94                         | 2006/7               |  |
| ALMO A (Inner London)    | £1.18                         | April - August 2006  | ALMO A considered this unit cost unacceptably high. Consequently they ceased using the cashiers service from September 2006. |
| Council B (Inner London) | £1.06                         | 2006/7, quarters 1-3 |  |
| Council C (Outer London) | £0.97                         | 2005/6               |  |
| Council D (Inner London) | £0.76                         | 2005/6               |  |

- The transaction cost is based on the total cost of the service divided by the total number of transactions. The transaction costs in the table above were based on the 2005/06 level of transactions for the 2006/07 budget.

- Analysis of 2006/7 transactions shows that transactions fell to approximately 14,000. This means that unit costs per transaction for 2007/08 have increased to **£7.64** (based on our charge of £111k).

#### **4.2 Wide choice of lower cost alternatives**

- Leasehold service charges & any other sundry debt can be paid by direct debit, standing order, through the post office and bank, by internet, debit and credit card over the telephone.
- The Home Ownership Team also receives cheque payments posted to their office. This team spends at least 2-3 hours per day in dealing with banking matters.
- In addition to the above methods, Rent can **also** be paid by All Pay card.
- As a comparison, the unit cost per All Pay transaction is **£0.36 to £0.42** depending on the outlet used
- It is the understanding of Homes for Haringey that Direct Debit, internet, and debit card also attract a comparatively small unit cost per transaction

#### **4.3 Minimal impact of withdrawing the facility**

- There has been a large reduction in the number of payments made through the Payments Centre since the introduction of All Pay for rent in November 2005
- Total volumes have reduced from 23,000 per year in 2005/6 to 14,000 in 2006/7
- The majority of the diminishing amount of HfH transactions made through the Cashiers service relate to rent payments. It is Homes for Haringey's strategy to introduce and promote low cost and efficient payment methods in particularly All Pay and Direct Debit:
  - All Pay now accounts for over 75% of all rents transactions which accounts for over 51% of rent collected
  - Direct Debit now accounts for over 5% of all rents transactions which accounts for over 16% of rent collected
- This has therefore had a major impact on rents transactions through Cashiers which:
  - accounted for just under 5% of rents transactions in 2005/7
  - had reduced to c3% in 2006/7

### **5. Preparations**

- Tenants and leaseholders will be able to use the Payments Centre until the end of March 2008 after notice is given in September 2007
- Homes for Haringey will publicise the withdrawal of this service in the period leading up to April 2008, and will target payers through cashiers in 2007/8 and promote low cost and efficient payment methods like ALLPAY & Direct Debit

- Preparations will be made to transfer the issue and payment of Estate Parking Visitors Permits through Customer Service Centres from April 2008

**Appendix 2: Summary of observations received on payments options for major works**

The following views have been expressed regarding changes that should be made concerning the payment options.

|   | Homes for Haringey current policy | Haringey Leaseholders' Association | Leasehold Panel | Leaseholder' Forum | Best option offered by other organisations |
|---|-----------------------------------|------------------------------------|-----------------|--------------------|--|
| Interest free loan period                 | 1 year                            | 3 years                            | 3 years         | 2 years            | 3 years                                    |
| Discount for payment in full              | 2.5%                              | 7.5%                               | -               | -                  | 5% (Hackney)                               |
| Loan interest rate offered by the Council | 7.4%                              | 5.25%                              | -               | -                  | Islington (Base Rate) 5.25%                |
| Advance Payments/Sinking funds            | -                                 | -                                  | -               | 50/50              | Currently none                             |
| Houseproud loan                           | Set up charges plus admin         | Waive charges                      | -               | -                  | ?  |
| Buy back                                  | No                                | Yes                                | -               | -                  | Greenwich                                  |

**Best Practice**

- Different level of incentives with various types of payment methods
- Bills less than £250 will be incorporated as part of s/c and L/Hs will not be charged additional management fee (£50 + 7.5%).
- Take proactive actions by liaising with Dept of Pensions to maximise benefits to pay major works bills

## Appendix 3: Business Plan for Home Ownership Team 2008/9

### Proposed new developments

Assist in consultation on and dissemination of information regarding the yearly capital programme and works proposed under the Decent Homes Standards. This will involve:

- Consultations and publicity with respect to service standards in relation to the undertaking of major works
- Prompt issue of statutory Section 20 notices in accordance with the relevant schedule under CLRA 2002.
- Implement flexible payment options with regard to the payment of major works bills
- Implement good practice such as advice on benefit maximisation to vulnerable leaseholders customers, as adopted by other London Boroughs

Consult and implement options for buying in goods or services that leaseholders have expressed an interest in having access to, such as kitchen/bathroom, gas servicing contracts and internal repairs to leaseholder flats.

To ensure that all future statutory requirements governing leasehold matters such as the provision to leaseholders of the new statement of rights (to commence 1 Oct 07), production of the new section 152 statement of accounts (regulations have not yet been issued) are fully implemented.

To adhere to requirements or initiatives identified as part of Environmental Sustainability Strategy for Homes for Haringey

Explore implementation of an integrated IT system

#### Appendix 4: Top ten performance areas

Please tick up to 10 indicators your panel/group would like to have reported.  
Please put a number 1 by the one that is most popular.

| Area/Indicator   | Tick |
|--|------|
| <b>Phones</b>  |      |
| • Number of calls we received  |      |
| • Percentage of calls answered   |      |
| • Percentage of calls answered within 15 seconds   |      |
| <b>Customer Service Centres</b>  |      |
| • Percentage of customers seen within 15 minutes at the customer service centres   |      |
| • Average waiting time to be seen at customer service centres  |      |
| <b>Complaints and correspondence</b>   |      |
| • Percentage of stage 1 complaints answered within target  |      |
| • Percentage of stage 2 complaints answered within target  |      |
| • Percentage of stage 3 complaints answered within target  |      |
| • Percentage of correspondence answered within target  |      |
| <b>Estates</b>   |      |
| Every estate is monitored by Estate Service Managers however not all estates are monitored by resident monitors.           |      |
| • Overall estate grade - Percentage of estates graded either A or B by Estate Services Managers or Resident Monitors       |      |
| • External areas cleanliness - Percentage of estates graded either A or B by Estate Service Managers or Resident Monitors  |      |
| • Internal areas cleanliness - Percentage of estates graded either A or B by Estate Services Managers or Resident Monitors |      |
| • Grounds maintenance - Percentage of estates graded either A or B by Estate Services Managers or Resident Monitors        |      |

|   |  |
|---|--|
|   |  |
| <b>Repairs</b>  |  |
| • Percentage of repairs completed within target   |  |
| • Percentage of repairs that had an appointment kept  |  |
| • Average time taken to complete a non urgent repair  |  |
| • Percentage of aids and adaptation repairs completed within target   |  |
| • Results of the following repairs survey questions. The results can show all tenants or just black minority ethnic tenants. Please state if you want one, both or an overall figure. |  |
| 1. Were you happy with the way we booked your repair?   |  |
| 2. Was the repair carried out satisfactorily?   |  |
| 3. Was the repair completed by the date it was due?   |  |
| 4. Did the worker keep the appointment that was arranged?   |  |
| 5. Was the worker polite and helpful?   |  |
| 6. Did the worker show an identity card?  |  |
| 7. Were carpets and furniture protected where necessary?  |  |
| 8. Did the worker clean up properly?  |  |
| 9. Overall how satisfied are you with how we delivered this repair?   |  |
| <b>Design and Engineering</b>   |  |
| • Percentage of tenants with a valid gas certificate  |  |
| • Heating repairs completed within timescales   |  |
| • Percentage of lift repairs completed within target  |  |
| <b>Voids</b>  |  |
| • Average time to repair a void   |  |
| • Average time to re-let an empty property  |  |
| <b>Tenancy Management</b>   |  |
| • Number of squatted properties   |  |
| • Number of unauthorised occupants  |  |
| • Percentage of Welcome visits completed within 6 weeks of a new tenancy starting   |  |
| • Anti social behaviour cases dealt with within timescales  |  |
| • Number of anti-social behaviour cases   |  |
| <b>Income collection</b>  |  |
| • Percentage of rent collected  |  |
| • Percentage of tenants with more than 7 weeks rent   |  |

|   |  |
|---|--|
| arrears   |  |
| <ul style="list-style-type: none"> <li>• Percentage of tenants evicted as a result of rent arrears</li> </ul>       |  |
| <ul style="list-style-type: none"> <li>• Arrears of current tenants as a percentage of the current debit</li> </ul> |  |
| <b>Leasehold management</b>   |  |
| <ul style="list-style-type: none"> <li>• Right to buy applications completed within timescales</li> </ul>           |  |
| <ul style="list-style-type: none"> <li>• Percentage of service charges collected</li> </ul>                         |  |