

# The Council's obligations to leaseholders

A review by the Public Accounts Select Committee

December 2009



# Contents

<b>Chair’s Introduction: Cllr Alex Feakes</b>	<b>1</b>
<b>Executive summary</b>	<b>2</b>
<b>Key lines of enquiry</b>	<b>4</b>
<b>Methodology</b>	<b>6</b>
<b>Questionnaire and focus groups</b>	<b>8</b>
<b>Findings</b>	<b>19</b>
<b>Background</b>	<b>19</b>
<b>Standard of repairs, maintenance and major works</b>	<b>21</b>
<b>Cost of repairs, maintenance and major works</b>	<b>26</b>
<b>Communicating with leaseholders</b>	<b>42</b>
<b>Recommendations</b>	<b>51</b>
<b>Glossary</b>	<b>59</b>
<b>Key legislation relating to leasehold properties</b>	<b>60</b>
<b>Appendices</b>	<b>62</b>

## **Membership of the Select Committee:**

Councillor Alexander Feakes (Chair)  
Councillor Stephen Padmore (Vice-Chair)  
Councillor David Britton  
Councillor Sven Griesenbeck  
Councillor Alan Hall  
Councillor Madeliene Long  
Councillor Chris Maines  
Councillor Paul Maslin  
Councillor Ute Michel  
Councillor John Muldoon

# Chair's introduction

Cllr Alex Feakes



My Committee decided to review the quality and overall cost of the services provided to leaseholders in Lewisham because of the significant level of complaints received in recent years. The concerns raised with ward councillors will be familiar to many leaseholders:

- the poor quality of repairs, maintenance and major works
- the high cost of repairs, maintenance and major works
- confusion over how charges and bills were being calculated.

We therefore sought to investigate whether leaseholders were really getting value for money when paying their service charge and major works bills.

Throughout our investigation, we were keen to ensure that we heard from leaseholders themselves. We were therefore pleased that so many leaseholders took the time to fill in the questionnaire that we sent to one thousand leaseholders in the borough; and that a smaller number were able to provide more detailed information by participating in the focus groups which we held. All the leaseholders involved in our review participated in a helpful and constructive manner and their input has been invaluable to the formulation of our final recommendations.

We would also like to thank all the other people who contributed to, and co-operated with, our review: in particular, officers from the Council's Customer Services Directorate and officers from the Council's two main housing providers, Regenter B3 and Lewisham Homes.

It is clear that the Council, Lewisham Homes and Regenter B3, are aware that some of the services provided to leaseholders need to be improved. It is also clear that they wish to address this and I hope that our recommendations will assist them in doing so. As a Committee we are tasked with making recommendations and reports to assist in policy development and improve financial management practice. I think that this report helps us to fulfil our duties in this respect.

Alex

Cllr Alex Feakes

Chair of the Public Accounts Select Committee



# Executive summary

Our review found that the services currently provided to leaseholders in Lewisham needed to improve in a number of ways. The information provided to leaseholders needed to be clearer and more timely; costs needed to be calculated more accurately and reduced where possible; the quality of works needed to be improved and made more consistent; and the Council needed to monitor its housing providers in a more robust fashion.

## Information provision

We found that leaseholders were often given inadequate notice of (a) walkabouts on their estate and (b) work being carried out to their property. We are therefore recommending a series of targets that housing managers should meet in order to encourage the timely provision of information to leaseholders. In addition, we found that more attention needed to be given to ensuring that leaseholders always received a meaningful response to their enquiries within ten working days of making their enquiry. It was also evident that there needed to be a clear strategy for raising awareness of the complaints procedure operated by Lewisham Homes and Regenter B3 and for providing feedback on how complaints information was being used to improve services.

As part of our review we considered the methods used by Lewisham Homes and Regenter B3 to ascertain the views of leaseholders. Both organisations send out annual surveys and we think that it would be helpful if there was some crossover in the questions asked to allow benchmarking to take place. We also think that consideration should be given to improving consultation methods, as the cost of making the surveying process more in-depth will be more than outweighed by the benefits of picking up the worst performance.

Finally, we feel that more should be done to advise potential leaseholders of the implications of buying a leasehold property before they purchase.

## Costs

The Council is currently considering options for allowing leaseholders longer repayment periods for bills. We think that, as part of this work, service charge instalment arrangements should be reviewed; the time allowed for major works bills to be paid should be extended; leaseholders should be encouraged to start making provision for major works as soon as they receive the initial notice; and on-account billing

for each leasehold property should be investigated.

We found that there was a strong feeling amongst a number of leaseholders that bills were sometimes inaccurate. In view of this, we think that the way in which information on costs is communicated to leaseholders should be changed and that a clear and complete breakdown of costs (what work took place, when and how much it cost) should be provided with every service charge or major works bill, so that leaseholders can more fully understand what they are being asked to pay for. If feasible, we think that service charge and major works files, including redacted invoices, should be made available on the Lewisham Homes/Regenter B3 website.

We think that major works management fees are too high and that they should be benchmarked and reduced where possible. We also feel strongly that Regenter B3 should introduce a transparent and equitable flat rate charging policy for service charge management fees.

## **Monitoring**

We believe that the Council's clienting procedures in relation to the services provided by Lewisham Homes and Regenter B3 to leaseholders should be reviewed. Current procedures need to be reassessed to ensure that they are sufficient to ensure value for money for leaseholders. In particular, we feel that the Council should strengthen monitoring in relation to how Lewisham Homes and Regenter B3 check (a) the quality of repairs, maintenance and major works; and (b) the accuracy of bills. We also think that the performance management framework should include scope for requiring Lewisham Homes and Regenter B3 to make a reduction to the annual service charge bill if performance falls below a certain level.

## **Quality**

We note that a large number of housing providers operate a five year external repairs and decoration cycle, yet Lewisham Homes operate an eight year cycle. We would like consideration to be given to whether a five year cycle would be more appropriate.

We have also concluded that there is no reason why the Council should not investigate the possibility of encouraging, where feasible, the transfer of the freehold to leaseholders.

# Key lines of enquiry

Our review looked at how the Council and local Housing Managers ensure that their obligations to leaseholders are met. We focussed on the standard and cost of repairs, maintenance and major works; and also levels of consultation and engagement. Our aim was to ensure value for money for leaseholders.

We identified the following three sets of key lines of enquiry (KLOE) to frame our review:

## **(A) Standards**

- How is the standard of repairs, maintenance and major works assessed by Lewisham Homes/Regenter B3/RSLs?
- Do leaseholders have the opportunity to check that work has actually been carried out and carried out to an acceptable standard?
- Do Lewisham Homes/Regenter B3/the RSLs use a single contractor to carry out repairs or a variety of contractors? On what basis are the contractors selected?
- Why has the cycle for external repairs and decoration been increased? What has the impact been? Were leaseholders (and tenants) consulted?

## **(B) Charging and billing leaseholders**

- What is the process followed by Lewisham Homes / Regenter B3 / the RSLs for billing leaseholders for service charges? When is the estimated charge for the financial year provided? When are leaseholders informed of the final actual costs and when are the consequent increased payments or refunds due?
- What opportunities do leaseholders have to challenge the cost of repairs and maintenance? Do they have the opportunity to check and verify that costs are accurate and reasonable?
- How many Lewisham leaseholders have approached the Leasehold Valuation Tribunal to seek a determination as to the reasonableness of the cost of major works invoices?
- Has full-cost recovery been implemented yet?
- How is the management fee calculated?
- What is the process followed by Lewisham Homes/Regenter B3/the RSLs for billing leaseholders for major works/Decent Homes works?

- When will leaseholders receive their bills for Decent Homes works?
- What payment options are available to leaseholders to pay for service charges and major works/Decent Homes works? Is there an extended payment scheme for leaseholders facing hardship?
- Can leaseholders obtain their own quotes for works required and have the work carried out by their own contractors?
- Can leaseholders buy into any of the additional services that are provided to council tenants (e.g. improvement works to kitchens and bathrooms, gas servicing etc.?)
- What is the value of outstanding repairs and maintenance work to be completed this cycle?

### **(C) Consultation/interaction with leaseholders**

- What is the threshold charge per leaseholder for any proposed repairs or scheduled works after which the housing provider is required to consult the leaseholders in question on the charges?
- How do Lewisham Homes/Regenter B3/the RSLs engage with leaseholders? (Are surgeries held? Are there Leaseholder Forums? What leaflets/handbooks are available?)
- Do leaseholders understand their rights and responsibilities?
- Are leaseholders provided with sufficient information on what they are responsible for insuring and what is insured as part of the service charge?
- Has a leaseholder ever taken the Council to the County Court for failure to meet its obligations to leaseholders? If so, what was the outcome?

There are approximately sixty housing managers operating in Lewisham, each with their own approach towards leaseholders. As it would not be possible for officers to outline the approaches taken by all the housing managers in the borough for each KLOE, we asked for the approach taken by Lewisham Homes and Regenter B3 (the two housing managers where the Council remains the freeholder) to be outlined and an example given of the approach taken by one or two of the RSLs operating in Lewisham. Officers chose to provide us with information on the approaches taken by London & Quadrant (L&Q) and Hyde Housing Association.

# Methodology

The review was delivered in the following way:

The review was scoped in **June 2009**. Two evidence gathering sessions were held in **July 2009** and **September 2009**. The Committee agreed its recommendations in **December 2009**. The evidence sessions involved:

**Assessment of documentation:** Officers provided us with comprehensive written information on the Council's and the Housing Managers' obligations to leaseholders, addressing the key lines of enquiry that we had identified.

**Questioning of officers and external witnesses:** Officers and external witnesses from Lewisham Homes and Regenter B3 attended both evidence sessions to answer questions on the written information submitted to the evidence sessions.

**Consideration of quantitative and qualitative evidence:** We sent a survey to 1000 leaseholders in the borough and held two focus groups with a selection of Lewisham Homes and Regenter B3 leaseholders.

Specifically, the following written and verbal evidence was considered at each session:

## **Evidence session one:**

- Written and verbal evidence on our first two sets of key lines of enquiry (standard of repairs and maintenance; and charging and billing leaseholders)
- Written information on the key legislation relating to the management of leasehold properties and the Leasehold Valuation Tribunal.

## **Evidence Session two:**

- Written and verbal evidence on the final set of key lines of enquiry (consultation with leaseholders)
- Written and verbal evidence on procurement processes and benchmarking
- Written and verbal evidence on the results of the survey and focus group.

In addition, we sent a series of follow-up questions to officers and witnesses and we received written responses to these questions.



The results of the survey and focus group can be found at Appendices B – D.

Appendix E provides detailed information on Regenter B3's procurement processes.

Appendix F outlines the results of a Satisfaction Survey Carried out by Lewisham Homes in 2008.

# Questionnaire and focus groups

## Our Questionnaire

1. As part of our review, we sent 1000 questionnaires to a random selection of Lewisham Homes and Regenter B3 leaseholders at the start of July 2009. The survey was sent to 805 Lewisham Homes leaseholders and 195 Regenter B3 leaseholders - approximately 40% of the leaseholders managed by Lewisham Homes and Regenter B3 (once properties owned by co-operatives<sup>1</sup>, any properties where the leaseholder did not live at the property and any properties that were not permanently managed by Lewisham Homes or Regenter B3 or had not yet fully transferred, had been excluded).
2. 135 surveys were returned within the specified timescale, 35 from Regenter B3 leaseholders and 98 from Lewisham Homes leaseholders. (2 respondents did not indicate who managed their property).
3. The questionnaire asked a short series of questions about leaseholder satisfaction with (a) the standard, quality and cost of repairs and maintenance (and major works); (b) the billing arrangements followed by their housing manager and (c) how their housing manager provides them with information. Throughout the questionnaire repairs and maintenance services (covered by the annual service charge) were considered separately from any major works that might have been carried out (e.g. replacement windows) and which are billed separately from the service charge.
4. The questionnaire was designed to provide a baseline of quantitative information for us to consider. We followed up the questionnaire with two focus groups, which were arranged and facilitated by an external consultant in order to provide some independent and impartial qualitative data to complement the quantitative data collected via the questionnaire.
5. Although data protection issues prevented officers from passing the contact details of survey respondents to Lewisham Homes and Regenter B3, where it was clear in the comments left by the leaseholder that they wanted their housing manager to be made aware of a particular issue and take action, information was passed on. In other cases where there was a clear complaint being made but uncertainty as to whether the respondent wanted information to be passed on, the Scrutiny Manager contacted the leaseholder to obtain their permission to pass their details on. In all cases passed on, Regenter B3 and Lewisham Homes sought to address the issues raised.

---

<sup>1</sup>: Some properties classed as Lewisham Homes properties are in fact managed by other companies. Lewisham Homes retains some management responsibility (mainly administrative) but all repairs and services are carried out by a different company. These properties were therefore excluded from the survey.

6. The full results of the questionnaire can be found at Appendices B and C.
7. The key findings are summarised in the bullet points below and further addressed in the 'Findings' section of this report:

#### *Lewisham Homes*

- The majority of respondents (56.7%) felt that external repair and maintenance work was not carried out frequently enough. (40% felt that it was carried out about often enough and 3.3% too frequently.)
- 58.9% of respondents disagreed or strongly disagreed with the statement: "I am happy with the response time if I report a repair that needs to be carried out"
- The majority of respondents were dissatisfied with the standard of repairs and maintenance carried out<sup>2</sup>
- Just under half of respondents were dissatisfied with the standard of major works carried out but just under a third had no view or had not yet experienced major works<sup>3</sup>
- The majority of respondents felt that the service charges they paid were not fair<sup>4</sup>
- The majority of respondents felt that the charges they paid for major works were not fair<sup>5</sup>
- Just over a third of respondents were satisfied with the billing arrangements for service charges, just over a half were not<sup>6</sup>
- 33.7% of respondents reported that they had no view on the billing process for major works or that no major works had been carried out. 41.3% of respondents were unhappy with the process<sup>7</sup>

---

<sup>2</sup> 66.7% of respondents disagreed or strongly disagreed with the statement: "I am satisfied with the standard of repairs and maintenance works that have been carried out on my property/accommodation block."

<sup>3</sup> 47.8% of respondents disagreed or strongly disagreed with the statement: "I am satisfied with the standard of major works that have been carried out on my property/accommodation block." 32.6% had no view or had not yet experienced major works.

<sup>4</sup> 67.8% of respondents disagreed or strongly disagreed with the statement: "the charges I pay for repairs and maintenance are fair."

<sup>5</sup> 62.2% of respondents disagreed or strongly disagreed with the statement: "the charges I pay for major works are fair."

<sup>6</sup> 51.7% of respondents disagreed or strongly disagreed and 36.3% agreed or strongly agreed with the statement: "I am satisfied with the billing process for service charges followed by my housing manager."

<sup>7</sup> 41.3% of respondents disagreed or strongly disagreed with the statement "I am satisfied with the billing process for service charges followed by my housing manager."

- 41.1% of respondents felt informed about the need for and expected cost of repairs, maintenance and major works, 16.7% had no view and 42.2% did not feel informed<sup>8</sup>
- 46.7% of respondents disagreed or strongly disagreed with the statement: “It is easy to contact my Housing Manager”
- There was not a significant difference between the responses of original purchasers under Right to Buy and subsequent purchasers, although original purchasers seemed slightly less happy with the billing process.<sup>9</sup>

### *Regenter B3*

- The majority of respondents (60.6%) felt that external repair and maintenance work was not carried out frequently enough. 27.3% felt that it was carried out about often enough and 12.1% too frequently
- 55.9% of respondents disagreed or strongly disagreed with the statement: “I am happy with the response time if I report a repair that needs to be carried out”
- The majority of respondents were dissatisfied with the standard of repairs, maintenance carried out<sup>10</sup>
- The majority of respondents were dissatisfied with the standard of major works carried out<sup>11</sup>
- Two thirds of respondents felt that the service charges they paid were not fair<sup>12</sup>

---

<sup>8</sup> 42.2% of respondents disagreed or strongly disagreed, 16.7% had no view and 41.1% agreed or strongly agreed with the statement: “My housing manager keeps me informed about the need for, and expected cost of, repairs and maintenance (and major works if applicable).”

<sup>9</sup> 63.7% of the original purchasers who answered question 9 disagreed or strongly disagreed with the statement “I am satisfied with the billing process for service charges followed by my housing manager”. Only 34.2% of the subsequent purchasers who answered question 9 disagreed or strongly disagreed with the statement. In terms of the billing process for major works, 48.1% of the original purchasers who answered question 10 disagreed or strongly disagreed with the statement “I am satisfied with the billing process for major works followed by my housing manager”. Only 32.5% of the subsequent purchasers who answered question 10 disagreed or strongly disagreed with the statement.

<sup>10</sup> 68.6% of respondents disagreed or strongly disagreed with the statement: “I am satisfied with the standard of repairs and maintenance works that have been carried out on my property/accommodation block.”

<sup>11</sup> 71.4% of respondents disagreed or strongly disagreed with the statement: “I am satisfied with the standard of major works that have been carried out on my property/accommodation block.”

<sup>12</sup> 66.7% of respondents disagreed or strongly disagreed with the statement: “the charges I pay for repairs and maintenance are fair.”

- The majority of respondents felt that the charges they paid for major works were not fair<sup>13</sup>
- The majority of respondents were not satisfied with the billing arrangements for service charges<sup>14</sup>
- The majority of respondents were unhappy with the billing process for major works<sup>15</sup>
- Just under two thirds of respondents did not feel informed about the need for and expected cost of repairs, maintenance and major works<sup>16</sup>
- 42.8% of respondents disagreed or strongly disagreed and 34.3% agreed or strongly agreed with the statement: “It is easy to contact my Housing Manager”
- There was not a significant difference between the responses of original purchasers under Right to Buy and subsequent purchasers, although subsequent purchasers were slightly more dissatisfied with the standard and cost of repairs, maintenance and major works than original purchasers.<sup>17</sup>

**8.** In addition to multiple choice questions, the questionnaire contained a free text section to allow respondents space to leave any other comments they wished to make regarding the services they receive as a leaseholder. These comments are attached in full at Appendix C. The comments are summarised in the bullet points below:

---

<sup>13</sup>. 81.3% of respondents disagreed or strongly disagreed with the statement: “the charges I pay for major works are fair.”

<sup>14</sup>. 70.6% of respondents disagreed or strongly disagreed and 17.6% agreed or strongly agreed with the statement: “I am satisfied with the billing process for service charges followed by my housing manager.”

<sup>15</sup>. 77.2% of respondents disagreed or strongly disagreed with the statement: “I am satisfied with the billing process for major works followed by my housing manager.”

<sup>16</sup>. 64.7% of respondents disagreed or strongly disagreed, 17.6% had no view and 17.7% agreed or strongly agreed with the statement: “My housing manager keeps me informed about the need for, and expected cost of, repairs and maintenance (and major works if applicable).”

<sup>17</sup>. 73.7% of subsequent purchasers compared to 62.5% of original purchasers who answered question 5 disagreed or strongly disagreed with the statement “I am satisfied with the standard of repairs and maintenance works that have been carried out on my property/accommodation block”. 73.7% of subsequent purchasers compared to 68.8% of original purchasers who answered question 6 disagreed or strongly disagreed with the statement “I am satisfied with the standard of major works that have been carried out on my property/accommodation block”. 72.2% of subsequent purchasers compared to 60 % of original purchasers who answered question 7 disagreed or strongly disagreed with the statement “The charges I pay for repairs and maintenance are fair”. 88.9% of subsequent purchasers compared to 71.4% of original purchasers who answered question 8 disagreed or strongly disagreed with the statement “The charges I pay for major works are fair”.



### *Lewisham Homes*

#### Costs

- Bills for major works can be exceptionally high (e.g. £60,000 per property for a new roof)
- Service charges are increasing above the rate of inflation (but the quality of the services provided are decreasing)
- Bills are not broken down into sufficient detail – it is not always clear what you are paying for – a complete breakdown is required
- The cost of certain repairs and works seems exceptionally high – poor value for money is being obtained
- There is a perception that leaseholders are covering the cost of work done to tenanted properties
- Errors are sometimes made and leaseholders are charged for work that has not been carried out
- Leaseholders should not have to pay for anti-social behaviour services
- Costs could be reduced if work was managed better – scaffolding often lays idle for months at a time.

#### Standards

- External decoration is sometimes carried out at inappropriate times (e.g. in December – then needs to be re-done due to weather conditions damaging paint)
- Repairs, maintenance and major works are often of poor quality
- External decoration not always carried out frequently enough (e.g. painting)
- A feeling that some maintenance work (e.g. rubbish removal, cleaning communal areas, window cleaning, gardening, caretaking) is not actually being carried out or is being carried out very poorly
- Good caretakers
- Poor response times when repairs are reported
- Leaseholders have to 'chase' to get routine repairs and maintenance completed
- There should be more inspection of the work that is carried out by contractors
- The cleaners are doing a great job (but tenants need to take more care of their homes)

- Some leaseholders feel they need to carry out repairs themselves to ensure they are done on time and to an acceptable standard
- Leaseholders are not allowed to paint their own window frames, even though they would be pay for it themselves and it would improve the look of the building
- Overall Lewisham Homes provides a good service to its leaseholders.

### Provision of information/communication

- It can take a long time to receive a response to letters, phone calls and emails
- Little or no information is provided as to (a) when planned works are to take place; (b) who the contractors are; (c) why they have been chosen; and (d) how much it is going to cost
- Information provided on major works is complicated but provides adequate information on figures
- Staff taking details of repairs sometimes have poor communication skills
- Disappointment that a local housing office has been closed
- Glossy magazines, branded tea towels and shopping bags etc. are not wanted – the money spent on this could be used to reduce service charge bills
- Not enough information has been provided on new charges (e.g. charges for anti-social behaviour services)
- Explanations are rarely given as to why final bills are more than estimated bills
- Housing managers approach leaseholders with the pre-supposition that they are hostile and belligerent
- Agreements made with housing officers are overturned by other officers with no explanation provided and contradictory advice is given by different officers.

### Miscellaneous

- One owner of a converted flat in a Victorian property suggested that leaseholders should be awarded the freehold so owners could give the properties the care and attention they deserve
- Enforcement action against tenants that do not adhere to the terms of their tenancy should be taken (e.g. if they fail to properly maintain their property or garden, have dangerous dogs off the lead in communal areas etc.)

### *Regenter B3*

#### Costs

- Value for money is not achieved
- Major works bills are too high
- Leaseholders should be given more time to pay bills
- Some works are not necessary so leaseholders are paying for work that does not need to be done
- Dissatisfaction with billing system
- It can take a long time to get a refund
- Bills are often incorrect
- Long delays in receiving breakdown of costs.

#### Standards

- The major work has been executed effectively but cosmetic work has not been done or done to a low standard
- The quality of major works done by Higgins is appalling
- No action is taken when the work done is of poor quality
- Major work is being 'pushed' into maintenance work.
- Generally satisfied with standard of work
- The major works contractor is causing damage to estates (e.g. blocked a drain and broke a standpipe)
- It is good that major works have taken place but some of the work is shoddy
- Communal areas are now better cared for (graffiti removed and more cleaning being done).

#### Provision of information/communication

- The schedule of works information lacks detail and is too vague
- It can take a long time to receive the final bill for major works
- One leaseholder reported that they were receiving notices for unpaid bills even though they paid by direct debit
- Leaseholder views are ignored
- Responses are defensive
- It would be helpful to have a single named contact to deal with

- Written communication is poor – Section 20 notices arrive with no clear explanation for leaseholders
- Too many people to deal with – Higgins, Pinnacle and Equipe
- Work is carried out as and when – appointments are not made or if they are made, are not kept
- Staff are unwilling to accept responsibility for complaints.

### Miscellaneous

- There is confusion about how to deal with conservation areas – e.g. PVC windows were installed.

## Other Questionnaires

**9.** We noted that Regenter B3 and Lewisham Homes had recently carried out satisfaction surveys themselves. We heard that Regenter B3, as part of the Decent Homes programme, was undertaking a series of satisfaction surveys and in the most recent survey they had scored extremely highly at 92%. However, we noted that the survey was carried out irrespective of tenure so the 92% satisfaction rate represented the satisfaction of all residents (of which the majority were tenants and not leaseholders). We were pleased to hear that officers had asked Regenter B3 to either extract lessee only data or survey leaseholders separately in the future and that this had been agreed.

**10.** We noted that Lewisham Homes undertook a leaseholder survey in November 2008 and that the results were not dissimilar to our survey results. Leaseholders were asked to respond on a number of service areas including repairs and maintenance and housing management and the results (compared against a similar survey carried out by Lewisham Council in 2006) can be seen at Appendix F.

## Focus Group

**11.** As part of our review we hired a consultant to arrange and facilitate two focus groups involving Lewisham Homes and Regenter B3 leaseholders. The key lines of enquiry that we set for the focus groups were as follows:

### *Standard of repairs, maintenance and major works*

- Are leaseholders happy with the standards of repairs, maintenance and major works provided by their housing manager? If not, what are the problems?

## Questionnaire and focus groups

- In their experience, are repairs and maintenance carried out on time/with adequate frequency? (Do they know the current repair/maintenance cycle for their property? If the repair/maintenance cycle has changed whilst they have been a leaseholder, were they consulted?)
- Are they happy with the response time once they report a repair?
- Have they carried out any repairs/maintenance work that is the responsibility of their housing manager? Why?
- Are leaseholders given the opportunity to check that repairs, maintenance and major works have actually been carried out and carried out to an acceptable standard?

### *Charging and billing leaseholders*

- Are leaseholders happy with the billing process for service charges and major works? If not, what is wrong with it?
- Do leaseholders feel that they have the opportunity to challenge the cost of the charges levied?
- Do leaseholders feel that they have the opportunity to check and verify that costs are accurate and reasonable?
- Are leaseholders happy with the payment options that are available to them to pay for service charges and major works? If not, what options would they like to have?
- Can leaseholders buy into any of the additional services that are provided to council tenants (e.g. improvement works to kitchens and bathrooms, gas servicing etc.?) If not, do they want to?

### *Consultation/interaction with leaseholders*

- How does their housing manager consult with them? (Are surgeries held? Are there Leaseholder Forums? What leaflets/handbooks are available?)
- Are they happy with the current level of consultation?
- Have they been consulted on any major works? Were they asked which contractor they preferred? Were their preferences taken into account?
- Do leaseholders understand their rights and responsibilities?



- Are leaseholders provided with sufficient information on what they are responsible for insuring and what is insured as part of the service charge?

### *General*

- How satisfied are leaseholders with the services provided by their housing manager overall?
- What improvements would they like to see?

**12.** Throughout the focus group sessions, comments about repairs and maintenance services (covered by the annual service charge) were considered separately from any major works that might have been carried out (e.g. replacement windows) and which are billed separately from the service charge. The results of the focus groups roughly mirrored the results of our survey and they can be found at Appendix D.

### **Factors to take into consideration**

**13.** We took the following factors into consideration when assessing both the survey and focus group results:

#### *Ex-local authority stock – general complaints*

**14.** It is important to distinguish between leaseholder dissatisfaction with the services provided by their particular housing manager and more general dissatisfaction with being a leaseholder in ex-local authority stock. Although there are many advantages to being a leaseholder in ex-local authority stock (the properties are generally quite spacious; many are better built than typical private developments, with thicker walls and superior layouts; they are often in good locations; and they are generally cheaper to buy than comparable properties on private estates) there are also disadvantages (service charges may be lower than on private estates but they can still be costly; there is no sinking fund so bills for major works can be very expensive; properties on mixed tenure estates tend to be harder to sell than similar properties on private estates and they attract a lower price; and it can be difficult to get a mortgage on a property higher than the seventh floor). We accepted that it was beyond the scope of our review to suggest ways in which generic drawbacks such as these might be addressed.

**15.** In particular, we noted that whilst service charge and major works bills were a major cause of dissatisfaction amongst leaseholders, they were part and parcel of owning ex-local authority property. We therefore had to distinguish between leaseholder dissatisfaction with these aspects of property ownership per se; and leaseholder dissatisfaction with the particular approach taken by their housing manager in relation to service charges and major works. It was for us to assess whether any dissatisfaction was warranted and if procurement methods, bill calculation methods and payment options could be improved.

### *Major works – funding*

**16.** In terms of major works, Lewisham Homes is restricted by the fact that it has not yet received funding for the majority of its Decent Homes programme. This means that most major works will not start until autumn 2010 at the earliest. The only major works currently being carried out by Lewisham Homes are those schemes which were started by the Council prior to transfer and which need to be completed urgently. We took this into consideration when considering comments about the lack of major works or delays in major works happening.

**17.** In order to access Decent Homes funding Lewisham Homes needs to achieve a two star rating from the Audit Commission following its inspection in May/June 2010. Despite a recent announcement by John Healy, the Housing Minister, that “ALMOs which have yet to achieve the two star Audit Commission standard required to draw down and use the Decent Homes investment are more likely to receive their capital allocations in 2011/12...”, Lewisham Homes is still hoping to begin its Decent Homes programme in autumn 2010.

### *Self-selection<sup>18</sup>*

**18.** It is arguable that the questionnaire and focus group results might be slightly biased and present a more negative view of leaseholder satisfaction than is actually the case, due to self selection. It is likely that out of the random selection of leaseholders who received a questionnaire to complete, those leaseholders who were dissatisfied with the services they receive were more likely to complete a questionnaire on service satisfaction than those leaseholders who were happy with the services they receive. Similarly out of those leaseholders approached to take part in a focus group, it is likely that those leaseholders who were dissatisfied with the services they receive were more likely to agree to participate.

---

<sup>18</sup> Self-selection is a term used in relation to consultation to indicate any situation in which individuals select themselves into a group, causing a biased sample.

# Findings

## A: Background

**19.** There are approximately sixty housing managers operating in Lewisham, each with their own approach towards leaseholders. We therefore decided to focus our review on the policies adopted by (a) the Arms Length Management Organisation (ALMO), *Lewisham Homes*, that manages the bulk of social housing stock in the borough; and (b) *Regenter B3*<sup>19</sup> which manages a selection of properties under a PFI contract.

**20.** We chose these two organisations because, in both cases, the Council remains the freeholder and has legal obligations to the leaseholders living in the properties; and is ultimately responsible for ensuring that repairs and maintenance takes place and the Decent Homes standard is met. The Council therefore monitors the two organisations via a management agreement.

**21.** We noted that if there was ever a failure by the Council to meet its obligations to Lewisham Homes and Regenter B3 leaseholders, then leaseholders could take action and issue legal proceedings in the County Court<sup>20</sup>. We also noted that the Leasehold Valuation Tribunal (LVT) was responsible for making decisions on various types of dispute relating to residential leasehold property, especially with regard to the reasonableness of service charges. (More information can be found on page 61).

**22.** With regard to the Registered Social Landlords (RSLs) operating in the borough, each RSL has responsibility for its own leaseholders and the Council has no financial or legal exposure if the RSL does not properly undertake its obligations to its leaseholders. However, as we were interested in the experience of all leaseholders in the borough, whether or not the Council had any legal obligations to them, we decided to consider some information on the services provided by two of the largest RSLs working in the borough - L&Q and Hyde Housing Association - in addition to examining Lewisham Homes and Regenter B3 approaches in detail.

## Leases

**23.** A lease is a binding contract that sets out the terms on which the landlord allows the leaseholder to occupy the property described in the lease. The lease outlines the obligations and rights of both the leaseholder and the landlord. A lease is enforceable in law and the parties to it cannot simply walk away from the lease or decide unilaterally to act outside the terms of it. However, variation is possible by agreement of all the parties, in certain circumstances, by application to the LVT.

---

19. Regenter B3 is a consortium of companies specialising in housing management, repairs and refurbishment, including Pinnacle who provide the housing management services; Higgins PLC who provide the refurbishment works; and Equipe who undertake the repairs and maintenance.

20. Lewisham Homes or Regenter B3 would act on behalf of the Council.

**24.** The structure of the building and the land it stands on belongs to the Freeholder, which in the case of the properties managed by Lewisham Homes and Regenter B3 is Lewisham Council. The lease sets out the freeholder's responsibilities (which are carried out by the Housing Manager) and which are broadly to:

- Manage the estate (take care of all communal areas including communal gardens and pathways; communal staircase or corridors; and lifts)
- Maintain the structure of the building (carry out structural and exterior repairs including external doors and frames; external walls; foundations to the building; roof; service pipes and ducts; and window frames)
- Insure the building (not the contents)
- Consult on the cost of 'qualifying works' - works of repair, maintenance or improvement where the contribution for any one leaseholder exceeds £250. (Often know as section 20 consultation).

**25.** In most cases the leaseholder's responsibilities relate to everything within the four external walls including floorboards, plaster and ceilings but not including the windows, external walls and structural walls. Other responsibilities include to:

- Pay the ground rent, Council Tax, service charges and major works bills within the time set
- Allow the housing manager/freeholder access to the property to examine and repair the parts for which it has responsibility
- Not to make alterations without consent from the housing manager/landlord
- Not to use the property for trade, business or immoral purposes.
- Insure the contents of the property
- Tell the housing manager/landlord within 21 days of them selling the property
- Keep the property in good repair and condition.

**26.** The main principle from the landlord's/housing manager's perspective is that they are entitled under the lease to levy a service charge and major works fee (equivalent to the leaseholder's reasonable share of the costs) for carrying out caretaking, cleaning, maintenance, repairs and major works to the structure of the property and to communal areas. The Housing Manager can also levy a management fee, chargeable on service charge and major works invoices to offset the operational costs of their Leasehold Services Team.

## B: The Standard of Repairs, Maintenance and Major Works

### Key lines of enquiry

**27.** In July 2009 we received a report providing us with information about the services leaseholders receive from Lewisham Homes and Regenter B3 in terms of repairs, maintenance, major works, charging and billing and some comparative information on the services provided by two of the largest Registered Social Landlords working in the borough (L&Q and Hyde Housing Association). We received the following written and verbal information in relation to our first set of key lines of enquiry:

**28. *Why has the cycle for external repairs and decoration been increased? What has the impact been? Were leaseholders (and tenants) consulted?***

Lewisham Homes	Regenter B3	RSL
<p>Lewisham Homes is currently working to an 8 year cycle which is an improvement on the situation that existed in the past.</p> <p>It is not possible to comment on the impact of the change from a 5 year programme to a 8 year programme as in the past the Council did not redecorate its stock every 5 years (regardless of what the declared cycle may have been).</p> <p>The leases for Lewisham Homes managed dwellings do not specify the cycle that is to be adopted. An 8 year cycle is becoming more common within the industry due to the development of more durable paint products.</p> <p>The 8 year cycle means that a number of properties that have not been decorated for many years have been decorated or will be decorated in the next few months.</p> <p>Residents have not been consulted on the decoration cycle. However the cycle will be reviewed in 2009/10 during the preparation of the Asset Investment Plan (for Decent Homes compliance) and residents will be involved in that process.</p>	<p>External repairs are carried out every 5 years as set out in the output specification and are a Lewisham requirement.</p> <p>However, to date the decorations to some blocks have been brought forward to utilise the scaffold provided by the main contractor for Decent Homes work.</p>	<p>L&amp;Q decorate every 5 years across all their schemes.</p> <p>Hyde: External repairs and redecoration is 5 years to match the majority of Hyde leases (which are shared ownership leases).</p>



## Findings

**29.** At the evidence session, we heard that Lewisham Homes had inherited a backlog of external decorations work and that significant resources had been made available over the last twelve months to address the problem. We were also told that they would continue to prioritise external decoration work until the backlog was eliminated.

**30.** Officers also informed us that the discrepancy in repair cycles (8 years for Lewisham homes and 5 years for Regenter) had occurred because the 5 year cycle was part of the PFI contract standard drafting approved and set by the Department for Communities and Local Government and it was not one of the areas the Council sort to deviate from during contract negotiations.

**31. How is the standard of repairs and maintenance assessed by Lewisham Homes, Regenter B3 and RSLs?**

Lewisham Homes	Regenter B3	RSL
<p>Lewisham Homes aim to undertake post inspections of 10% of communal repairs to assess the quality of the repair; and customer satisfaction surveys are carried out.</p> <p>Current overall satisfaction with the repairs service suggests that 85% of respondents are either very satisfied or satisfied. 92% of post inspections passed the quality check. In addition, all operatives employed by the Repairs Service have a sample of their work checked on a monthly basis to ensure the quality of repairs and any sub-contractors used are also checked.</p>	<p>Post inspections on all day to day repairs are carried out by the contractor over the value of £200. There are regular inspections, audits and contractual KPIs used to monitor the standard of repairs and maintenance. The results of these inspections are sent to the Council via a monthly progress report and recorded on the Contractor's asset management system. Estate inspections (to which residents are invited) are carried out monthly.</p>	<p>Independent Monthly customer satisfaction surveys are used; together with post inspection of randomly selected jobs based on value and work type.</p> <p>Hyde:</p> <ul style="list-style-type: none"> <li>• On large contracts the project consultant monitors the quality of the work.</li> <li>• Post inspections are carried out on a 10% sample of repairs</li> <li>• Estate inspections to which residents are invited are carried out quarterly.</li> <li>• Annual detailed inspections of the common parts of all blocks are carried out by Property Services Surveyor.</li> </ul>

**32.** We asked if compensation was offered to leaseholders if damage was caused to their property from repairs either not being done or done badly and were told that, in the case of Lewisham Homes, where this arises the cost was usually met through insurance arrangements. We were told that Regenter did not offer compensation as one of their managers would check that repairs were carried out and if they were unhappy with the repair, then the repair would be redone to the satisfaction of the manager.

**33. Do leaseholders have the opportunity to check that repairs and maintenance have actually been carried out and carried out to an acceptable standard?**

Lewisham Homes	Regenter B3	RSL
<p>Leaseholders have the opportunity to take part in estate inspections and be members of Tenant Resident Associations where repairs issues are raised. In addition residents are able to request a post inspection of communal repairs and may attend the inspection.</p>	<p><b>Day to Day Repairs:</b> There are programmed walkabouts for leaseholders and tenants to voice their concerns.</p> <p><b>Decent Homes Works:</b> Leaseholders are consulted during the major works programme and given the opportunity to comment on the works. The works are checked and signed off by an Independent Certifier.</p>	<p>L&amp;Q: Yes, they can sign off communal repairs when completed by contractor.</p> <p>Hyde:</p> <ul style="list-style-type: none"> <li>• The person reporting the repair can check it.</li> <li>• Leaseholders are able to attend quarterly estate inspections.</li> <li>• Consultation may be carried out to ensure that standards are thought to be acceptable, particularly on contentious schemes.</li> </ul>

**34. Do Lewisham Homes, Regenter B3 and the RSLs use a single contractor to carry out repairs or a variety of contractors? On what basis are the contractors selected?**

Lewisham Homes	Regenter B3	RSL
<p>Lewisham Homes have their own in-house repair service for day to day repairs. The contract for this was originally won through competitive tender and has since been assessed through value for money studies and through benchmarking with other organisations.</p> <p>Individual major works schemes are let through competitive tender, with a minimum of 3 contractors submitting bids. All contractors are chosen from Lewisham Council’s Approved List (Exor). Bids are assessed on price for small contracts and a mixture of price and quality for larger contracts.</p>	<p><b>Day to Day Repairs:</b> A variety of domestic and specialist contractors are used to implement the repairs. There is a pre-qualification process used to vet contractors. This includes financial, experience, health and safety policies and being CRB checked.</p>	<p>L&amp;Q: A number of multi trade contractors who provide a repair service to a dedicated geographical area based on post code are used. Specialist contractors are also used to back this service up where necessary. e.g. damp works, graffiti removal.</p> <p>Hyde have 3 contractors carrying out day to day repairs across London selected via a tender process based on a schedule of rates.</p> <p>The planned maintenance contractor was selected through a tender process where a minimum of 4 contractors tender. Residents can suggest a contractor for the tender list but they must meet certain criteria.</p>

**35.** At our second evidence session, Mark Agnew from Lewisham Homes reported that there had been a quality issue with sub-contractors when Lewisham Homes took over the management of Building Services, but Lewisham Homes had rationalised the number of sub-contractors used through a tendering exercise. There were now four main sub-contractors with far more stringent performance requirements built into the contracts and Lewisham Homes were using this ‘tougher’ approach to sub-contractors to drive up the standard of work. In addition, a clerk of works would be appointed to all major works projects, to oversee sub-contractors and help ensure quality; and more inspections would be carried out.

**36.** Following our two evidence sessions, we asked if any fire safety work would be carried out as a result of concerns raised by a recent fire in a block of flats in Southwark and if leaseholders would be charged for this. We were told that Regenter B3 had recently carried out an extensive survey to all blocks/properties regarding fire safety protection and were working to implement some of the recommendations that arose from the surveys. Leaseholders would be charged for the work and if it totalled more than £250 per item, then a

section 20 notice covering the works would be issued. As all major works to Brockley Leaseholders properties are capped at £10k within a five year period, we were told that if any additional works were required to a property and the leaseholders had already been billed for the maximum cap then the leaseholder would not be charged. Lewisham Homes reported that Fire Risk Assessors were reviewing the fire risk assessments on blocks of a similar design to the one involved in the fire in Southwark. The Fire Authority were also inspecting these buildings in conjunction with Lewisham Homes. The initial inspection of these buildings had been completed although some more intrusive examinations were now being carried out. At present there did not appear to be any major concerns but leaseholders would be re-charged for any necessary works.

### Survey and focus groups

**37.** The survey and focus groups both assessed leaseholder satisfaction with the standard of repairs, maintenance and major works. Evidence from the survey suggested that:

- The majority of respondents (regardless of housing provider) were dissatisfied with the standard of repairs and maintenance carried out
- The majority of Regenter B3 respondents were dissatisfied with the standard of major works carried out
- Just under half of Lewisham Homes respondents were dissatisfied with the standard of major works carried out (and just under a third had no view or had not yet experienced major works).

**38.** Examples of comments left in the ‘free text’ section of the questionnaire, relating to the standard of repairs, maintenance and major works included:

#### *Lewisham Homes*

- “With ‘best value’ it is always the lowest cost (cheapest) bid that is appointed for contracts. This results in the quality of work not being of lasting value, and some work has had to be done again by a better contractor. A specification of good quality should be set out for contractors to adhere to and to meet. This investment in quality would save money in the medium and long term”
- “The cleaning is not up to standard”
- “My roof was damaged in the past. They are supposed to have done the repair but the job was not done properly. It still leaks when it rains.”

### *Regenter B3*

- “Higgins blocked a drain outside the flats and broke a standpipe in the garages area, neither of which have been rectified for over a year”
- “The workmanship/finish is disgraceful. I would never employ such builders or contractors to do such an awful job”
- “Scaffolding left outside for over a year before any work carried out...work poorly managed and when reported unfinished and poor – no action taken”.

**39.** Evidence from the two focus groups suggested that leaseholders of Lewisham Homes and Regenter B3 had similar concerns in terms of the standard and of repairs, maintenance and major works and that these concerns could be grouped around:

- Poor quality of work
- Monitoring not tight enough
- Poor project management (no value for money, resources being wasted).

**40.** Also when inviting leaseholders to inspect work carried out, the times were often felt to be inconvenient. Although the concerns raised by both groups were mainly the same, Regenter B3 leaseholders did have specific concerns around the approach being taken towards conservation areas. As a result of this, we asked Regenter how they modified their approach to repairs, maintenance and major works in conservation areas and were told that the main modifications concerned planning issues and that an example would be where there are existing wooden window frames. In conservation areas these would almost always be retained whereas they might be replaced with uVPC in a non-conservation area.

### **C: The Cost of Repairs, Maintenance and Major Works**

**41.** Due to the varying nature of services received by Lewisham Homes and Regenter B3 leaseholders, it is difficult to assess the average service charge cost (e.g. not all estate properties have entry phones or lifts). However, we were informed that a typical street based service charge will range between £200 and £300, whilst an estate based property will average between £700 and £900.

### Key lines of enquiry

**42.** We received the following written and verbal information in relation to our second set of key lines of enquiry:

**43. *What is the process followed by Lewisham Homes, Regenter B3 and the RSLs for billing leaseholders for service charges? When is the estimated charge for the financial year provided? When are leaseholders informed of the final actual costs and when are the consequent increased payments or refunds due?***

Lewisham Homes	Regenter B3	RSL
<p>Estimated bills for service charges are sent to leaseholders in March for the forth-coming financial year commencing in April. This estimate will include any adjustments for the previous financial year. This estimate allows the leaseholder 10 months in which to pay.</p> <p>The estimate is based on the actual costs in previous years for repairs, technical repairs, lift costs, entry phone etc. This is coupled with the available budget allocation for the forth coming year and an addition for inflation.</p> <p>In September, or within 6 months of the end of the year, the leaseholder will receive a statement of actual costs for the previous year.</p> <p>Refunds or increase are applied to the next year's estimate.</p>	<p>Leaseholders are sent the estimated service charge demands at the end of each financial year (March) for the new financial year beginning in April.</p> <p>Leaseholders can choose to pay the full amount in 28 days or by 10 monthly instalments.</p> <p>The 2008/2009 estimate was based on the schedule of services we were obligated to carry out under the contract. This included all cyclical and planned maintenance works. Tenders/Quotations are obtained from specialist contractors i.e. Lifts, Gas (CP12's), Pest Control, Aerials etc. An evaluation of the prices is carried out and termed contracts are awarded, usually 3-5 years.</p> <p>The 2009/2010 estimates were based on the actual cost in the previous year.</p> <p>6 months after the end of the financial year the actual cost adjustments are sent to leaseholders.</p> <p>Any credit on their account will be refunded at the leaseholders request. They will need to make their request when they receive their actual adjustment. Debits will be added to next year's bill.</p>	<p>L&amp;Q: Estimates are sent in Feb.</p> <p>Actuals sent the following September after year end. Balancing demand issued/credit refunded. Payment arrangements offered.</p> <p>Hyde: Budgets for the following year are prepared in Sept/Oct and Hyde does some consultation with leaseholders during this process.</p> <p>Estimated bills for service charges are then sent out in February for the forthcoming year (includes any adjustments for the previous year). Payments are then collected monthly.</p> <p>In September, leaseholders receive a final statement of costs from the previous year. Any surplus or deficit on the estimated costs is carried forward to the following year.</p>

## Findings

**44.** Following our two evidence sessions we asked Lewisham Homes and Regenter B3 if any consideration was being given to letting leaseholders pay their service charge over 12 months by direct debit? Lewisham Homes informed us that, at present, the way in which the service charge accounts were managed meant that they were not able to offer direct debit. However, a new service charge module was to be implemented later in the year which would allow direct debt to be offered and they would consider offering payment over 12 months at that stage. Regenter commented that it had to follow the Council's policy and procedures which only allowed Leaseholders to pay over ten months. However, if the Council amended its policy, they would amend the repayment terms in line with any change in policy.

**45. *What opportunities do leaseholders have to challenge the cost of repairs? Do they have the opportunity to check and verify that costs are accurate and reasonable?***

Lewisham Homes	Regenter B3	RSL
<p>Should a leaseholder wish to challenge the cost of repairs included in their statement of actual cost, they have 6 months (from the receipt of the statement) before they are asked to pay any additional sums.</p> <p>If a query or challenge is made they are provided with a breakdown of the repairs included in the actual statement. This is not provided as standard with the statements due to the volumes involved and the administration and the increased costs to leaseholders.</p> <p>Leaseholder service charges also undergo an annual sample audit inspection to validate the methodology and accuracy of the charges applied. This is carried out by the Council's internal audit service (this service has been externalised by the Council).</p>	<p>Leaseholders wishing to challenge the cost of repairs are provided with a breakdown of cost for the item they are querying. They have 6 months from receipt of the bill in which to do so.</p> <p>All actual service charge accounts are audited and signed off using the council's audit service.</p>	<p>L&amp;Q: A full breakdown of costs is provided.</p> <p>Hyde: Leaseholders are able to: Check details of what they have been charged in their statement; Go to Hyde's offices and view the service charges file and see actual invoices; and Ask for further information on costs where invoices are not very detailed. Hyde also arranges to meet with leaseholders on particular schemes to go through costs in details. Explanatory leaflets are sent out with every budget statement. Hyde explains that leaseholders have the right to go to the Leasehold Valuation Tribunal if they are not happy.</p>



**46.** Regenter accepted that billing errors did occur from time to time but that it tried to minimise these and was improving checking procedures to try to reduce these errors before bills were issued. Lewisham Homes informed us that errors in charges could occur where the wrong information was held about services provided to specific blocks and/or estates. Whilst they did not have a record of the incidence of this type of error, they did feel that it was diminishing, as they had verified, and where necessary rectified, a number of details held. Some of the changes that they had made to the way that bills were produced, for instance separating the caretaking (Lewisham Homes provided) and sweeping (Council provided) charges, were felt to provide more transparency for leaseholders who were then better able to question the charges. They also informed us that there were a small number of 'non-performance' errors where charges were wrongly attributed. However, ongoing work with the teams providing services and with the Leasehold Services team was taking place to ensure that information was up to date and accurate and it was felt that the introduction of the new service charge module would further support the accuracy of billing. Furthermore, all response day to day repair charges were reviewed by the Leasehold Services Team to ensure that the detail of the work and location was sufficiently robust for re-charging.

**47.** We asked if the internal audit service had ever queried the methodology used to calculate service charges or their accuracy. We were told that the actual costs were audited every year. The internal audit service had now been externalised and the 08/09 actual costs audited by the new external audit company. The audit looked at the methodology used to calculate the leasehold charges and was carried out on a sample basis with queries regarding accuracy being addressed during the course of the audit. Charges were tied back to the expenditure in the HRA or company account as relevant and officers were not aware of instances where the methodology had been queried.

**48. Can leaseholders obtain their own quotes for works required and have the work carried out by their own contractors?**

Lewisham Homes	Regenter B3	RSL
<p>Under consultation regulations introduced in 2003, leaseholders have the right to nominate a contractor. Lewisham Homes are then obliged to try to obtain a tender from that contractor. The tender would be evaluated using the normal standing order procedures for tender evaluation which would include aspects such as Health &amp; safety, insurances, method statements, financial capacity. Although contractors have been nominated, since Lewisham Homes has managed the properties only one has returned a tender. It was not the successful tender as it was not the lowest cost and did not present other benefits to account for the higher price. There is no right to nominate a contractor where contracts are awarded through advertisement and tendered in the Official Journal of the European Union.</p>	<p><b>Day to Day Repairs:</b> Leaseholders have the right to nominate a contractor. Under legislation they must tender for the work. The tender would be evaluated using the normal standing order procedures for tender evaluation which would include aspects such as Health &amp; safety, insurances, method statements, financial capacity.</p> <p>Leaseholders can obtain their own quotes for work but items of works cannot be considered in isolation as it may impact on adjoining blocks. The quote must be for the whole contract and must include for lifecycle replacement.</p> <p><b>Decent Homes Works:</b> Yes but only for replacement window installation and subject to LBL conditions and approval.</p>	<p>L&amp;Q: For works that are the landlord’s responsibility this is only offered if L&amp;Q fails to deliver the service and the correct procedure. L&amp;Q is not aware that this has ever happened.</p> <p>Hyde: Yes – they are allowed to by law under the Commonhold Leasehold Reform Act. Leaseholders have the right to nominate a contractor. Hyde is then obliged to try and obtain a tender from that contractor using usual tender procedures. However the contractor would need to meet certain requirements around financial capacity, insurance etc.</p>

**49.** We heard that the legislative requirement to invite leaseholders to put forward their own contractor for works to be carried out was, to some extent, a false offer; as the criteria that must be met by contractors were very demanding and local tradesmen would find it very hard to meet all of the requirements.

**50. How many Lewisham leaseholders have approached the Leasehold Valuation Tribunal (LVT) to seek a determination as to the reasonableness of the cost of major works invoices?**

Lewisham Homes	Regenter B3	RSL
Lewisham Homes have had 2 cases in 08/09 and 1 case in this current financial year. The referrals made last year were made on the basis of the serving of the section 20 notices and did not relate to the reasonableness of the costs. Lewisham Homes are currently considering referring a proposed contract to the Leasehold Valuation Tribunal in order to minimise leaseholder dispute regarding the reasonableness of the extent and cost of the works.	No referrals have been made to the LVT.	L&Q: None that we are aware of at present.  Hyde: none in London.

**51. Has full-cost recovery been implemented yet?**

Lewisham Homes	Regenter B3	RSL
Lewisham Homes are seeking to recover full costs from leaseholders where the costs incurred can be identified and substantiated to leaseholders. This year this will include costs associated with anti –social behaviour, resident involvement and customer services as well as the reviewed management charge.	Full costs incurred for works identified and substantiated are being recovered from leaseholders. This includes the cost for the Decent Homes refurbishment work.	L&Q: Yes  Hyde: Yes

**52.** At our first evidence session it was clarified that if services were funded via the Housing Revenue Fund and leaseholders benefitted from them, then some of the cost of providing those services was recovered from leaseholders. However, if the service was funded from council tax revenue, leaseholders were not charged. Although some anti social services were provided via council tax revenue, others were not. Therefore a flat rate of £38 per household was charged for providing housing related anti social behaviour services. This was a flat rate across all leaseholders, whether or not there was currently any anti social behaviour issues on their estate/street. At our second evidence session it was confirmed that leaseholder charges were not used to offset the costs of providing those services to tenants and that the recent steep rises had occurred only to offset the imbalance in charges whereby leaseholders had not been fully charged for all the services they receive.

## Findings

### 53. How is the management fee calculated?

Lewisham Homes	Regenter B3	RSL
<p>Until recently, the management fee was based on historical data that had not been reviewed for a number of years. This was a criticism in the Audit Commission mock inspection in Nov 08.</p> <p>For this financial year Lewisham Homes have undertaken a review of the management costs, which includes cost of the various functions undertaken in respect of leasehold properties for revenue services, for instance: calculation, billing and recovery of charges, the annual audit, breaches of lease and organisational overheads, such as printing, post, IT, human resources, finance etc. The service charge management fee is now based on two flat rates:</p> <p>Street properties £49 Purpose built blocks £140.</p> <p>This replaces the previous 28% of total charges or £45 minimum charge. Charging for management in this way resulted in some leaseholders paying in excess of £200 per annum, whilst others were not paying sufficient to cover the cost of the service they received. Leaseholders with service charge bills excluding management of more than £500 benefit from the new management fee charging mechanism.</p> <p>Service Charges have also been introduced for the following services which are of benefit to all residents:</p> <p>Anti Social Behaviour £ 38 Customer Services £ 4 Resident Consultation £12.</p>	<p>The current annual management charge is 28% of the service charge bill, or £45.00 whichever is the greater</p> <p>We are aware that this has changed in relation to other LBL providers. Regenter will look at management charges in the future to bring them in line with other providers.</p> <p><b>Decent Homes Works:</b> On costs include: Fees (planning, building control, waste management, building surveyors, mechanical &amp; electrical engineers, energy ratings, insurances); Preliminaries (project specific site set up, resident liaison officers, site management and administrators, quantity surveyors, statutory charges); and refurbishment sub contractor company overheads and profit.</p> <p>These costs are expressed as a percentage of the overall contract sum (excluding value of provisional sums) and applied to the value of leaseholder works, so on cost/professional fee sum is more reflective of the works carried out. The value of 26% is comparable to other similar PFI projects.</p>	<p>L&amp;Q: 15% of expenditure. Not able to provide an average as the sum varies significantly depending on the scheme, the contract sum and the number of homes affected</p> <p>Hyde: 15% of costs excluding utilities and buildings insurance. Hyde's average fee works out at around £135. However, as above, this would vary significantly for the same reasons.</p>

**54. What is the process followed by Lewisham Homes, Regenter B3 and the RSLs for billing leaseholders for major works/Decent Homes works?**

Lewisham Homes	Regenter B3	RSL
<p>Where major works costing any leaseholder more than £250 are carried out, they are consulted as required by legislation. This involves the service of two notices prior to the works commencing, each notice gives the leaseholder 30 days in which to make comments. The 1st notice invites the leaseholder to give comments on the proposed works and nominate a contractor. The 2nd notice includes an estimate of the costs.</p> <p>Once the work is completed the contractor / Council will undertake a final account to determine the final cost of the project. Once this is known, bills are then calculated and sent to leaseholder. In some instances this can be as much as 30 months after the issuing of the Section 20 notice.</p> <p>For 09/10 Lewisham Homes will be moving to a system of issuing estimated charges shortly after the works start on site. This should lead to disputes being raised and resolved earlier, whilst the contractor is still on site and within the defects period. Adjustments to the charges will be made when the final account is known.</p> <p>Lewisham Homes do not operate 'sinking funds'. Consultation undertaken through a series of focus groups found that leaseholders were not in favour of setting up such funds.</p>	<p>For major works not undertaken under the Decent Homes umbrella, the serving of 2 notices would be undertaken. The 1st Notice invites comments and the nomination of a contractor. The 2nd notice includes estimated costs. Leaseholders have 30 days to respond with their observations.</p> <p>For major works under the Decent Homes PFI, the contractor nomination &amp; consultation process forms part of the actual bid process. Therefore 1st notice stage was undertaken as part of the bid process prior to the contract commencing.</p> <p>Following the determination of final cost, a bill is issued within 18 months of completion of works.</p> <p>Regenter could look into the possibility of setting up sinking funds but there would obviously have to be consultation with the leaseholders, as it would require them paying additional money. As leaseholder concerns are with the cost of the Decent Homes major works being undertaken now, this scheme may not necessarily benefit them. It would need to have been instigated prior to the contract/work starting.</p> <p>Leaseholders have been advised and some have taken the opportunity to start making payments to their major works as soon as the works start or when it is completed. This allows them a minimum of 18 months from works completed to being invoiced and a further 18 months extended payment period. Giving them 36 months in total to pay.</p>	<p>L&amp;Q: Follow statutory requirements laid out under Section 20 of the Housing Act for consultation for works over £250 per unit. Payment terms are offered on conclusion of the works.</p> <p>Hyde: Consultation as required by Section 20 of the Housing Act, the same procedure as Lewisham Homes involving the serving of a 1st and 2nd notice. Bills are sent out once final account is known which can be some time after work has finished (18 months is the maximum time period for billing leaseholders after completion of works).</p> <p>For its existing leaseholders (who are mainly shared owners) Hyde collects 'provisions' on a monthly basis. This is an amount of money set aside for future major repairs and improvements which helps to prevent leaseholders facing large bills all at once. This doesn't apply to the Foreshore stock transfer as yet but may be introduced following consultation.</p>

## Findings

**55.** At our second evidence session Sandy Canham from Lewisham Homes reported that it was harder to bill for those major works that had been started by the Council and finished by Lewisham Homes as recording was not always sufficient. However, Lewisham Homes was now working closely with the Council's capital delivery team and error rates were falling. After the session, we noted that following the recent Audit Commission mock inspection of Lewisham Homes, they had agreed to offer leaseholders the opportunity to inspect tender returns before work started and we asked about the number of leaseholders that had taken up this offer. We were informed that all 2<sup>nd</sup> stage consultation notices informed leaseholders of the offer to inspect the specifications and tenders, but the take up was very low. However, a focus group with leaseholders held in September 2009 about the information provided by Lewisham Homes for major works charges suggested that the offer was regarded as a good option for leaseholders who required that level of detail.

**56. *When will leaseholders receive their bills for Decent Homes works?***

Lewisham Homes	Regenter B3	RSL
Some leaseholders will receive bills during the current year where decent homes works are being carried out through normal funding streams. However, the volume of such bills will greatly increase when the Government's Decent Homes funding is received.	Bills for Decent Homes work are issued within 18 months following completion of the work. Bills are now being issued for the first phase of the refurbishment work.	L&Q: Bills will be issued following completion of the works and the final account. Hyde: Not applicable to existing leaseholders who mainly live in recently built shared ownership properties. For Foreshore leaseholders this will be approx 18 months after completion.

**57. What payment options are available to leaseholders to pay for service charges and major works/Decent Homes works? Is there an extended payment scheme for leaseholders facing hardship?**

Lewisham Homes	Regenter B3	RSL
<p>Service charges are due 10 months after the bill is issued.</p> <p>In the case of major works it can sometimes take up to 30 months to issue the final bills, following the issue of the Section 20 notice. Payment is then due within 10 months.</p> <p>Leaseholders may apply for loans from Lewisham Council (administered by Lewisham Homes) or their own private loans. Another option is to use an equity release scheme.</p> <p>In the case of hardship, leaseholders may be referred to the Home Improvement Trust. Another option would be a charge on the property.</p> <p>Other payment options are being considered as part of discussions with Brockley Leasehold Association, Regenter and the Council. (The options paper is being developed in discussions with Regenter B3 and their leaseholders but will apply more widely if any of the options are taken forward).</p>	<p>Service charges are due 10 months after bill has been issued.</p> <p>Various payment options are issued with the s20 notice. Payment for major works is due within 10 months of final bills but this can be extended to 18 months providing payment of a deposit has been made.</p> <p>Leaseholders have been advised and some have taken the opportunity to start making payments to their major works as soon as the work commence or when it is completed. This allows them a minimum of 18 months from works completed to being invoiced and a further 18 months extended payment period. Giving them 36 months in total to pay.</p> <p>Other payment options are being considered as part of discussions with Brockley Leasehold Association, Regenter and the Council.</p>	<p>L&amp;Q: Interest free payment over 12 months in equal instalments. Lump sum payment. Loan scheme over 3 years.</p> <p>Hyde: Will look at interest free period for 6 – 12 months.</p>

**58.** We asked about the loans available to leaseholders struggling to pay major works bills within 10 months and were told that all consultation notices and major works bills were accompanied by information about payment options, which included the availability of service charge loans. However, it was likely that leaseholders would be able to obtain more advantageous loans from their lender as the interest charged was currently 5.63%. We noted that if a leaseholder was applying under the right to a loan, the maximum loan term was 10 years. However, where a leaseholder applied for a loan under the powers to grant discretionary loans, the term could be extended or shortened to suit the leaseholder's circumstances and there was no



penalty for early repayment.

**59.** We also asked officers about the payment options currently being considered as part of the discussions being held by Regenter B3, Brockley Leasehold Association and the Council and were told that the main areas that the Council was considering were:

- Extending the period for repayment
- Providing early estimated billing to allow more time to pay
- Equity release
- Offering interest free loans for elements of bills exceeding £10,000 in any five year period (for Lewisham Homes leaseholders who did not benefit from a cap).

**60.** We asked Lewisham Homes if they would consider capping the cost of major works for leaseholders in line with the £10,000 cap operated by Regenter and were told that they followed the Council’s policy and presented, to a panel of Lewisham Council officers, all cases where leaseholders were required to pay more than £10,000 in any five year period for works of repair and/or improvement. This was considered good practice and was in line with the statutory regulations about discretionary deduction being made when bills are in excess of £10,000. They reported that each case was considered on its merits and no automatic cap was applied. They also informed us that there was no funding available to make up any shortfall in income arising from reducing leaseholders share of the cost of works.

**61. Can leaseholders buy into any of the additional services that are provided to council tenants e.g. improvement works to kitchens, bathrooms, gas servicing etc?**

Lewisham Homes	Regenter B3	RSL
<p>Leaseholders have the option to use the gas contractors appointed by Lewisham Homes, but the arrangement is made directly between the contractor and the leaseholder. Information about this was included in the March leasehold newsletter.</p> <p>Lewisham Homes, in consultation with leaseholders, will be looking at the options for leaseholders to buy into contracts that will be let for Decent Homes works.</p>	<p><b>Day to Day Repairs:</b> There is no additional service offered for leaseholders to buy into the day to day repair service.</p> <p><b>Decent Homes Works:</b> No – we are unable to offer these services.</p>	<p>L&amp;Q are offering as part of the stock transfers, Leaseholders the opportunity to buy into their improvement / Decent Homes works i.e. kitchen / Bathroom programme.</p> <p>Hyde is looking at the possibility of doing this but it is likely the arrangement would be directly between the leaseholder and contractor.</p>

**62. What is the value of outstanding repairs and maintenance work to be completed this cycle?**

Lewisham Homes	Regenter B3	RSL
The budget for 2009/10 for capital schemes is £13.7 million, however, this is not the value of the outstanding works. The funding gap between the outstanding works and the capital budget is the subject of the Council's bid for ALMO funding.	£25,000 remains in this year's budget to undertake planned maintenance works. This is a separate budget from Decent Homes.	No response.

**63.** Following our evidence sessions we asked for a written response on whether some Lewisham leaseholders were finding it difficult to get a competitive mortgage due to the nature of the housing stock, for example if they had bought in a block of more than five storeys. We were informed that Lewisham Homes had seen a couple of examples of this and heard of more anecdotally. Although discussions had been held with the Council of Mortgage Lenders through a London wide leasehold forum but the position was that their members were not prepared to enter into arrangements they did not consider to be sound investments and would always place their own business interests first. Regenter informed us that they did not think it was a major issue, although they had seen one case in which a surveyor's report clearly stated that the building was not of a type suitable for loan in the current market. They felt that in the current climate the main issue appeared to be credit worthiness rather than the type of build per se.

#### **Procurement**

**64.** At our second evidence session we considered the procurement processes followed by Lewisham Homes and Regenter B3.

**65.** We heard that all procurement activity within Lewisham Homes was governed by a Contract Standing Orders (CSOs) document, supplemented by the Procurement Code of Practice (Proc COP). Although these documents do not contain any formal definition of Major Works, they provide that "(all) contracts with a value in excess of £100,000 must be subject to a competitive tendering process" which, in practice, covers the vast majority of construction and associated works. Therefore, for the majority of major works, tenders are invited from a minimum of three tenderers chosen from the relevant category on EXOR (a list of pre-qualified suppliers also used by the Council - EXOR suppliers have to demonstrate compliance with pre-ordained

health and safety, equality and financial requirements). In the case of larger and more complex requirements, we noted that Lewisham Homes had taken a policy decision to utilise external construction consultants to prepare tender documentation, evaluate tender returns and prepare the final contract. In doing so they liaise closely with an assigned Lewisham Homes Project Coordinator and any recommendations they make (e.g. on contract award) are subject to approval by Lewisham Homes in accordance with the CSOs and Proc COP.

**66.** In the case of works procurements with a value of more than £3,497,313, the provisions of the EU Procurement Directive 2004 (enshrined into English law as the Public Contracts Regulations 2006) come into play. However, thus far no Lewisham Homes major works procurement has breached this threshold although the Decent Homes programme will. As a result, Lewisham Homes will have to follow the requirements of the legislation in regard to the tendering and evaluation procedures for this programme.

**67.** We also received some information about Regenter's procurement processes, which varied slightly from those of Lewisham Homes. This information can be found at Appendix E.

**68.** We noted that leaseholder consultation was always conducted where required by the relevant legislation. The regulations oblige housing managers to consult leaseholders where they are required to pay more than £250 towards works. Where long term contracts are involved and the leaseholder is likely to incur costs of more than £100 per annum managers are also obliged to consult with leaseholders (long - term contracts are defined as those which are for more than 1 year).

**69.** As far as alternative procurement options are concerned, the Committee considered the use of framework agreements established by consortia such as Cyntra (previously the London Area Procurement Network), Procurement for Housing and the London Housing Consortium (LHC). The major advantages of these are that they enable a purchasing organisation to bypass elements of the EU procurement regulations and for smaller housing providers may enable them to achieve better pricing than they could through direct contracting. Against these, however, have to be weighed a number of significant disadvantages of which the main ones are:

- the frameworks may not enable recovery of costs to be made from leaseholders;
- competition under the frameworks is limited and may not include the most competitive companies;

- during a falling market, the framework pricing structure may not be competitive;
- the framework terms are broad and general in nature and an organisation's specific requirements will still require the preparation of detailed specifications/contract documents.

**70.** However, whilst Lewisham Homes would look at the potential use of such agreements, experience thus far has not identified any cases in which their use appears preferable to direct contracting.

### **Management Fees and Charges**

**71.** We also considered the management charges currently being levied by Lewisham Homes and Regenter as we were aware that a number of leaseholders were concerned about the level of fees being charged. We noted that, in terms of service charge management fees, Lewisham Homes had recently moved to charging a fixed sum of £49 for street properties and £140 for flats; whilst Regenter charged either 28% of the total service charge or a flat rate of £45, whichever was the greater. We noted that Lewisham Homes had moved to charging a fixed fee last year, once it had become apparent that there were a number of leaseholders paying more than £200 a year in service charge management fees, whilst some (non-street property) leaseholders were paying significantly under £100 which was not covering costs. Therefore two flat rates - for street properties and purpose built blocks - were implemented, supported by leaseholders at a focus group and the Leasehold Special Interest Group.

**72.** As far as major works were concerned, we noted that Lewisham Homes charged a 10% management fee of the works cost, plus professional fees of between 6% to 10% depending on the contract; and Regenter charged around a 12% management fee of the works cost, plus professional fees of around 26%. However these percentages were subject to some variation depending on the extent of professional input and other on-costs.

**73.** As part of our consideration of management fees we looked at the results of a benchmarking exercise undertaken by the Lewisham Homes in 2007/2008 to try to put the fees being charged into context. However, at the time the benchmarking exercise was carried out, the Regenter contract had not started (and was therefore not included in the exercise) and Lewisham Homes had not yet moved to charging a fixed sum for its service charge management fees, so the results were of limited value. However they did serve the purpose of revealing that the nine ALMOs sampled at that time all levied different fees that varied significantly. This suggested that a 'standard fee' could not be pinpointed.

**74.** The management fees levied on service charge bills by the 9 sample ALMOs ranged from £140 to £238 per annum; and whilst some ALMOs charged a fixed fee, others charged a percentage of the works and/or services. It is likely that some of the variability might be a result of different things being included in the management fee. For example, we noted that currently Lewisham Homes did not include its charge of £38 for anti-social behaviour services, £12 for resident involvement £12 and £4 for customer services in its fixed rate management charge. However, other organisations did include such items within their management fees. This made making a strict comparison between the organisations that took part in the exercise difficult; although we feel that the wide range of service charge management fees being levied was still notable.

**75.** The same wide range of charges was also apparent for major works with charges ranging from 15% of works costs to in excess of 30%. In this case, we understood that some of the variability might be due to some ALMOs including certain costs as part of the works costs (such as professional fees), whilst other ALMOs extracted out these costs and charged them as part of the on-cost, which could be made up of management fees and professional fees. Nevertheless, the wide range of charges was still notable.

**76.** We felt that it was a shame that the only benchmarking information available to us was so dated, so we look forward to more up to date information being collected in the near future.

### **Survey and focus groups**

**77.** The survey and focus groups both assessed leaseholder satisfaction with the cost of repairs, maintenance and major works. Evidence from the survey suggested that:

- The majority of respondents (regardless of housing provider) felt that the service charges and major works bills they paid were not fair
- The majority of Regenter B3 respondents were not satisfied with the billing arrangements for service charges and major works
- Just over half the Lewisham Homes respondents were not satisfied with the billing arrangements for service charges and just over 40% were unhappy with the billing process for major works.

**78.** Examples of comments left in the ‘free text’ section of the questionnaire, relating to the cost of, and billing arrangements for, repairs, maintenance and major works include:

*Lewisham Homes*

- “Service charges, particularly the management fees, are excessive and compare unfavourably with many in the private sector”
- “The amount I pay for repairs seems disproportionate to the extent of repairs actually carried out”
- “Every year the service charge bill comes I see a list of items/works being charged for. What I don’t see is those items/works mentioned in the bill being carried out”.

*Regenter B3*

- “I pay (my service charge) by standing order yet keep receiving notices for unpaid amounts”
- “The current bill for major work is causing stress to pensioners. £10,000 charged to us for 6 double glazed windows and a door”
- “The billing of my estimated service charge for the year was twice incorrect – why are no checks made?”
- “As a leaseholder presented with a major works bill of £10,000 I find it unacceptable that the time that is allocated to repay this huge sum of money is so short”

**79.** Evidence from the two focus groups suggested that leaseholders of Lewisham Homes and Regenter B3 had similar concerns in terms of the cost of repairs, maintenance and major works and the billing process; and that these concerns could be grouped around:

- The steep rise in service charges over last three years
- Inaccuracies in bills
- The options for paying large bills (they were not felt to be realistic).

**80.** Leaseholders were also concerned that they were ‘paying for tenants’. Although the concerns raised by both groups were mainly the same, Lewisham Homes leaseholders were particularly concerned about charges for anti-social behaviour services.

### D: Communicating with leaseholders

#### Key lines of enquiry

**81.** At our second evidence session in September 2009, we received the following information in relation to our final set of key lines of enquiry:

**82. *What is the threshold charge per leaseholder for any proposed repairs or scheduled works after which the housing provider is required to consult the leaseholders in question on the charges?***

Lewisham Homes	Regenter B3	RSL
<p>The Regulations require that leaseholders are consulted where they are required to pay more than £250 towards works. Where long term contracts are involved and the leaseholder is likely to incur costs of more than £100 per annum we are obliged to consult with leaseholders. Long - term contracts are defined as those which are for more than 1 year.</p>	<p>The current figure is set at £250.00</p>	<p>L&amp;Q: Greater than £250.00.</p> <p>Hyde: Under the Commonhold and Leasehold Reform Act 2003, where a variable service charge is payable, Hyde:</p> <ul style="list-style-type: none"> <li>• formally consults on works (maintenance to the building) when the cost is more than £250 per property (including VAT).</li> <li>• if a Long Term Agreement (a contract that last for more than 1 year) is entered into, then the consultation figure is more than £100 per annum per property (including VAT).</li> </ul> <p>Hyde undertake additional consultation on some schemes depending on the circumstances (types of works, where leaseholders have queried charges before and/or we have held meetings in the past.)</p> <p>L&amp;Q also follow the statutory framework.</p>



**83. How do Lewisham Homes / Regenter B3 / the RSLs engage with leaseholders? (Are surgeries held? Are there Leaseholder Forums? What leaflets/handbooks are available?)**

Lewisham Homes	Regenter B3	RSL
<p>Lewisham Homes operate a number of forums to engage leaseholders, including focus groups and a Special Interest Group specifically for leaseholders looking at issues that only affect them. Leaseholders were also part of the recent Stakeholder Conference which discussed the Decent Homes Investment programme. When the 09/10 service charge estimates were sent out Leaseholder surgeries were held. Newsletters are sent out with estimates and actual bills. Lewisham Homes leaseholders are also members of the local area panels. With each major works scheme, meetings are held with residents and leaseholders prior to any work commencing. Major works forums are held, this is split into 3 subgroups dealing with procurement, planning and delivery.</p>	<p>Brockley has a leaseholder Association, who are met with regularly. Quarterly Newsletters are issued with leasehold information contained within it. Newsletters are sent out with the actual cost adjustments. Leaseholder surgeries take place on a monthly basis. Open days for Decent Homes refurbishment are held prior to the work commencing for each area. Leaseholders are represented on local TRAs and a representative sits on the Residents Board. We have a leaseholder who sits on the Lewisham Joint Partnership Board representing B3. We have introduced a residents website, open for use by all residents including leaseholders. A leaseholders handbook is included in the leasehold information pack sent to solicitors when a property changes ownership.</p>	<p>L&amp;Q: L&amp;Q have a dedicated leaseholder version of their "Homelife" magazine. They organise leaseholder surgeries in local neighbourhoods and have a leaseholder board. The idea of a leaseholder handbook came up at leasehold board very recently so this is something that L&amp;Q are looking to develop.</p> <p>Hyde: Hyde have a resident involvement programme that is open to all residents including homeowners. Hyde recently consulted over proposed service charge budget format changes. Hyde are looking at establishing dedicated forums/groups for homeowners. The Foreshore (Lewisham stock transfer) has a dedicated group board and this is made up of predominantly leaseholders.</p>

**84. Do leaseholders understand their rights and responsibilities?**

Lewisham Homes	Regenter B3	RSL
<p>Government legislation introduced in 2002 provides that the Council must send out a statement of the leaseholders’ rights and obligations with every bill. The wording that is used in this statement is prescribed by the legislation. Lewisham Homes uses the version produced by LEASE (Leaseholder Advisory Service).</p> <p>A leaseholder’s rights and obligations are also set out in the lease.</p> <p>Leaseholders’ rights and obligations are outlined in the leasehold guide which is available on the Lewisham Homes website and can also be obtained on request.</p> <p>Many leaseholders are now second generation having bought from the original Council Right to Buy occupant. Rights and obligations should be outlined by the legal representative during pre-assignment enquiries.</p>	<p>In accordance with Lewisham’s Policy and Procedure and our legal obligation a statement of leaseholders rights and obligations is enclosed with every bill.</p> <p>Their rights and obligations can also be found in their lease agreement and the leasehold guide.</p>	<p>L&amp;Q: A copy of the rights is sent with the service charge demands every year.</p> <p>Hyde: Owners receive the INplace Home Owners Manual which they sign to say they have received it along with the keys. Hyde are looking at putting the manual on their website.</p> <p>Hyde also provide a ‘Guide to Affordable Home Ownership’ when prospective purchasers are at the viewing stage which goes through all stages of the sales process and moving in. They also provide booklets for lessees when they are selling their property on and buying further shares.</p> <p>Hyde give leaseholders a call six weeks after they have moved in. If there are any problems they would then carry out a visit and seek to resolve all issues with the lessee.</p> <p>Hyde provide a summary of rights and responsibilities with every service charge demand, and also a “Your service charge explained” leaflet with the budget and statement issued each year.</p> <p>Hyde have dedicated officers that specialise in homeownership income and service charge related issues and are able to explain clearly owners rights and responsibilities.</p>

**85. Are leaseholders provided with sufficient information on what they are responsible for insuring and what is insured as part of the service charge?**

Lewisham Homes	Regenter B3	RSL
<p>Lewisham Homes have undertaken leaseholder focus groups in the North and South of the borough to discuss insurance issues with leaseholders and to identify any gaps in understanding.</p> <p>It became evident that in the North of the borough there was not an understanding of the issues and leaseholders had problems in obtaining insurance, even from the suggested companies.</p> <p>In the South the opposite seemed to be the case with leaseholders understanding the issues and not having problems obtaining quotes. This resulted in a questions and answer article on insurance in the October newsletter.</p>	<p>Information on the insurance is provided in the leasehold handbook and in the information pack sent to solicitors when the property is being sold.</p> <p>We do not get many queries concerning this area.</p>	<p>L&amp;Q L&amp;Q send out such items as insurance summaries upon demand but do not send such information out as a matter of course.</p> <p>Hyde: Hyde give out NHBC booklets and Insurance Contents booklets at completion of the purchase.</p> <p>They also participate in the National Housing Federation "My Home" insurance scheme and provide information packs to owners about this.</p>

**86. Has a leaseholder ever taken the Council to the County Court for failure to meet its obligations to leaseholders? If so, what was the outcome?**

Lewisham Homes	Regenter B3	RSL
<p>There has been one leaseholder who issued a claim, but to date has not taken it further.</p>	<p>Not since the commencement of this contract.</p>	<p>were aware of.</p>

**87.** We asked about the information provided to subsequent purchasers of leasehold properties by Lewisham Homes and noted that (a) the prospective purchaser's solicitors would approach the housing manager and enquire about the level of service charges, any arrears on the property and any major works in the pipeline; (b) this service was provided and charged for; and (c) the welcome pack sent to all new homeowners contained lots of information on leasehold tenure and was not charged for. We also noted that invitations to a Lewisham Homes welcome evening had recently been sent to 200 new leaseholders but only two leaseholders responded.

**88.** We noted that Lewisham Homes was currently undertaking the planning and procurement process of the major works programme that will be put in place once the Decent Homes funding is received. It was suggested to us that they were going to considerable lengths to involve residents in the process in an effort to improve the level of satisfaction when the work starts on site. We noted that they had set up a Residents' Major Works Improvement Group open to all residents including leaseholders and that, to date, the Improvement Group had met on two occasions with a further meeting planned to involve residents in the sequencing of the programme. In addition a Stakeholder Conference was held for residents and the Residents' Major Works Improvement Group were asked to nominate representatives to sit on the Project Board. We also noted that Lewisham Homes now wrote an introductory letter to the affected residents prior to the commencement of all major works schemes providing the name and telephone number of the Project Co-ordinator so that residents could report any concerns immediately to the appropriate person.

**89.** We asked Lewisham Homes if leaseholders had a single number that they could ring if they had an issue with a bill or repair and asked if, once they had made contact about an issue, they were assigned a particular member of staff to see through their case to resolution. We were told that it was usual that one officer would see an enquiry through to resolution and that contact details were given on the consultation notices sent, including the telephone number and the name of the officer leaseholders should contact. Regenter reported that it had a single number that leaseholders could use to contact their dedicated full time leasehold manager to discuss issues they might have.

**90.** We also asked both organisations if they had a target or performance indicator relating to the time taken to respond to a leaseholder query. Regenter reported that if a leaseholder raised a question then it was logged as an item of correspondence and would

be answered within 10 working days and that this was a key performance indicator. Lewisham Homes informed us that the target for responding to leaseholders enquiries was the same as for other correspondence and that it was to respond within 10 working days. However, it was reported that it might take longer to provide a full response to more complex enquiries, but that the enquirer should receive an acknowledgement and a date by which the full reply will be given within ten days.

### Survey and focus groups

**91.** The survey and focus groups both assessed leaseholder satisfaction with how their housing manager provided them with information. Evidence from the survey suggested that over 40% of respondents (regardless of housing manager) felt that it was not easy to contact their housing manager.

**92.** Examples of comments left in the 'free text' section of the questionnaire, relating to communication with leaseholders include:

#### *Lewisham Homes*

- "Staff have no skills when communicating or taking details of a repair"
- "The paperwork recently sent out about planned forthcoming major works was complicated but provided adequate information on figures"
- "We need an effective response not just hearing us with little action"
- "I'd rather not have glossy magazines, tea towels and shopping bags and pay less than the almost £200 I currently pay for management fees"

#### *Regenter B3*

- "I have found Regenter B3 to be stressful to deal with"
- "My single suggestion would be for me to have ONE person to talk with"
- "Poor communication from Regenter – seemingly no service standards for leaseholder queries"

**93.** Evidence from the two focus groups suggested that leaseholders of Lewisham Homes and Regenter B3 had similar concerns in terms of consultation and the provision of information including:

- Poor information on when works would be carried out

- Short notice given as to when works would be carried out
- Lack of clarity in written communication
- Information one way – bombarded with letters and glossy magazines but hard to get complaints followed up.

### **The Council's reputation**

**94.** We asked officers if they felt that some of the Council's corporate objectives were at risk if Lewisham Homes or Regenter B3 failed in their delivery of quality services to leaseholders and if the Council had assessed the potential reputational risks to the Council if this happened. We were told that, in assessing both the operational and reputational risks to the Council in the operation of Lewisham Homes and Regenter B3, the Council had set up a monitoring team to look at the performance of both housing providers. Additionally, there were a number of other reporting and meeting mechanisms to monitor performance, policy implementation and the strategic and business planning of the partners, which occurred at director, senior manager and officer levels. In terms of mitigating risks, should discussions at the meetings fail the Council had the option to use the mechanisms and clauses available within the contracts to address the situation.

**95.** We also asked if officers felt that the Council was at risk of failing to meet some of its obligations to Lewisham Homes and Regenter B3 leaseholders and if the financial and reputational risk of leaseholders issuing legal proceedings in the County Court or referring a dispute to the Leasehold Valuation Tribunal had been assessed. We were told that leasehold legislation provided for leaseholders to take a case to Leasehold Valuation Tribunal (LVT) should they feel that the correct procedure had not been followed, unnecessary work had been carried out or exorbitant costs were being charged. Similarly the Council can and had taken cases to LVT prior to any charges being issued to leaseholders, in order to confirm, or otherwise, the Council's opinion in terms of the validity and fairness in issuing bills on a particular project. In respect of the financial risks, assumptions in the levels of leaseholder recovery had been made, which should allow for any alterations or recommendation made by a LVT.

### **Conclusions**

**96.** We are pleased that so many leaseholders took the time to fill in our survey and provide additional information to help inform our review. We are also grateful to the small group of leaseholders who participated in the focus groups in order to provide us with more detailed information on their experiences of being leaseholders. We

noted that the external facilitator felt that, although they clearly had a large number of concerns, they had all participated in a constructive manner; had appreciated the opportunity to speak; and hoped that the focus groups would lead to their issues being taken forward.

**97.** We welcome the initial response of Lewisham Homes and Regenter B3 to the results of our questionnaire and focus groups and to our review in general. We were pleased to hear that the results would be studied in detail and used to drive improvement. We look forward to their response to our detailed recommendations.

**98.** We were pleased to note at our second evidence session that Council Housing Officers felt that they were aware of what needed to be put in place to address some of the concerns raised by leaseholders through our review. In particular, we were pleased that officers accepted that:

- The management and professional fees being levied by Regenter were in excess of those being levied by Lewisham Homes, who had recently reviewed their charges, and the charges needed to be synchronised
- The Council needed to ‘beef up’ its clienting role in relation to leaseholder services. In particular, more checks on (a) the quality of work and (b) the accuracy of bills needed to be carried out
- A better breakdown of service charges needed to be provided.

**99.** Officers made the point that whilst leaseholder satisfaction was low, when benchmarked against other ALMOs it was clear that satisfaction was low across the board. Whilst we accepted this we did not feel that this should allow complacency to creep in when considering leaseholder satisfaction. We had no information on the standard of the ALMOs Lewisham Homes was being compared to (they could have all been very poor) and the fact remained that satisfaction was alarmingly low and action needed to be taken to address this, regardless of how low leaseholder satisfaction was in other ALMOs.

**100.** However, we accept that leasehold tenure tends to produce dissatisfaction in itself due to (a) the lack of control that leaseholders have over repairs, maintenance and major works done to their home; (b) the fact that regular service charge bills had to be paid; and (c) the fact that large major works bills would be levied from time to time. Whilst it might be thought that economies of scale would reduce costs, in reality costs were often higher in larger projects as factors such as health and safety legislation came into play and added to costs. We therefore accept that a certain level of dissatisfaction is inherent in this tenure type, although there is clearly room for improvement.



## Findings

**101.** It is clear that service charge bills have increased dramatically over the last few years as full cost recovery has been implemented and this is clearly of concern to leaseholders and something they probably did not anticipate. However, we do accept that whilst the bills are high, they are probably “fair” (when calculated accurately) in that full cost recovery means they accurately reflect the work and services received by each leaseholder. Nevertheless, the accuracy of bills needs to be improved and more information provided on what is being charged for to reassure leaseholders that bills are indeed fair. Furthermore, costs might be brought down once the standard of repairs and maintenance improves, as it clearly needs to, and less on going maintenance and repair work is required.

# Recommendations

Our recommendations are set out below. We have also outlined how we intend to measure whether they have been implemented, should they be approved by the Mayor & Cabinet, Lewisham Homes or Regenter B3.

## For the Council:

**1.** We recommend that the Council's clienting procedures are reviewed in relation to the services being provided by Lewisham Homes and Regenter B3 to leaseholders. The review should assess whether current procedures are sufficient to ensure value for money for leaseholders, with particular attention given to how the Council monitors (a) how Lewisham Homes and Regenter B3 check the quality of repairs, maintenance and major works; and (b) whether the bills Lewisham Homes and Regenter B3 issue are accurate.

We also recommend that the performance management framework is reviewed as part of this work, with a view to implementing a system whereby Lewisham Homes and Regenter B3 are required to make a reduction to the annual service charge bill if performance targets fall below a certain level. We would like the review to identify a mechanism whereby leaseholder input can help drive forward this change.

The results of the review should be reported to both the Mayor and the Housing Select Committee.

**2.** We note that the Council is currently considering the options for allowing leaseholders longer repayment periods for bills. As part of this, we strongly recommend that:

**(a)** Service charge instalment arrangements are reviewed; and consideration given to extending the time allowed for the service charge to be paid from 10 to 12 months.

**(b)** Consideration be given to extending the time allowed for major works bills to be paid, to allow staged payments over two years from the date the final bill is issued.

**(c)** Leaseholders be encouraged to start making provision for major works as soon as the initial notice is issued, rather than waiting until the final bill is received.

In view of the fact that leaseholder major works charges act as a drag on property values and property market liquidity, we would like to suggest that radical options are considered as part of the payment review, such as on-account billing for each leasehold property, where regular payments can be made to contribute to major works.

**3.** We recommend that the Council investigates the possibility of

encouraging, where feasible, the transfer of the freehold to leaseholders.

**4.** We welcome the efforts made by Lewisham Homes and Regenter B3 to ensure that leaseholders are aware of their rights and responsibilities and we note that a statement of leaseholder's rights and obligations is enclosed with every bill. However we recommend that more be done to advise potential leaseholders of the implications of buying a leasehold property before they purchase.

### **For Lewisham Homes and Regenter B3:**

**1.** We recommend that leaseholders are provided with adequate notice in respect of major works (and walkabouts). In particular that:

- Leaseholders are provided with details of who the contractors are and why they were selected at least 6 weeks ahead of major works taking place
- Leaseholders are informed of the dates when major works will take place at least 4 weeks in advance of the works starting
- Leaseholders are given at least ten days notice of walkabouts.

We recommend that compliance with these performance targets is regularly monitored and reported on; and included in the Lewisham Homes and Regenter B3 performance information regularly provided to the Housing Select Committee.

**2.** We recommend that the target to respond to letters, emails and phone calls from leaseholders within ten working days should mean that a meaningful response is received, and not just an acknowledgement, within this time frame, although it is accepted that the response might not necessarily be the full and final response. We recommend that this target be supplemented by a target of acknowledging any correspondence within two working days, making better use of email. We recommend that compliance with these performance targets is regularly monitored and reported on; and included in the Lewisham Homes and Regenter B3 performance information regularly provided to the Housing Select Committee.

**3.** We recommend that a strategy is developed to raise awareness of the complaints procedure operated by Lewisham Homes and Regenter B3. It would also be helpful if leaseholders were provided with feedback on how complaints information was being used to improve services.

**4.** In view of the strong feeling amongst a number of leaseholders that bills are often inaccurate, we recommend that the way in which information on costs is communicated to leaseholders is changed to

allow a clear and complete breakdown of costs (what work took place, when and how much it cost) to be provided with every service charge or major works bill, so that leaseholders can more fully understand what they are being asked to pay for. If feasible, service charge and major works files, including redacted invoices, should be made available on the Lewisham Homes / Regenter B3 website.

**5.** We recommend that consideration be given to benchmarking and reducing major works management fees.

**6.** We welcome the fact that Regenter B3 will survey leaseholders separately when it carries out its satisfaction survey this year, so that their specific concerns can be picked up, and that Lewisham Homes already does this. We would like there to be some crossover in the questions asked by both organisations to allow some benchmarking. In addition, in view of the discrepancy between the results of the provider surveys and our survey, we would like to recommend that the method of surveying is reviewed in time for the 2010 cycle to ensure that the surveys adequately pick up on all leaseholder concerns. (For example, a free text section could be included to capture specific complaints and the survey could be accompanied by mystery shopping and focus groups). We feel that the cost of making the surveying process more in-depth will be more than outweighed by the benefits of picking up the worst performance.

### **For Lewisham Homes only:**

**1.** We note that a large number of other housing providers (including Regenter B3, Hyde and L&Q) operate a 5 year external repairs and decoration cycle. We recommend that when the cycle for external repairs and decoration is reviewed as part of the preparation of the Asset Investment Plan for Decent Homes compliance, consideration is given to whether a five year cycle (rather than the current eight year cycle) is more appropriate. Leaseholders should be specifically consulted on their views as part of the review.

**2.** We do not feel that separate service charges for Anti-Social Behaviour, Customer Services and Resident Consultation should be levied on top of the existing service charge; as these services should be funded from within the standard service charge. We do not feel that leaseholders in street properties should be required to pay a charge for anti-social behaviour services.

### **For Regenter B3 only:**

**1.** We recommend that consideration be strongly given to introducing a transparent and equitable flat rate charging policy for service charge management fees.

## Recommendations

### Recommendations

#### Key

Prioritisation: ST – Short term (requiring action immediately); MT – Medium term; LT – Long term

Responsibility: M – Mayor; ED - Executive Director; PO - Partner organisation

Evidence Base: O - Evidence received from officers; EW - Evidence received from external witnesses (housing managers); L - Evidence received from leaseholders

Recommendation	Prioritisation (ST, MT, LT)	Responsibility for action (M, ED, PO etc.)	Evidence Base (O, EW, L etc.)	Action to be taken	Measure of success
Reviewing the Council's clienting procedures	ST (to be in place by 2010/11 financial year)	ED	O, L  L – results of questionnaire and focus groups, pp9 – 15; p22, para 38  O - p39, para 97	Action to be taken The review should assess whether current procedures are sufficient to ensure value for money for leaseholders. The focus should be on: <b>1.</b> How to make sure that Lewisham Homes and Regenter B3 check the quality of repairs, maintenance and major works in a sufficiently robust manner. <b>2.</b> How to make sure that Lewisham Homes and Regenter B3 ensure the bills they issue are accurate. <b>3.</b> Implementing a mechanism whereby Lewisham Homes and Regenter B3 are required to make a reduction to the annual service charge bill if performance targets fall below a certain level.	New clienting procedures implemented.  Leaseholders' satisfaction increased as quality of work and accuracy of bills improves; and reductions are made to service charge bills if performance dips below agreed standard.

Recommendation	Prioritisation (ST, MT, LT)	Responsibility for action (M, ED, PO etc.)	Evidence Base (O, EW, L etc.)	Action to be taken	Measure of success
Review Payment Options	ST (to be in place by 2010/11 financial year)	ED	O, L  L – results of questionnaire and focus groups, pp9 – 15; p33, paras 76-79  O – p23, para 43	As part of the review consideration should be given to: <b>1.</b> Extending the time allowed for the service charge to be paid from 10 to 12 months. <b>2.</b> Extending the time allowed for major works bills to be paid, to allow staged payments over two years from the date the final bill is issued. <b>3.</b> Encouraging leaseholders to start making provision for major works as soon as the initial notice is issued. <b>4.</b> Implementing on-account billing for each leasehold property, where regular payments can be made to contribute to major works.	New payment options developed. Leaseholders' satisfaction increased as time allowed to pay bills is extended.
Investigating the possibility of encouraging the transfer of the freehold to leaseholders	MT (policy to be in place by end of 2010/11 financial year)	ED/PO	L  Results of questionnaire and focus groups, pp9 – 15	Investigate how the collective right to enfranchisement of the freehold under Part I of the Leasehold Reform, Housing and Urban Development Act 1993 can be encouraged amongst leaseholders.	Leaseholders apply to take on the freehold where feasible.
Advising potential leaseholders of the implications of buying a leasehold property before they purchase	ST (For action in 2010/11 financial year)	ED/M	L  Results of questionnaire and focus groups, pp9 – 15	Consider how potential leaseholders might be provided with more information on the implications of owning leasehold property before they purchase (e.g. approaching the CAB, facilitating meetings between Housing Providers and local Solicitors etc.)	New leaseholders fully aware of their rights and responsibilities

## Recommendations

Recommendation	Prioritisation (ST, MT, LT)	Responsibility for action (M, ED, PO etc.)	Evidence Base (O, EW, L etc.)	Action to be taken	Measure of success
Better notice provided in respect of works and walkabouts	ST (to be in place by 2010/11 financial year)	PO	L  Results of questionnaire and focus groups, pp9 – 15; p22, para 39; p38, para 92	<ol style="list-style-type: none"> <li>1. Leaseholders to be provided with details of who the contractors are and why they were selected at least 6 weeks ahead of major works taking place.</li> <li>2. Leaseholders to be informed of the dates when major works will take place at least 4 weeks in advance of the works starting.</li> <li>3. Leaseholders to be given at least ten days notice of walkabouts.</li> </ol>	Leaseholders better informed about works to their property and more able to take part in estate walkabouts.
Improved response times to correspondence	ST (to be in place by 2010/11 financial year)	PO	L  Results of questionnaire and focus groups, pp9 – 15; p37, para 91	<ol style="list-style-type: none"> <li>1. Acknowledgements to correspondence to be provided within 2 working days.</li> <li>2. A meaningful response to be provided to all correspondence within 10 working days (even if it is not the full and final response).</li> </ol>	Leaseholders' satisfaction increased as timely responses to enquiries are received.
Complaints Procedure Awareness Strategy	MT (policy to be in place by end of 2010/11 financial year)	PO	L  P37, para 91	How the complaints procedure is publicised to be reviewed. Clear strategy for providing leaseholders with feedback on how complaints information is being used to improve services to be developed.	Leaseholders understand how to complain, how their complaint will be dealt with and how it will be used to improve performance.

Recommendation	Prioritisation (ST, MT, LT)	Responsibility for action (M, ED, PO etc.)	Evidence Base (O, EW, L etc.)	Action to be taken	Measure of success
Billing information to be changed	MT (policy to be in place by end of 2010/11 financial year)	PO	O, L  L – results of questionnaire and focus groups, pp9 – 15; p33, paras 76-79  O - p24, para 45, p28, para 54 p29, paras 57 - 59	1. A clear and complete breakdown of costs (what work took place, when and how much it cost) to be provided with every service charge or major works bill. 2. Service charge and major works files, including redacted invoices, to be made available on the Lewisham Homes / Regenter B3 website, if feasible.	Leaseholders understand what they are being asked to pay for and are more confident that bills are accurate.
Benchmarking and reducing major works management fees	MT (new policy to be in place for 2010/11 financial year)	PO	O, L  L – results of questionnaire and focus groups, pp9 – 15; p33, paras 76-79  O – p26, para 52; p39, para 97; p32, paras 70-75	Management fees to be benchmarked and reduced if not comparable with best practice.	Fairer management fees charged to leaseholders.
Improving surveying	MT (new policy to be in place for 2010/11 financial year)	PO	L  Results of questionnaire and focus groups, pp9 - 15	1. Some crossover in the questions asked of leaseholders when they are surveyed, to be established between Lewisham Homes and Regenter B3. 2. Consultation to be made more in-depth (e.g. free text section included to capture specific complaints, mystery shopping and focus groups used).	More detailed satisfaction information obtained from leaseholders and services improved as a result.



## Recommendations

Recommendation	Prioritisation (ST, MT, LT)	Responsibility for action (M, ED, PO etc.)	Evidence Base (O, EW, L etc.)	Action to be taken	Measure of success
Reviewing external repairs and decoration cycle	MT (to be considered by end of 2010/11 financial year)	PO (Lewisham Homes)	L, O  L - results of questionnaire and focus groups, pp9 – 15; p21, para 36 – 38  O – p19, paras 27 – 29	Consideration to be given to adopting a 5 year external repairs and decoration cycle, in line with other providers.	Leaseholders more satisfied with appearance of their property and estate.
Review separate charges levied in addition to service charge bill	MT (to be considered by end of 2010/11 financial year)	PO (Lewisham Homes)	L  L - results of questionnaire and focus groups, pp9 – 15; p33, paras 76-79  O – p26, para 52	Charges for Anti-Social Behaviour, Customer Services and Resident Consultation no longer levied on top of the existing service charge. Leaseholders in street properties should not be required to pay a charge for anti-social behaviour services.	Leaseholder satisfaction with service charges increased
Introducing a flat rate service charge management fee	ST (to be in place by 2010/11 financial year.)	ED, PO (Regenter B3)	O, L  L – results of questionnaire and focus groups, pp9 – 15; p33, paras 76-79  O – p26, para 52; p32, paras 70-75; p39, para 97	Regenter B3 service charge management fee should be aligned with Lewisham Homes.	Leaseholders feel that service charge management fees are more transparent and equitable.

# Glossary

<b>ALMO</b>	Arms Length Management Organisation
<b>EXOR</b>	A list of pre-qualified suppliers also used by the Council
<b>KLOE</b>	Key line of enquiry
<b>L&amp;Q</b>	London and Quadrant
<b>LVT</b>	Leasehold Valuation Tribunal
<b>Regenter B3</b>	A consortium of companies specialising in housing management, repairs and refurbishment including <u>Pinnacle</u> (housing management services); <u>Higgins PLC</u> (refurbishment works); and <u>Equipe</u> (repairs and maintenance).
<b>RSL</b>	Registered Social Landlord

# key legislation relating to the management of leasehold properties

## **Landlord and Tenant Act 1985 (as amended)**

This legislation deals with the interpretation of service charges and gives tenants rights in relation to:

- service charges
- consultation about major works
- information about service charges and how to challenge them
- having a recognised tenants association

## **Landlord and Tenant Act 1987**

This legislation gives qualifying tenants of flats the right of first refusal to buy the freehold;

requires service charges to be held in a separate account and in trust; and gives the right to seek a variation of the lease.

## **Leasehold Reform, Housing & Urban Development Act 1993**

This legislation allows most long leaseholders the right to renew their lease and gives leaseholders the right to a management audit.

## **The Housing Act 1985**

This sets out the main provisions in relation to the Right to Buy process.

## **The Housing Act 1996**

This legislation deals with forfeiture, determination of reasonableness of service charges, appointment of manager and gives jurisdiction for Leasehold Valuation Tribunals to determine service charge disputes.

## **Commonhold and Leasehold Reform Act 2002**

This legislation deals with the following:

- it widens and simplifies grounds under which leases can be varied
- it amends the rules for collective enfranchisement
- it widens the jurisdiction of the Leasehold Valuation Tribunal to determine liability to service charges, the reasonableness of administration charges and variation of leases
- it improves the rights of leaseholders in regards to consultation about long term agreements and qualifying works.

### **Housing & Regeneration Act 2008**

This legislation changed the requirements of the Landlord & Tenant Acts of 1985 and 1987 in relation to the information landlords are required to supply; and made minor amendments to the Right to Buy scheme.

When considering the key legislation relating to the management of leasehold properties, consideration also needs to be given to any case law decided by the Land Tribunal (the appeals arms of the Leasehold Valuation Tribunal), together with the provisions in any leaseholder's individual lease.

### **Leasehold Valuation Tribunal**

The Leasehold Valuation Tribunal (LVT) is the formal name given to the body appointed to make decisions on various types of dispute relating to residential leasehold property. LVTs are part of the Residential Property Tribunal Service. They are independent and impartial and normally consist of three members, a lawyer, a valuer and a layperson. Individuals or groups may make applications to the LVT. In 1967 LVTs were given various powers previously exercised by the Courts. The Housing Act 1996 and the Commonhold and Leasehold Reform Act 2002 significantly increased their jurisdiction to determine:

- Reasonableness of service charges
- Reasonableness of insurance
- Jurisdiction regarding valuation for enfranchisement and lease extension
- Whether or not a service charge is payable, including the amount payable, the date payable and the way in which it is payable
- Reasonableness of administration charges and the way they are calculated
- Variations to leases that do not make adequate provision in relation to various matters, including service and other charges
- Whether to award costs where they consider a party has acted unreasonably in bringing or conducting proceedings.

# Appendices

## **Appendix A: Acknowledgments**

The Committee would like to thank the following for their contributions to the review:

### **External witnesses:**

Mary Foster, Consultant (Mary Foster Consulting)

### **Lewisham Homes**

Sandy Canham, Head of Leasehold Services

Adam Barrett, Director of Resources

Mark Agnew, Head of Property Services

### **Regenter B3**

Carol Jones, Contract Manager

Steve Bovini, Operations Director

### **Council Officers:**

Genevieve Macklin, Head of Strategic Housing

Richard Hards, Housing Strategy and Development Manager

Simeon Abraham, Housing Commissioning Manager

## Appendix B: Results of the Committee’s survey

### Lewisham Homes

*Highest response shown in bold*

	answered question	94
	skipped question	1
<b>2. Are you:</b>	<b>Response Percent</b>	<b>Response Count</b>
The original purchaser under right to buy?	58.5%	55
A subsequent purchaser?	41.5%	39
	answered question	90
	skipped question	5
<b>3. Do you think that external repair and maintenance work is carried out:</b>	<b>Response Percent</b>	<b>Response Count</b>
Too frequently	3.3%	3
About often enough	40.0%	36
<b>Not frequently enough</b>	<b>56.7%</b>	<b>51</b>
	answered question	90
	skipped question	5
<b>4. I am happy with the response time if I report a repair that needs to be carried out</b>	<b>Response Percent</b>	<b>Response Count</b>
Strongly agree	0%	0
agree	18.9%	17
no view	22.2%	20
<b>disagree</b>	<b>32.2%</b>	<b>29</b>
strongly disagree	26.7%	24

## Appendices

	answered question	93
	skipped question	2
<b>5. I am satisfied with the standard of repairs and maintenance works that have been carried out on my property/accommodation block</b>	<b>Response Percent</b>	<b>Response Count</b>
Strongly agree	0%	0
agree	16.1%	15
no view	17.2%	16
<b>disagree</b>	<b>39.8%</b>	<b>37</b>
strongly disagree	26.9%	25
	answered question	93
	skipped question	2
<b>6. I am satisfied with the standard of major works that have been carried out on my property/accommodation block</b>	<b>Response Percent</b>	<b>Response Count</b>
Strongly agree	0%	0
agree	19.6%	18
<b>no view/no major works have been carried out</b>	<b>32.6%</b>	<b>30</b>
disagree	18.5%	17
strongly disagree	29.3%	27

	answered question	93
	skipped question	2
<b>7. The charges I pay for repairs and maintenance are fair</b>	<b>Response Percent</b>	<b>Response Count</b>
Strongly agree	0%	0
agree	14.0%	13
no view	18.3%	17
<b>disagree</b>	<b>36.6%</b>	<b>34</b>
strongly disagree	31.2%	29
	answered question	90
	skipped question	5
<b>8. The charges I pay for major works are fair</b>	<b>Response Percent</b>	<b>Response Count</b>
Strongly agree	0%	0
agree	14.4%	13
no view/no major works have been carried out	23.3%	21
<b>disagree</b>	<b>33.3%</b>	<b>30</b>
strongly disagree	28.9%	26



## Appendices

	answered question	91
	skipped question	4
<b>9. I am satisfied with the billing process for service charges followed by my housing manager</b>	<b>Response Percent</b>	<b>Response Count</b>
Strongly agree	1.1%	1
<b>agree</b>	<b>35.2%</b>	<b>32</b>
no view	12.1%	11
disagree	29.7%	27
strongly disagree	22.0%	20
	answered question	92
	skipped question	3
<b>10. I am satisfied with the billing process for major works followed by my housing manager</b>	<b>Response Percent</b>	<b>Response Count</b>
Strongly agree	0%	0
agree	25.0%	23
<b>no view/no major works have been carried out</b>	<b>33.7%</b>	<b>31</b>
disagree	22.8%	21
strongly disagree	18.5%	17

	answered question	90
	skipped question	5
<b>11. My housing manager keeps me informed about the need for, and expected cost of, repairs and maintenance (and major works if applicable)</b>	<b>Response Percent</b>	<b>Response Count</b>
Strongly agree	2.2%	2
<b>agree</b>	<b>38.9%</b>	<b>35</b>
no view	16.7%	15
disagree	30.0%	27
strongly disagree	12.2%	11

	answered question	92
	skipped question	3
<b>12. It is easy to contact my housing manager</b>	<b>Response Percent</b>	<b>Response Count</b>
Strongly agree	0%	0
agree	26.1%	24
no view/no major works have been carried out	27.2%	25
<b>disagree</b>	<b>29.3%</b>	<b>27</b>
strongly disagree	17.4%	16

## Appendices

	answered question	86
	skipped question	9
<b>14. What is your ethnic group</b>	<b>Response Percent</b>	<b>Response Count</b>
<i>Asian or Asian British</i>		
Indian	0%	0
Pakistani	0.0%	0
Bangladeshi	0.0%	0
Chinese	0.0%	0
Any other Asian background	1.2%	1
<i>Asian or Asian British</i>		
Caribbean	9.3%	8
African	12.8%	11
Any other Black background	1.2%	1
<i>White</i>		
<b>British</b>	<b>57.0%</b>	<b>49</b>
Irish	1.2%	1
Any other White background	10.5%	9
<i>Mixed Race/Dual Heritage</i>		
White/Black Caribbean	0.0%	0
White/Black African	2.3%	2
White/Asian	3.5%	3
Any other mixed background	1.2%	2
<i>Other ethnicity</i>		
Arab	0.0%	0
Gypsy/Irish Traveller	0.0%	0
Romany Traveller	0.0%	0
Any other ethnic group	0.0%	0

		answered question	78
		skipped question	17
<b>15. Do you consider yourself to be a disabled person?</b>	<b>Response Percent</b>	<b>Response Count</b>	
Yes	7.7%	6	
No	92.3%	72	

		answered question	84
		skipped question	11
<b>16. Are you male or female?</b>	<b>Response Percent</b>	<b>Response Count</b>	
Female	54.8%	46	
Male	45.2%	38	

**Regenter B3**

*Highest response shown in bold*

	answered question	35
	skipped question	0
<b>2. Are you:</b>	<b>Response Percent</b>	<b>Response Count</b>
The original purchaser under right to buy?	45.7%	16
<b>A subsequent purchaser?</b>	<b>54.3%</b>	<b>19</b>
	answered question	33
	skipped question	2
<b>3. Do you think that external repair and maintenance work is carried out:</b>	<b>Response Percent</b>	<b>Response Count</b>
Too frequently	12.1%	4
About often enough	27.3%	9
<b>Not frequently enough</b>	<b>60.6%</b>	<b>20</b>
	answered question	34
	skipped question	1
<b>4. I am happy with the response time if I report a repair that needs to be carried out</b>	<b>Response Percent</b>	<b>Response Count</b>
Strongly agree	2.9%	1
agree	8.8%	3
no view	32.4%	11
disagree	26.5%	9
<b>strongly disagree</b>	<b>29.4%</b>	<b>10</b>

	answered question	35
	skipped question	0
<b>5. I am satisfied with the standard of repairs and maintenance works that have been carried out on my property/accommodation block</b>	<b>Response Percent</b>	<b>Response Count</b>
Strongly agree	2.9%	1
agree	14.3%	5
no view	14.3%	5
disagree	22.9%	8
<b>strongly disagree</b>	<b>45.7%</b>	<b>16</b>
	answered question	35
	skipped question	0
<b>6. I am satisfied with the standard of major works that have been carried out on my property/accommodation block</b>	<b>Response Percent</b>	<b>Response Count</b>
Strongly agree	0%	0
agree	17.1%	6
no view/no major works have been carried out	11.4%	4
disagree	20.0%	7
<b>strongly disagree</b>	<b>51.%</b>	<b>18</b>

## Appendices

	answered question	33
	skipped question	2
<b>7. The charges I pay for repairs and maintenance are fair</b>	<b>Response Percent</b>	<b>Response Count</b>
Strongly agree	3.0%	1
agree	21.2%	7
no view	9.1%	3
disagree	21.2%	7
<b>strongly disagree</b>	<b>45.5%</b>	<b>15</b>
	answered question	32
	skipped question	3
<b>8. The charges I pay for major works are fair</b>	<b>Response Percent</b>	<b>Response Count</b>
Strongly agree	0%	0
agree	3.1%	1
no view/no major works have been carried out	15.6%	5
disagree	12.5%	4
<b>strongly disagree</b>	<b>68.8%</b>	<b>22</b>

	answered question	34
	skipped question	1
<b>9. I am satisfied with the billing process for service charges followed by my housing manager</b>	<b>Response Percent</b>	<b>Response Count</b>
Strongly agree	0.0%	0
agree	17.6%	6
no view	11.8%	4
disagree	23.5%	8
<b>strongly disagree</b>	<b>47.1%</b>	<b>16</b>
	answered question	35
	skipped question	0
<b>10. I am satisfied with the billing process for major works followed by my housing manager</b>	<b>Response Percent</b>	<b>Response Count</b>
Strongly agree	0%	0
agree	11.4%	4
no view/no major works have been carried out	11.4%	4
disagree	34.3%	12
<b>strongly disagree</b>	<b>42.9%</b>	<b>15</b>



## Appendices

	answered question	34
	skipped question	1
<b>11. My housing manager keeps me informed about the need for, and expected cost of, repairs and maintenance (and major works if applicable)</b>	<b>Response Percent</b>	<b>Response Count</b>
Strongly agree	5.9%	2
agree	11.8%	4
no view	17.6%	6
disagree	20.6%	7
<b>strongly disagree</b>	<b>44.1%</b>	<b>15</b>
	answered question	35
	skipped question	0
<b>12. It is easy to contact my housing manager</b>	<b>Response Percent</b>	<b>Response Count</b>
Strongly agree	5.7%	2
<b>agree</b>	<b>28.6%</b>	<b>10</b>
no view/no major works have been carried out	22.9%	8
disagree	25.7%	9
strongly disagree	17.1%	6

	answered question	33
	skipped question	2
14. What is your ethnic group	Response Percent	Response Count
<i>Asian or Asian British</i>		
Indian	3.0%	1
Pakistani	0.0%	0
Bangladeshi	0.0%	0
Chinese	0.0%	0
Any other Asian background	0.0%	0
<i>Black or Black British</i>		
Caribbean	3.0%	1
African	6.1%	2
Any other Black background	3.0%	1
<i>White</i>		
<b>White British</b>	<b>60.6%</b>	<b>20</b>
White Irish	0.0%	0
Any other White background	12.1%	4
<i>Mixed Race/Dual Heritage</i>		
White/Black Caribbean	3.0%	1
White/Black African	6.1%	2
White/Asian	3.0%	1
Any other mixed background	0.0%	0
<i>Other ethnicity</i>		
Arab	0.0%	0
Gypsy/Irish Traveller	0.0%	0
Romany Traveller	0.0%	0
Any other ethnic group	0.0%	0

## Appendices

	answered question	29
	skipped question	6
<b>15. Do you consider yourself to be a disabled person?</b>	<b>Response Percent</b>	<b>Response Count</b>
Yes	10.3%	3
No	89.7%	26

	answered question	84
	skipped question	11
<b>16. Are you male or female?</b>	<b>Response Percent</b>	<b>Response Count</b>
Female	44.8%	13
Male	55.2%	16

## Appendix C: The Committee's Survey results – free text section

### Lewisham Homes

1. With 'best value' it is always the lowest cost (cheapest) bid that is appointed for contracts. This results in the quality of work not being of lasting value, and some work has had to be done again by a better contractor. A specification of good quality should be set out for contractors to adhere to and to meet. This investment in quality would save money in the medium and long term.
2. 2008-£6000 (almost) each for a flat roof. 2009-new door - no estimate, no warning of when work will start or by whom. No lock on front door for over 4 months! 2009-£1000(almost) maintenance charge! Not value for money at all. Lewisham Homes have not responded to phone calls or 5 emails re: front door.
3. We do not receive any service as a leaseholder.
4. Q4 I organise my own repairs. Council doesn't seem interested. Q5 wanted to report need for repairs to outside stairs during recent estate inspection. They did not visit this part. Q6 Repeatedly requested precise details of work carried out. It is never provided. Q7 I can never find out exactly what I am paying for regarding repairs. Q10 No! Recently discovered we are paying a 'flat rate'. This decision made by 'focus and special needs groups'. this appears to mean we could pay for repairs etc. for other estates! I am not happy!
5. The Service Charge for Deloraine House went up by 30% last year - we did not get 30% more work/cleaning done. It cannot keep increasing year on year by so much. I am disgusted. we seem to be paying for council tenants.
6. I am extremely unsatisfied with the services as I have lived here for over 4 years, have paid for services every year and have had no repairs or maintenance done, apart from a leaking roof being continually badly 'temporarily repaired'! It is and has been ongoing.
7. I have lived in the building of Bence House for over 16 years. Only twice the corridors have been painted. They look dated, run-down, old fashioned. the cleaning of corridors is poor. Any faults/repairs take too long to fix. Some of the problems have not been fixed/repaired, although I had been reporting them over 2 years.
8. Leaseholders should only foot the bill for works done to their properties not tenants as well. The works done so far is poor. I will be replying back to Lewisham's most recent threatening letter with the

same complaints and photos I have taken.

**9.** 1. I live in a Grade II listed terrace. My answers are for communal repairs maintenance and service charges. the last major works was for (a) external decoration in 1996 and (b) a new communal boiler in 1998, both with Lewisham Council. I cannot comment on no.6 and no.8 with Lewisham Homes. 2. A complete breakdown in actual service charges. 3. If a leaseholder is paying the yearly estimated charges in full - a discount? 4. Leaseholder special interest group and focus group are excellent.

**10.** I have only had one experience of having a reported maintenance problem solved. This was undertaken satisfactorily. The paperwork recently sent out about planned forthcoming major works was complicated but provided adequate information on figures.

**11.** Accommodation block sometimes left for days in a mess. I think cleaning could be or should be more frequent. Block could be painted given the kind of service charges plus major works bills we pay. Brand new lift fitted, but keeps breaking down all the time.

**12.** I do not believe that the cost of major repairs is split equally between myself (the leaseholder) and Lewisham (the freeholder). Gutter repairs were very expensive. I have asked for the last 3 years for the exterior windows and masonry to be repainted but to no avail. My neighbour who is a tenant has windows in very poor condition which reflect badly on my upstairs property.

**13.** Repairs are reported but the job does not get done (e.g. guttering reported on block needs clearing 3 years ago still not done). External decorating needs doing, always get told no money left. Communication with department are extremely bad. Staff have no skills when communicating or taking details of repair.

**14.** Daubney Tower SE8 - massive increase in service charges last year with 1. no discernable improvement in service or maintenance of block 2. poorly maintained lifts 3. broken glass outside the block which has been there for 2 weeks and not cleaned up 4. poor quality decorating of block/major works programme.

**15.** Communal lights are frequently failing and obviously need re-wiring. Dangerous for elderly and young residents. I pay almost £1,000 per annum in maintenance charges, yet nothing ever seems to be done internally or externally. If no works are going to be carried out, then why should we pay? What are we actually paying for?

**16.** A class complaint has been registered over a month ago - crossfield estate - agreed no payments to be made until clarifications. Joan

Ruddock requested this. No report, no proper answers yet - the old stalling tactics. Box 4 - it takes years for any response - communal repairs - see crossfield records! Box 5 - known repairs are visibly sub standard - no checks and response to do so - see records. Box 6 - Some major works have been condemned by auditors - some needed rectifications. Boxes 7 - 9 - the billing is hazardous - uneven for the same cost to items. Charges have been made for work which has not been done - requests to check these items have been met with silence or it has been too long ago, difficult to decode the repair etc. Please note that leaseholders do not know what repair has been done up to 18 months after events. See records - requests for up front accountability on repairs as they happen so we can check etc. yet to be listened to. Box 11 there is no such mechanism in place for this transparency and accountability for repairs and maintenance - major works only above £250 cost that information can be available. Box 12 - we need effective response not just hearing us with little action.

**17.** The state of some people's gardens not being attended to. The gate being left open where rubbish and some people leave the rubbish all over the place. The trees outside 33 need to be cut down as its blocking the light to our house.

**18.** the service charge for the estate is being looked at by the tenants association and Lewisham Homes. I reported a repair and my observation, I showed the caretaker and I show the estate inspector (1.8.09) and save her the photos of the damage and my phone number. I have never had a feedback!

**19.** Disappointed that the local office was closed.

**20.** caretaking - poor. Grounds maintenance - poor. leaseholders charged for: sweeping, ASB, management, customer services - "included in the tenants rent". Leaseholders charged more for resident involvement. Huge errors in accounting - not audited properly!! Disparity in communal charges. ASB service should be scrapped. Leaseholders don't know what they are paying for.

**21.** I disagree with repair because from last year I have report that the drainage pipe that carry the water off the roof on the flat I live in come apart from the roof so when it rain it's like a swimming pool in my garden and it does affect the other residents but no one pay any attention or even come to check on it. For service charge there is window cleaning on it and no one has come to clean the windows.

**22.** Since I bought the property in 2003 I raised concern about the roof cracked in my entire roof but the council tricked me and they did not do the repair and my right to buy went through, charges I do pay

standing order but they have been demanding all money, my main door was broken by police, council refused to fix it, they only boarded it almost 1 year ago. I really need help.

**23.** I am not satisfied with what is being carried out around my block. The charges I pay for repairs and maintenance are not fair I believe. It's been like two years one of the main gates of our block has been broken and we get a lot of drunken people sitting on the stairs making a mess and smoking as well. Me and my family are too scared to come up those stairs. I reported this but nothing was done. I want this sorted out please.

**24.** I am a leaseholder for over 19 years and the rate at which the cost of service charges is going up is unfair, and you don't get the service we are paying for, and I think it is very unfair. I am a pensioner and I know it is wrong for what Lewisham Homes are treating leaseholders.

**25.** The services I receive from the Council as a leaseholder in connection with the service charge are extremely poor. We are charged for works done which are uncompleted. I do wonder if works are inspected before the Council pays the contractors.

**26.** Service charges, particularly the management fees are excessive and compare unfavourably with many in the private sector. Charges always seem to be underestimated and extra charges for street cleaning, ASB management etc. should be covered by council tax and/or caretaking charges. I'd rather not have glossy magazines, tea towels and shopping bags and pay less than the almost £200 I currently pay for management fees. My service charges cost almost as much as my mortgage - this is extortionate.

**27.** Since Lewisham Homes took over this estate the place has become worse - especially with rubbish visible in green spaces. Yet the maintenance charges continue to increase - and I personally can not afford to keep paying the bills, especially as the changes are not visible. The only exception is the stairs and communal areas which are kept clean.

**28.** The charges are too high and it's like we have no choice regardless of the bill too high I live on ground floor and most of the expenses that relate to this bill does not affect me at all.

**29.** The thing I complain about is the flat roof at the side of my maisonette. The rubbish that is thrown on it blocks the drain and will cause dampness to my wall.

**30.** I recently reported that the bushes at the back of Deloraine House have become very overgrown to the extent that they are beginning to

block my window. The initial response to my email was fast and someone phoned me to inform me that these things are on a 21 day cycle and assured me it would be looked at. Six weeks later the plants are even bigger.

**31.** After outside decorating was finished the communal floors were covered with the sprayed on paint on the walls and not cleaned - it looks filthy! We also pay for caretaking which we do not have, as there doesn't seem to be enough caretakers!!

**32.** I have lived in Daubeney Tower since 2000. When I first moved in we had a concierge. During the 9 years I have lived here the service has always been adequate, but during this time my service charge has trebled. Initially I felt the service charge was fair, but now I feel it is excessive.

**33.** I haven't seen any repairs apart from the railings painted. I am not happy about the service charge. It seems as if the leaseholders are the ones paying for all the works carried out on the estate. the service charge for this current year is too exorbitant and unaffordable.

**34.** They have left hillcrest Estate for more than 30 years to rot and then when they needed these stars they done everything together leaving us with huge bills and putting us into poverty with no way of paying these huge bills. Now have a huge bill and the block is still a mess due to the council tenants and I cannot sell my flat.

**35.** The amount I pay for repairs seems disproportionate to the extent of repairs actually carried out. Last year I paid £200 over the amount I should have. Apart from sloshing disinfectant up the communal area once a week and changing the light bulb every now and then I'm not sure what I'm paying for considering we don't have access to any shared amenities whatsoever. I feel the service charge is very expensive.

**36.** We are waiting to hear the cost of replacing communal railings at 14-22 Albury Street. This is July 2009 - we first heard about proposed work last October. Things move too slowly and we still do not know the cost for this particular work. this, even though I have emailed the clerk of works for the cost. At times we have had too much paperwork but it has not been aimed at 14-22 Albury Street.

**37.** Despite constant contact with the local authorities, major works to balconies have been ignored. In addition the services provided are infrequent (e.g. grass cutting). The billing process has recently changed and appears to have add charges that have no further explanation (e.g. ASBO charges).



**38.** I gather from other tenants in my block that repairs are not carried out well externally and often have to be re-done. Lewisham Homes need to keep leaseholders informed of all external repairs that we are charged for. Where is info on a 'window cleaning service'.

**39.** I pay £78 on service charges a month and the state of the building is disgusting. 80 flats in the block and I'm paying £850 just to change the entry phone system. I bought this flat 2 years ago. If I could go back in time I would think twice before going ahead. Since I move in it has been one problem after another. My main one now is my battle to get my downstairs neighbour to clear his garden. I first reported the problem to Lewisham Homes on 21 May 2008. the garden is so overgrown that it has almost covered my bedroom windows. But although many promises to intervene nothing has happened. I hope you can help me and get me out of my misery. Customer care at Lewisham Homes has all the details.

**40.** Sorry about all the 'disagrees' it's just that I travel quite a lot for work and find that at times I have a barrage of mail - all to do with the same thing that can be hard to decipher. the new security door work is taking far too long and whoever picked the sickly yellow colour over neutral white really needs to rethink (I know colour charts were sent out, it's a shame that many people in this block do not really care about the appearance and upkeep of where they live. I see the cleaners doing a great job, through the weeks, but some of the residents seem to lack respect for their homes. I like the fact that the new security doors let more light in. I've enclosed a photo from a recent Lewisham 'Home' magazine (July edition) that shows a block with a paint selection that really works (dark doors) and really nice plants in the corridors. Will we get plants? It really improves the look of the corridors. I imagine your jobs to be greatly challenging at times, trying to keep people happy and working to budgets. I see you have meetings for tenants at times but ironically they are usually when I have work on. All the very best and good luck.

**41.** Every single time I contact Lewisham Homes I have to chase them for a response and push them to attend to building maintenance. My building was 'refurbished' in '08 and the quality of the work was awful. I then had to pay £2.5k (!) as my contribution for having my windows painted shut, having my communal stairwell painted and for scaffolding that lay idle for three weeks due to the poor planning of the contractors. Lewisham Homes were no help in appealing the cost or quality of work.

**42.** Each year the service charge bill comes I see a list of items/works being charged for. What I do not see is those items/works mentioned

in the bill being carried out. However, I must mention that the cleaners are always around to clean the block and the block is always lit up, when necessary.

**43.** I have lived in 30A Sydenham Park Road since 1958 when new. Only original tenant/owner. Generally service ok. Could be better and housing association property behind is always maintained and serviced to a higher standard. Lessons could be learnt from housing associations in general. Cutting of grass and tidying up grounds, particularly in the Spring when the grass grows quickly, is not good, often left for weeks/months before being cut.

**44.** I am very happy that at least someone is looking into the satisfaction of leaseholders. The roof in Lanyard House is a write off. All we need is a bit of rain and the whole sixth floor is falling apart. I personally have been experiencing a roof leak in my flat since 2005 on and off. The housing people have been coming and going in my flat with no solution. Every time it rains there is a leak from the roof. All my wallpaper and paintings destroyed whilst I pay my service charge monthly on direct debit for nothing.

**45.** Standard of communal ways very poor - "maintenance" carried out made things worse (no making good of repair so left with chipped paint and mismatched glass).

**46.** Since I've moved into the flat, I have carried out the works myself because every time I contacted Lewisham Homes Team I am told that the works are not urgent and will be scheduled at a later date. I've changed the external fence and lots of other jobs since 2006. Spring this year I received a letter communicating that they will carry out external decorations (painting windows and frames and doors) and the bill was estimated at approx £4,000! I don't think this reasonable. Upon contacting, the most I am given is conflicting information. My neighbours had work done and I cannot see the external decorations, only scaffolding up but no results.

**47.** I have been charged for repairs that have not been done, also charged for maintenance and upkeep of cctv. We don't have cctv. Reported repairs to guttering took 2 years to repair but charged twice. Asked for breakdown of costs. Still waiting for breakdowns after 5 years. Gardening costs a joke.

**48.** I was told about building works to my building last year but even though many letters(?) [unclear] come in, work is yet to start and so far, I'm still not sure: (a) what will be done; (b) how much it will cost; (c) when it will start. Communication is far too complicated to understand.

**49.** In the past I have repeatedly asked for a barrier to be attached at the parking entrance. this would stop illegal parking, also it would help residents to keep parking spaces for themselves. All that is needed is one upright post to solve the problem.

**50.** Have had a major works scheme 2005-2207 - no consultation. No visible work, £10,000 spent in 'drainage' and the drains over drained. Lewisham Homes all glossy magazines and no action for leaseholders like me. Paid £7,000 for that. estimate was £4,500, never explained why over run. 2008 - present: 2nd project on decorations has already started and I still have not received official notification of cost which is estimated to be £5,500. For what? A lick of paint it seems! I'm pretty certain I've just wasted my time filling out this form as all I ever hear from Lewisham is hot air. Will never have Lewisham Homes as my landlord again.

**51.** Satisfaction - none.

**52.** My section of the building has been omitted in recent major external redecoration, although I have reported it twice. It took 8 emails from me to get the communal security lighting in Crandley Court repaired between January and March 2009. These lights were on 24/7 and I originally reported the fault in 2006 and again in April 2008. I have also had to request autumn leaves to be cleared and long grass to be cut. It should not be my responsibility to get these routine jobs done.

**53.** I am very unhappy to be charged every year for repairs to guttering and downpipes, when everything was recently (5 years ago) renewed and replaced.

**54.** the estate has been allowed to run down and is in general disrepair. My stairwell looks like a slum. Has not been properly cleaned in years. I am ashamed to invite people to my home. I think this is a lot of money to pay for virtually no real service.

**55.** Cleaning not up to standard, especially internal i.e. stairs, walls, edges and ledges etc.

**56.** My roof has been damaged in the past. they are supposed to do the repair but the job was not done properly. It still leaks when it rains at times. The guttering needs cleaning - over two years nothing has been done. So what am I paying for. All that money I do pay does not make sense at all.

**57.** Officers generally approach leaseholders with the pre-supposition that we are hostile and belligerent. Why is this?? Consultation is lamentable. Follow-through is non-existent. Agreements made with

previous officers are overturned without explanation or consultation. Different departments and officers give contradictory information and advice. It is self-evident that officers leave alone leaseholders that are difficult to deal with and pursue and harass those that are vulnerable and unable or unwilling to be confrontational.

**58.** I live in the Baizdon Road estate and there seems to be a general sense that we pay too much for very little service especially with regards to grounds maintenance.

**59.** It is impossible to know if we are getting value for money. Works reported are still outstanding. Estate does not have a cared for feel about it and that's the point. does anyone care? really?

**60.** Costs are way too high.

**61.** Communal ground both front and back is never clean, always full of litter. Stairs and hall way need a good clean. Still awaiting completion of main entrance door. One flat is still boarded. I feel as though I live amongst squatters.

**62.** 1. Took over 1 year to get a broken window replaced. 2. We have been advised that we are not allowed to paint our window frames (even though we are offering to pay for the work ourselves) with no one able to provide us with information as to how we can dispute this decision.

**63.** I feel that overall Lewisham Homes provides a good service to its leaseholders.

**64.** I am sorry that I haven't been able to express a positive opinion one way or the other but I haven't had to report a problem that needs a repair since Lewisham Homes took over.

**65.** Corner cutting on roof repairs has led to lots of leaks which you ignore. Exterior of building is a terrible state. Could not sell if I wanted to as it is a mess. yet I have to pay year on year for nothing! Disgraceful.

**66.** Our caretaker Dave is fantastic but the blocks have been badly in need of superficial works for years. Paint is flaking off everywhere and cracks are appearing. we are in need of the whole block being painted as soon as possible. on the upside though, it was really good to get the sheds re-roofed last year.

**67.** I live on the Winslade Estate and as a leaseholder am worried about the external look of some of the Council flats. The window frames need to be looked after and the buildings could do with some painting.

**68.** Q12 - it is easy to phone and get an unsatisfactory answer. Q3 - we are not informed of repairs taking place so don't know what we are paying for until the bill arrives 18 months later. Q10 The bills are very confusing and do not explain what we are actually paying for.

**69.** Garden maintenance is very poor and lacks supervision. the trees outside the windows of our property have become so large that they restrict natural light to our living area and it now requires us to have lighting on during the day. This has been reported on numerous occasions and nothing has been done.

**70.** A while ago I had flooding from a flat above mine - took 2 months to sort out and I had extensive damage to my flat. Last week I had no water for two days - plumbers came but problem wasn't quickly solved - whole stairwell had no water. Seems to be a problem co-ordinating multiple reports of repairs.

### **Regenter B3**

**1.** Two and a half years following major damp course work I am still waiting for guarantees.

**2.** Under the PFI scheme, the schedule of works I received lacked detail and was too vague. While the major work has been executed effectively the cosmetic work has either not been done or has been done to a low standard.

**3.** I refer to the so called major works carried out last year under a section 20 notice. Higgins construction workman made my life hell for around 4 months doing work that I didn't ask for, want and in some cases didn't need, the quality of workmanship was appalling and I am to face a bill of many thousands of pounds, still not received yet. on the cover of this questionnaire it shows two workman up ladders, no PPE and balancing a gas cylinder on top of a set of steps, health and Safety my a\*se, the main part of my bill, thousands, will be for scaffolding, because they told me that under H&S they are not allowed to work off ladders, not the best choice of photograph to use was it?

**4.** Re: major works - I am still waiting for the final bill after recently receiving the initial Section 20 notice in February 2008. The S20 notice was based on an estimated cost for a block at £14,000 although I live in a one bedroom Victorian conversion. the work carried out was a low standard. The flat was left in a state. I made frequent calls regarding work done and in the end gave up as they were not responded to. Re: service charge: I pay by standing order yet kept receiving notices for unpaid amounts. I have found Regenter B3 to be stressful to deal with.

**5.** the service is no value for money. Charged all the time. Service is

unreliably overcharged. Jobs done are always inferior and highly priced for profit making. Community work is too much profit orientated. Pensioners in the council bought their homes to live for as long as they live and not for sale. The current bill for major work is causing stress to pensioners (£10,000). £10,000 charged us for 6 doubled glazed windows and a door.

**6.** It is unacceptable that leaseholders are expected to pay 1000's of £s for major works currently being undertaken and on top of that we get nothing out of it ourselves. Why change windows and leave the ugly front doors? Railings need changing badly also or reconditioned. we have no work schedule. Security is bad due to main door downstairs where anyone gets in and sits on the stairs drinking and smoking weed.

**7.** There was no consultation. I just remember being invited to say what works were needed. I am not satisfied. I have tried three or four times over six years to get things done but nothing is done (fencing, lighting, redesign of entrance, gardens, noise). many concerns (e.g. fencing) appear to have fallen through the cracks of a poorly negotiated Regenter contract. I feel my comments are not listened to. Replies seem defensive. My single suggestion would be for me to have ONE person to talk with. Thanks for asking.

**8.** The cost of major works is far too high for the little work that is done. the administration of the major works was totally inefficient - I did much of the work for them. The billing of my estimated service charge for the year was twice incorrect - why are no checks made. regenter are very inefficient.

**9.** Works not carried out on time. Billing is not a true or fair. Way more time needed to pay. Work needs to be signed off by Council and leaseholders.

**10.** In no particular order a list of our concerns with Regenter B3. Could go on but the list would be very long so I have tried to be concise. Talking to other leaseholders in the area, my experience is not unusual. 1. The section 20 process was a farce, bad communication, 3 meetings with Higgins and they still manage to get the works wrong installing PVC windows in a conservation area. 2. Written communication terrible, section 20 arrived with little or no accompanying clear explanation for leaseholders. No estimate for requested revised work schedule/section 20 notice, no bill one year later. We have no idea how much we are going to be charged for a gate and 1/2 days work on our windows. 3. Service charge 2008 very high, 2009 very low and wrong - what is happening? 4. Confusion regarding conservation status, PVC windows installed when shouldn't

have been, wasted money installing wooden double glazed windows when refurbishment was planned. This has had a knock on effect reducing available budget for other works. 5. Big confusion between major works and maintenance work between Regenter B3 partners. 6. Have been told that the major works is now complete and this has been reported to the Mayor's office, but is far from finished, PVC windows only just replaced after nearly a year and according to my council tenant neighbour there is much snagging to be done. Promised major works is now being 'pushed' into maintenance work. I have been waiting 18 months for an answer re: the maintenance on our building, which is long overdue and dangerous. 7. Poor communication from Regenter - seemingly no service standards for leaseholder queries, I have been in contact with Higgins, Equip and Pinnacle for 3 months. My last contact from Pinnacle suggested that I was being impatient asking for acknowledgements and answers regarding our maintenance query (I have been in contact with the senior staff at Equip and Pinnacle for over a year with no answer). 8. Having consulted the leaseholder association we are considering legal proceedings or involving the Health and Safety Executive.

**11.** Appalled and disgusted. Forming a residents association. Currently putting together a case to take to tribunal.

**12.** In general I am satisfied with standard of work with two exceptions. After many complaints over time about the communal staircase etc the reactions have been negative. The outside of this block has taken a slum appearance. I purchased this dwelling to stay in it and not to sell it again at a profit. I was then given to understand it would be maintained as before. Sadly it has not been. Must report that the communal staircase still looks disgusting.

**13.** Issues regarding the repairs carried out - I have highlighted flooding of walkway outside the front door. safety and health issues raised re: poor drainage. No response received. No communication regarding work carried out on the block. poor maintenance works - stairs are dirty - covered with urine and sperm!

**14.** Leaseholders are little or not at all consulted in respect of any works to be carried out. If works need to be carried out no appointments are made or if made not kept. Charges in relation to work carried out are far too high.

**15.** Higgins blocked a drain outside the flats and broke a standpipe in the garages area, neither of which have been rectified for over a year. Housing Manager very good, but have found other staff at B3 unhelpful and unwilling to listen to complaints or accept responsibility. Good that 'major works' happened but some of it shoddy. Communal

area much better managed and cared for (i.e. cleaner and graffiti dealt with).

**16.** I have emailed the deputy mayor about previous sub standard work resulting in floods and the second renewal of roof, resulting in thousands of pounds to put my flat fit for habitation. The tank room was not vandalism but sub standard work by non qualified labour. I will not pay for the work until independent chartered surveyors ok the work.

**17.** My toilet roof tiles was replaced recently the old tiles was a better quality then the new replacement. The old one could be guarantee for 100 years or 50 years but the new one could not last one or two years that is my judgement.

**18.** Before major works commenced, as a block, we had our own survey done. Our surveyor informed us that some of the proposed works were unnecessary (e.g. roof, electrical works etc.) I sent this survey to Regenter, Higgins etc. however I did not receive satisfying answers to my queries, in which they totally disregarded our survey and continued to go ahead with the major works.

**19.** The major works have not been completed but walk way lights have been on constantly since new bulb head fitting has been installed, which will push up the cost of power.

**20.** Service charges since Brockley PFI came into force have been a shambles. They went up 200% for the year 08/09 for 'expected building repairs' when the PFI scheme meant our home had already been fully repaired. As we expected, no work was needed in 08/09 so now we have to wait til Oct 09 for a £250 refund! the following year, the bills sent out were wrong. And finally, we still haven't had the bill for PFI works and fully expect it to be inaccurate when it does arrive.

**21.** As a leaseholder I am absolutely dissatisfied and appalled by the planning, actual execution, communication and billing system implemented by Regenter B3.

**22.** Major works ran several months longer than scheduled. problems communicating with Regenter; calls not returned. Problems with Regenter staff and subcontractors failing to attend (or cancel) appointments.

**23.** The service is appalling. the workmanship/finish is disgraceful. I would never employ such builders or contractors to do such an awful job. I would never pay them for the work at such poor standards.

**24.** Since I bought my property I have never received a service charge



other than an estimated one despite having requested several times in writing. Higgins never finished the renovation works at Nuding Close. What they did so far is sub standard work.

**25.** Generally the area is cleared of litter appropriately and graffiti is cleaned off. However, windows in communal areas are not washed. A light has remained broken for some time. There does not seem to be a lot done in grounds maintenance, care taking or repairs. Therefore I have sought a breakdown of the service provided - hours spent on the building and works carried out. Although my request has been passed through the complaints process, I still have not received this information.

**26** The PFI is an absolute disaster. Even the complaints procedure doesn't work.

**27.** We were very frustrated with the delays and length of time the scaffolding was in place - 10 months instead of 12 weeks as estimated - on a single house is ridiculous. The system of different agencies and people to call is confusing.

**28.** As a leaseholder presented with a major works bill of £10,000 I find it unacceptable that the time that is allocated to repay this huge sum of money is so short. Leaseholders do not have ANY choice about these works being carried out and in reality the work which actually affects the leaseholder's flat tends to be minimal. The minimum time to repay these vast amounts of money should be 3 years.

**29.** No external maintenance till property left in disrepair. Scaffolding left outside for over a year before any work carried out (twice)! Major works survey inadequate and inaccurate. Work poorly managed and when reported unfinished and poor - no action taken. Now we are managed by Regenter B3 (Higgins). Survey as above, work as above. Management of property extremely poor. very unhappy. Workmen just turn up - no appointments. Rubbish left in front garden. Unacceptable. Money wasted because of poor management.

**Appendix D: Results of the focus groups**

**Lewisham Leaseholder Focus  
Groups**

**Report for Public Accounts  
Select Committee**

**August 2009**

### 1. Purpose and background

The Council's Public Accounts Committee is investigating Lewisham leaseholder concerns about the standard and cost of repairs, maintenance and major work for their properties, and how housing managers engage with leaseholders.

As part of this review, the Committee agreed to explore leaseholder concerns through a focus group approach.

This report summarises findings from focus group discussions under the following key lines of enquiry:

- Standard of repairs, maintenance and major works
- Charging and billing leaseholders
- Consultation/interaction with leaseholders.

### 2. Methodology

Two focus groups took place, one with leaseholders from Regenter/B3 and the other with leaseholders from Lewisham Homes. The groups were facilitated by an independent consultant commissioned by the Council's Scrutiny Manager. The discussions were captured by an independent note taker.

The groups were held in the evening from 6.30 – 8.00 pm. The venue was central and had full disabled access.

The focus groups were publicised in a number of ways. Invitations were given out at one residents' meeting and were sent to chairs and members of other residents' and leaseholder groups. Individuals who expressed an interest in the review through the recent survey were also invited.

The final membership of both groups consisted of a good range of:

- Ethnic origin and ages
- length of time as a leaseholder
- properties
- those involved in residents/leaseholder groups and others who were not.

Some of the leaseholders had been tenants previous to becoming leaseholders. All had had, or were in the middle of, major works to their buildings. All of the members were currently living in their properties.

Both groups were introduced to the purpose of the focus groups as well as the scope and timescales of the overall review.

### **Focus group findings – common themes and concerns across both groups**

a) Standard of repairs and maintenance:

- unsatisfactory response to repairs required
- poor quality of repairs
- reactive, not proactive approach to repairs – unclear cycle of repairs and maintenance

Standard of major works:

- poor value for money
- poor quality work
- lack of consultation and choice
- concerns about contractors
- concerns about security
- unclear schedule of works/timescales
- poor planning and project management
- some unnecessary work carried out.

b) Charging and billing

- very large increases in service charges
- lack of itemisation/breakdown on bills
- inadequate timescales/options for payment
- errors on bills and inconsistency
- inadequate channels for querying and discussing bills.

### c) Consultation/interaction with leaseholders

- some examples of effective communication between housing managers, residents, leaseholder groups
- lack of dedicated contact points
- inadequate information around timescales/progress of major works
- generic, one-way communication
- inaccessible staff
- slow (and sometimes no) response to emails/phone calls.

## 4. Regenter/B3 focus group - discussion in detail

Date: 27<sup>th</sup> July 2009

Venue: Lewisham Library

Attendees:

A, Shell Road, since 2007

M, Veronica House, since 1996

P, Clare Estate, since 1991

V, Clare Estate, since 1991

S, Nuding Close, since 2007

M, Nuding Close, since 1992

P, Breakspears Rd, since 1993

C, Tressillian Rd, since 2007

### a) Standard of repairs and maintenance

There were general concerns among leaseholders about a reactive rather than proactive approach to repairs and maintenance. "They come when something happens, for example fixing the paving stones outside after a lady in my block fell over and sued."

Others complained of a lack of an assessment cycle for repairs, causing longer term problems. One leaseholder from a street property described a leaking gutter that eventually caused an inside wall to

become damp and start crumbling, “no-one goes round to assess what needs doing.” Another leaseholder described unnecessary work, “We had the lifts done a few years ago and then got charged again this year. The repairs weren’t called for.”

One member of the group, with a property on a large estate with an active tenants and residents association, felt that Pinnacle was fairly responsive to repairs work reported to them. He commented, “maintenance isn’t bad, but you have to keep on top of them”. Other leaseholders reported a slow response time for repairs, “a wall fell down and it took over a year to be fixed. Pinnacle said it took them that long to get funding”.

Another leaseholder said: “The security doors don’t lock – people come in and out and urinate in the entrance. We were told at a meeting that they do lock! Then I heard through the grapevine that there was no money for new doors”.

Most of the leaseholders described doing their own repairs and maintenance, often with benefits to their neighbouring tenants, “I’m the only leaseholder in my block. They sent a builder round to paint our external windows and I told him not to paint during the freezing weather but he did it anyway and all the paint flaked off. So I re-painted them all myself, including those belonging to tenants.”

“I’ve done repairs myself and engaged someone else to do the work”

“I maintain the gardens for the whole of my block.”

Major works:

Leaseholders’ main concerns were around choice and consultation – particularly for costly major works. “One resident had her windows ripped out even though she didn’t want it and was still charged.”

Some described poor quality and unnecessary work:

“They pulled out the guttering that was good and fitted a small gauge gutter. The first rains came and it was leaking. I wrote and nothing happened.”

“The major works done to my property were shoddy. There were gaps in the guttering and they didn’t keep to the timetable. I became a project manager, making checklists and maintaining weekly communication. The work wasn’t done properly – it was to the detriment of what already existed – but I was still charged.”

There were several comments about poor use of resources:

“The scaffolding was up for 3 or 4 months and nothing happened. The

windows were restored from the inside; they could have done it from the inside. The scaffolding is coming down only to go back up again in a couple of weeks which we'll pay for again. There's no downward pressure on prices"

Security issues were raised:

"They were working on the inside of the property on the electrics and left the flat door wide open. I complained to the liaison officer and the same thing happened again."

"Workmen left ladders up around our property so that people could easily climb onto the scaffolding".

Some people described problems with works:

"They've put new sealed windows in our estate and there's condensation that has now caused mould. My clothes, walls and curtains are covered in brown streaks and mould".

### b) Charging and billing

Everyone commented on very large increases in service charges with no clear explanation. There seemed inconsistency among leaseholders in the same buildings where, for example, one member of the group was charged £900 and another person in the same block was charged £1700 for service charges.

One leaseholder said he had not received a proper bill for service charges since 2007, just estimates and when he queried this he was told to wait until the next financial year.

Errors were a concern:

"We were billed for a flat roof but we don't have one".

"Bills do not correspond with the work you've had done".

Leaseholders also complained about a lack of itemisation and transparency:

"They do things and don't tell you and you are expected to pay".

"I'm quite happy to pay but I need to know for what"

None of the leaseholders felt they had been offered viable options to support payment of large bills:

"We have to pay £10,000 in 10 months. If you can't pay they say you should have been saving. £1,000 per month?! I can't save that kind of money."

“We were told to get a second mortgage ...”

“... or make charges on your property.”

c) Consultation/engagement

General information was felt to be inadequate:

“I live in a street property but they send you a generic letter about communal lifts.”

“Walkabouts are advertised the day before.”

There were concerns about poor communication, including about major works:

“We had a letter that we would have new front doors. We thought, ‘Great!’ Someone came round and we chose the style and colour of door we wanted. Then we heard nothing. Eventually we asked and were told there would be no new doors”.

“You have 21 days to respond regarding major works which is not long enough – it should be more like 30 days.”

“There is no communication on how long the work will take.”

Consultation generally was felt to be ‘shallow’:

“Our steering group voted against Pinnacle but the Council appointed them anyway. Our vote was ignored.”

“We completed a survey but that was ignored.”

“Tenants are listened to but leaseholders aren’t.”

“We spoke with the Mayor and were told they would print details of our leaseholder group and we could have regular publicity in the Brockley Bugle but we have been ignored for months.”

The group were confused about what they were insured for and what further insurance they needed to have:

“There is an overlap in the insurance; it’s not clear.”

“We need a copy of what the insurance covers – we need to know what is covered.”

“When I asked what it covers, I was told ‘flooding’. I live on the top floor of a block!”

d) General: Conservation concerns

Some of the leaseholders in the group raised particular concerns about



a lack of consideration for conservation issues.

“I’m concerned about the vulnerability of period features on my property ... they replaced my original slates with replicas.”

“My welsh slates were placed with concrete tiles”

“The walls on Tyrwhitt Road were removed and replaced with fences.”

### **Lewisham Homes focus group – discussion in detail**

Date: 6th August 2009

Venue: Lewisham Library

Attendees:

M, Reginald Road, since 2003

L, Reginald Road, since 1989

K, Hillcrest Estate, since 2003

D, Hillcrest Estate, since 1989

I, Hillcrest Estate, since 1989

C, Johnstone House, since 2002

P, Johnstone House, since 2005

S, Prendergast House, since 2000

J, Brockley, since 2006

Standard of repairs and maintenance

Maintenance was an issue for most of the group who resented paying for poor quality caretaking and cleaning:

“My maintenance bill is £1,000 per year. I have friends who live in private blocks who pay the same amount and their blocks are immaculate. Ours are littered and there’s brown stuff on the walls. They contract people to do the cleaning etc but they do a rubbish job”.

“We get bills for sweeping. Every year we’re charged – we don’t even have a caretaker! The road sweepers were doing the job instead. It’s a complete farce.”

“Our communal area is very small and nothing is ever done to it. But I pay £100 a year.”

“We pay for window cleaning but I have never seen a window cleaner. I’ve had the same mark on one part of my window for years.”

“We have graffiti that has not been removed.”

“I’ve been paying for pest control for 20 years. What they need to do is sort out the flat below me.”

All of the group had done some kind of repairs themselves due to a lack of responsiveness and a fear that the job would not be done properly.

Major works:

Key concerns with major works were lack of consultation, poor project management, high cost and poor value for money.

“They did the roof and they had scaffolding up for 6 months; the builders were only there for 3 weeks.”

“We had containers outside the front of our property that were empty for 3 months – and we were paying for them.”

“We had to pay £510 for doors to be repainted only to see them removed completely one year later to have double glazed ones instead.”

“They waste money. They leave scaffolding up and paint things unnecessarily. They took the scaffolding down and then someone came to do the damp proofing with a heavy drill up a ladder. If only they had had him come a few weeks’ earlier he could have used the scaffolding.”

Another concern was the quality of contractors:

“Health and safety regulations are ignored ... they brought their kids to work and they stole things. ”

In some cases people were unhappy with the quality of work:

“We had our major works done 3 years ago. The contractors painted around my bicycle! We feel we are doing Lewisham Homes a favour in telling them the work done is not up to standard. Some of us got a reduction in the end but others on the same estate didn’t. It depends on how loud you shout.”

“We had double glazing done. We had rain water dripping in through the windows.”

“We had our front doors painted. They were hopping over people’s balconies to reach the properties to do the job as quickly as possible.”

“They removed our scaffolding and left lots of holes in the brickwork and now we have wasp infestations.”

One individual had been waiting 3 years for external painting work with no response from Lewisham Homes regarding the work. She has now complained and is still waiting for an acknowledgement of her complaint.

### b) Charging and billing

There were serious concerns about the high costs being charged to leaseholders for maintenance and major works.

Two leaseholders on the same estate said:

“They didn’t do any work for 40 years ... They let it turn into a slum and then they do all the work at once and we get a bill for £10,000. If they’d maintained it, it wouldn’t have come to this.”

There was little evidence from the group of support regarding payment options. One leaseholder had taken advantage of an option to pay £300 for 6 months but was still getting letters every month demanding payment. Others were advised to take out a second mortgage, which was not a viable option for the pensioners in the group.

A few people mentioned bills sometimes coming in lower than the estimates, and “sometimes being in credit”. Overall, however, the group felt that bills for major works were not in proportion to the work done, with final bills often being far higher than the estimates:

“We had a £5000 estimate for work including both roof and windows. We had already had the windows done so they amended the estimate. But the final bill came to more than the original estimate even though they didn’t do the windows”.

“We had a letter through with someone else’s address scribbled out giving us 24 hours’ notice for someone to come and fit a new intercom. Luckily I had a half-day so I was there to let him in. He arrived in an unmarked car with no ID. We had still not received an estimate and the contractor said that lots of people had said the same to him. He told me that phone cost £30 and the wiring cost 10p so I was expecting a bill for about £200. They eventually faxed an estimate – which was £800 each. There are 8 people, so that’s £6,400 for one door!!”

One person had challenged incorrect bills and received an admission

that there was a mistake, with the charges then reduced.

All leaseholders reported large increases in service charges:

“We paid £218 three years ago and it’s £800 this year. That’s a massive increase.”

“We paid £300 three years ago and it’s £1,000 this year.”

“We have a new format for the bill with a clearer breakdown. New items have been added, such as customer service, resident involvement and anti-social behaviour but we don’t know what we’re getting for our money. If you phone to query they can’t explain.”

There was concern that they were paying twice for anti-social behaviour, once through council tax and again through their service charge:

“On our estate anyone from the street can access our communal outside areas. They should either be deemed public and we shouldn’t have to pay for their upkeep or cut off and kept nice.”

There was a feeling that leaseholders were being asked to pay the tenants’ share.

There was a lack of clarity among the group around building insurance and whether leaseholders should be paying for this themselves.

### c) Consultation/engagement

Leaseholders were unhappy about communications with Lewisham Homes, citing many examples of lack of response to emails and phone calls. They described receiving “lots of rubbish through the post” and being invited to lots of forums when what they wanted were clear points of contact for issues and concerns.

“We want regular contact ... someone who comes regularly to the TRAs and takes back our issues”.

“I’m fed up with all the communications but when I want something they don’t want to know. It’s all one-way.”

“I just wish there was somewhere we could go to talk face to face ... I went to the Catford office but was told that they had no authority and that I should send an email.”

There was general agreement of the benefits of being in a tenants and residents’ association (TRA). There were also concerns about the responsibility and time commitment involved – with disappointing results:

“If you have a TRA you do get more help.”

“We have a very good TRA but still the work doesn’t get done. The same issues are covered every time.”

“I had a panel meeting which clashed with this (i.e. the focus group) meeting. I was told by the organiser not to bother going because last time none of the housing officers bothered to turn up.”

“We just had to give our TRA up. We’ve had so many major works. We had a meeting last week and the chairperson and I were blamed for asking for the work to be done and ultimately them getting charged for it.”

#### d) General: Anti-social behaviour

A key additional concern for many in the group was increasing levels of anti-social behaviour. Examples were given regarding dogs and problems with noisy neighbours. There was a feeling among some of the group that, in spite of paying for an anti-social behaviour team, the problems were getting worse.

In one part of the borough, a leaseholder described a more positive experience:

“Our problems are generally dealt with and when we report things the response from the ASB team is generally effective.”

## 6. End summary

Leaseholders in both groups welcomed the opportunity provided by the Council’s review to air their views and concerns although the majority felt they were reiterating issues they have regularly raised with their housing managers and, in some cases, with local Councillors. People expressed frustration, concern and anger regarding their experiences as leaseholders and admitted cynicism about future improvements. That said, all individuals contributed in a VERY constructive way to the discussion. As one leaseholder said in a follow-up email:

“Thanks for the meeting. We came away thinking that something good might come out of this.”

All who attended were interested in being kept informed of progress regarding the review and any recommendations and actions arising from it.

MF/August 2009

## Appendix E: Regenter B3 Procurement process

### Procurement Department Procedures Abstract

Procedure	Notes
<p><b>PRE-COMMENCEMENT MEETING BD03</b></p> <p>A Procedure to identify and address the Project requirements.</p> <p>The Contracts Manager, Buyer, Surveyor and other team members will agree the list of proposed sub-contractors and suppliers and record this on the 'proposed supply chain enquiry list' (Form B 14).</p>	<p><i>To ensure the whole team is fully briefed on the project and to set out the delivery strategy</i></p>
<p><b>ENQUIRIES / SUB-CONTRACTOR SELECTION BD04</b></p> <p>A Procedure to select and procure Sub-Contractors for packages of work.</p> <p>Following receipt from the Cost Manager (Design and Build Projects), the Buyer will issue enquiry packages to those Sub-Contractors/Suppliers agreed at the Pre-Commencement Meeting and recorded on the proposed enquiry list/Form B 14 and the trades detailed on the Procurement Schedule (Form C20).</p> <p>Following receipt of quotations the Buyer will make a detailed analysis of the offers and compare them with the budget for the element of works.</p> <p>The Buyer will discuss the offers with the Contracts Manager, Cost Manager and Surveyor as appropriate to propose a choice of Sub-Contractor.</p> <p>The Buyer will further negotiate with the proposed Sub-Contractor to establish their suitability and ensure that they have the resources required to adequately service the project. If any financial issues associated with design arise these will be discussed with the Pre-Construction and Construction team.</p> <p>The proposed Sub-Contractor's name will then be submitted to the Managing Director/Procurement Director for approval (Form B 15). On 'open book' partnered projects the Cost Manager or Surveyor will submit the proposed Sub-Contractor/Supplier to the Client's Representative for their approval.</p> <p>The enquiry packages will be based on information contained in the Bill of Quantities, detailed design drawings and specifications. It will also detail all environmental/ sustainability criteria which need to be addressed in order to meet the requirements of Higgins' ISO 14001 accreditation, the Clients required and the Code for Sustainable Homes/BREEAM.</p>	<p><i>This is the key function of the Procurement Department to ensure:</i></p> <ol style="list-style-type: none"> <li><i>1) The use of competent and suitable subcontractors</i></li> <li><i>2) All options are explored through use of a broad supply chain</i></li> <li><i>3) Competitiveness is achieved through market testing.</i></li> <li><i>4) Compliance is achieved through careful evaluation of bids.</i></li> <li><i>5) All parties are involved and all aspects covered</i></li> </ol>
<p><b>SUB-CONTRACTOR PRE-ORDER QUALITY PLAN MEETING BD05</b></p> <p>A Procedure to finalise and confirm a Sub-Contractor's suitability for a particular contract.</p> <p>The meeting will follow a set agenda (Form B11) and the Buyer will take notes of the meeting, which will be endorsed by the Sub-Contractor for incorporation into the Sub-Contract order.</p>	<p><i>The formal agreement of all contractual and production issues</i></p>



**Procurement Department Procedures Abstract.**

<p><b>SUB-CONTRACTOR ORDER PLACEMENT</b> <b>BD06</b> A Procedure to inform the selected Sub-Contractor of our intentions and to give Contractual protection to both parties.</p> <p>The Order is typed and sets out the Agreements made by both parties.</p>	<p><i>Issue of the contract documents</i></p>
<p><b>SUB-CONTRACTOR EVALUATIONS</b> <b>BD07</b> A Procedure to evaluate a Sub-Contractor's performance on each Contract.</p> <p>Following receipt of the Practical Completion Certificate or at the discretion of the Procurement Director / Head of Procurement, Sub-Contractor Evaluation questionnaire (Form B12) will be issued to the relevant Contracts Manager who, after discussion with the project team, will complete and return it.</p>	<p><i>A process to assess the subcontractors competency and performance for use on future projects</i></p>
<p><b>SUB-CONTRACTOR DATABASE</b> <b>BD08</b> A Procedure for upgrading and monitoring Sub-Contractors employed by the Company.</p> <p>Details of all Sub-Contractors who have been previously employed by the Company or have completed a Questionnaire (Form B11) will be contained within the Company's Database.</p>	<p><i>The means of recording the subcontractors details and all history associated with them</i></p>
<p><b>MATERIALS PURCHASE</b> <b>BD09</b> A Procedure to ensure that materials purchased by the Company comply with the project specification and are, wherever possible, purchased at rates which compliment those in the priced Bill of Quantities / Schedule of Prices.</p> <p>Enquiries for major material elements are made by the Procurement Department following discussions at the Pre-Commencement Meeting and issue of the Procurement Schedule (produced by the Contracts Manager). The enquiries will be for the supply of specific packages of materials and will include the relevant contractual documentation.</p> <p>Quotations received by the Procurement Department will be analysed for compliance with the project specification and comparison will be made with the tender. Discussions will be held with the Contracts Manager and Surveyor as to the proposed supplier's suitability. If any financial issues associated with the design or specification arise, these will be discussed with Pre-construction</p>	<p><i>See notes to BD04 above – a similar process for ensuring the correct and competitive procurement of materials</i></p>

## Appendix F: Lewisham Homes Satisfaction Survey 2008

Question	2006 (%)	2008 (%)	Change since last available data
<b>Satisfied with services provided by landlord</b>			
% respondents satisfied	34%	33%	-1%
<b>Satisfied with the value for money for service charge</b>			
% Satisfied	26%	33%	+7%
<b>Satisfied with the neighbourhood as a place to live</b>			
% Satisfied	74%	66%	-8%
<b>Easy to get hold of the right person when last contacted the landlord</b>			
% Found it easy (leasehold services team)	31%	40%	+9%
% Found it easy (other Lewisham staff)	31%	32%	+1%
<b>Found the staff helpful when last contacted the landlord</b>			
% Found staff helpful (leasehold services team)	48%	50%	+2%
% Found staff helpful (other Lewisham staff)	48%	45%	-1%
<b>Staff were able to deal with the problem when last contacted the landlord</b>			
% Found staff able to deal with the problem (leasehold services team)	40%	49%	+9%
% Found staff able to deal with the problem (other Lewisham staff)	40%	41%	+1%
<b>Satisfied with the final outcome of contact</b>			
% Satisfied (leasehold services team)	29%	40%	+11%
% Satisfied (other Lewisham Homes services)	29%	32%	+3%
<b>Satisfied with repairs and maintenance</b>			
% Satisfied	20%	30%	+10%
<b>Satisfied that major works provided value for money</b>			
% Satisfied	21%	21%	No change
<b>Rates Lewisham as 'good' at keeping residents informed</b>			
% Good (leasehold services team)	47%	56%	+9%
% Good (Lewisham Homes as a whole)	47%	52%	+5%
<b>Satisfied with opportunities for participation in management and decision-making</b>			
% Satisfied	38%	38%	No change



## Appendices

Leaseholders were given 7 area/objectives and asked which they considered to be the three most important and the three most in need of improvement. The results were:

service/objective improvement	most important	most need
repairs and maintenance	63%	63%
value for money	60%	57%
anti-social behaviour	38%	39%

Leaseholders were asked which additional services they would like Lewisham Homes to offer leaseholders for which leaseholders would pay for directly, the responses were:

- repairs inside the property 71%
- gas servicing 45%
- acting as managing agents for leaseholders sub-letting 24%.

Leaseholders were asked about their satisfaction with the general condition of the exterior and shared areas of the block/building:

level of satisfaction	percentage
very satisfied	5%
fairly satisfied	33%
neither satisfied or dissatisfied	16%
fairly dissatisfied	25%
very dissatisfied	21%
<i>summary</i>	
satisfied	38%
dissatisfied	46%

Leaseholders were asked about their satisfaction with value for money

level of satisfaction	percentage
very satisfied	3%
fairly satisfied	30%
neither satisfied or dissatisfied	17%
fairly dissatisfied	26%
very dissatisfied	23%
<i>summary</i>	
satisfied	33%
dissatisfied	49%

Leaseholders were asked specifically about satisfaction with repairs and maintenance to communal areas.

level of satisfaction	percentage
very satisfied	4%
fairly satisfied	26%
neither satisfied or dissatisfied	20%
fairly dissatisfied	23%
very dissatisfied	26%
<i>summary</i>	
satisfied	30%
dissatisfied	49%

## Appendices

Leaseholders were asked about their level of understanding of service charge information provided by Lewisham Homes

level of understanding	percentage
very well	18%
fairly well	47%
neither	7%
not well	17%
badly	9%
no opinion	2%
<i>summary</i>	
very/fairly well	65%
not well/badly	26%

Of those leaseholders responding to the survey 26% (150) said they had had major works (e.g. major repairs, refurbishments works, improvements or upgrades to building or communal areas) completed in the last 12 months. These leaseholders were asked about their satisfaction with value for money

level of satisfaction	percentage
very satisfied	1%
fairly satisfied	20%
neither satisfied or dissatisfied	15%
fairly dissatisfied	23%
very dissatisfied	41%
<i>summary</i>	
satisfied	21%
dissatisfied	64%

The leaseholders who had had major works carried out in the previous twelve months were asked about their satisfaction with various aspects of the process

level of satisfaction	consultation with the homeowner	information provided	quality of work	level of charge/cost	payment options available
very satisfied	8%	10%	10%	2%	8%
fairly satisfied	31%	32%	20%	14%	30%
neither satisfied or dissatisfied	14%	13%	27%	11%	25%
fairly dissatisfied	16%	22%	16%	23%	11%
very dissatisfied	31%	25%	27%	50%	26%
<i>summary</i>					
satisfied	39%	42%	30%	16%	38%
dissatisfied	47%	47%	43%	73%	37%

The survey was carried out in November 2008, therefore the responses on repairs and maintenance relate to the period prior to Building Services being transferred to Lewisham Homes. Similarly the major works contracts would have been commissioned and started by Lewisham Council prior to transfer of this function to Lewisham Homes. It should be noted that the Lewisham Council Building Services Department transferred to Lewisham Homes in November 2008 at which time the responsibility for undertaking repairs passed to the ALMO. Consequently the Lewisham Homes leaseholders in the surveys will generally be commenting on repairs carried out by Lewisham Council prior to the transfer.

**If you have difficulty understanding this document in English please call the number below.**

Për të marrë informacion mbi këtë dokument, ju lutemi telefononi numrin e mëposhtëm.

Albanian

Pour plus d'informations sur ce document, veuillez appeler le numéro ci-dessous.

French

更多有关本文件的信息，请拨打如下电话。

Mandarin

Sidii aad u hesho macluumaad ku saabsan dokumentigaan fadlan soo wac lambarka hoos ku qoran.

Somali

இப் பத்திரத்திலுள்ள தகவல் தேவையானால் தயவுசெய்து கீழேயுள்ள எண்ணில் தொடர்புகொள்ளவும்.

Tamil

Bu doküman hakkında bilgi için lütfen aşağıdaki numarayı arayınız.

Turkish

Để biết thêm thông tin về tài liệu này, quý vị hãy gọi số điện thoại sau.

Vietnamese

**020 7253 7700**

Also call this number for other formats, including Braille, large print, audio tape, BSL or computer disc.

Email: [lewisham@pearllinguistics.com](mailto:lewisham@pearllinguistics.com) Tynetalk: 18001 020 7253 7700