



Executive Member Decision Notice

Local Government Act 2000 Section 9E

1 Details of Executive Member taking the Decision

1.1 Councillor Duncan Bell

2 Title of Report

2.1 Home Ownership Policy

3 Decision Taken

3.1 To approve the adoption of the new Home Ownership Policy.

4 If Urgent, Reasons for Urgency

4.1 There is no specific urgency, however the sooner this is approved the quicker we can implement the policy.

5 Details of other Executive Member(S) consulted

5.1 All Cabinet Members.

Name Councillor Duncan Bell

Signature _____

Date this decision was taken ____ 10 March 2022 ____

Date of circulation/publication of this decision ____ 10 March 2022 ____

6 Explanation/Background

6.1 This is a new policy. The aim of this policy is to outline the council's approach to meeting its obligations and responsibilities as the freeholder of buildings for leaseholders (housing) in accordance with the terms of their leases and the relevant legislation.

6.2 The specific objectives of the Home Ownership Policy are to cover:

- Leasehold Management and Changes to Leases
- Selling a property and the right to manage
- Service Charges (including debt management)
- Complaints and Disputes

6.3 It is our aim to deliver efficient and cost-effective services to our leaseholders. This Policy will provide clarity and consistency to our customers and staff by outlining the responsibilities and obligations of our leaseholders.

- 6.4 The new proposed repayment schedule is in line with peer organisations who offer similar options for repayment of major works costs.
- 6.5 Following a successful pilot of an early payment discount where £4.3k in payments were received during the trial period, the policy also includes a discount of 2.5% for prompt payment within 21 days of the invoice date.
- 6.6 Within the policy a new repayment structure for major works invoices has been developed with the support of our Finance Team.

7 Legal Implications:

- 7.1 The services provided to leaseholders will be delivered in line with the lease terms which have been reflected in the policy where appropriate.
- 7.2 The policy sets out the relevant legislation which the council will comply with in all instances when managing leaseholder accounts and providing services. This may include Section 20 Landlord and Tenant Act 1985 consultations (Section 20 consultations), debt recovery, repairs and improvements, etc.

8 Financial Implications:

- 8.1 If Section 20 consultations are not completed for major works costs, the maximum we can charge is £250 per unit. Of the £277.1k in total invoices issued since December 2019, had Section 20 consultations not been adhered to the council would have suffered a financial loss of £233.6k, which would have been deemed unrecoverable in line with current legislation.
- 8.2 With the introduction of a prompt payment discount of 2.5% the maximum awarded over the last 24 months would have been £6.9k, had all invoices been paid within 21 days.
- 8.3 Where legal action is taken to recover overdue debts, there is a legal fee associated with taking this action - All associated legal fees for leaseholders are paid from the Housing Revenue Account.
- 8.4 Having the option to take legal action as set out in the policy could result in costs being awarded to the council, thereby generating an increase in income to offset the legal fees and increase debt recovery rates. (There are fixed costs in certain cases and for small claims costs are not generally recoverable – subject to any different provision(s) within the relevant lease).

9 Risk Implications:

- 9.1 The policy also ensures that the council mitigates as best as possible reputational or legal risks associated with delivering this service. These risks are significantly mitigated by having a robust policy and clear procedure in place.

10 Security and Terrorism Implication(s)

- 10.1 None directly arising from this report.

11 Procurement Implication(s)

- 11.1 None directly arising from this report.

12 Climate Change Implication(s)

- 12.1 None directly arising from this report.

13 Human Resources Implication(s)

13.1 None directly arising from this report.

14 Health and Wellbeing Implication(s)

14.1 None directly arising from this report.

15 Communication and Engagement Implication(s)

15.1 This policy has been reviewed by Tenants Panel and any comments have been taken into account.

16 Background Papers Used To Inform The Decision

Corporate report and associated appendices to Cabinet Housing Panel on 17th January 2022.

17 Details of any Members or Officers Who Have Declared An Interest In This Matter And Nature Of Any Such Interest And Any Dispensations Granted

17.1 None.

18 Additional confidential or exempt information considered

18.1 None.

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