

<b>Committee(s):</b> Enforcement, Environment and Housing	<b>Date:</b> 7 March 2022
<b>Subject:</b> Leasehold Payment Options Policy	<b>Wards Affected:</b> All
<b>Report of:</b> Tracey Lilley, Corporate Director – Housing and Community Safety	<b>Public</b>
<b>Report Author/s:</b> Name: Nicola Marsh, Corporate Manager – Housing Estates Telephone: 01277 312500 E-mail: nicola.marsh@brentwood.gov.uk	<b>For Decision</b>

### **Summary**

To assist leaseholders with making payments on the major repair works that the Council undertakes in its role as a freeholder and landlord, the Council needs to formally set out what the options are. The policy at Appendix One sets out the options for how the Council will implement these.

### **Recommendation(s)**

**Members are asked to:**

**R1. To approve the Leasehold Payment Options Policy in Appendix A.**

### **Main Report**

#### **Introduction and Background**

1. In its role as a freeholder, the Council charges leaseholders the costs of managing and maintaining properties. Some of these charges cover the regular activities of cleaning and repairing the communal areas, and other charges cover the major repair of buildings. This can include fire safety works and replacing components, such as roofs and windows.
2. The cost of major repairs and replacements can be expensive and the cost of this is covered by tenants and leaseholders, either through their rents or services charges.

3. The Council's is responsible for maintaining its properties in a good condition and recovering the cost of the works from leaseholders is based on the lease that exists between the Council and the leaseholder.
4. To support the maintenance of the buildings a range of payment options is proposed for leaseholders, to help make the larger costs easier to meet. This will help the Council meet its obligations and ease the burden on leaseholders who reside in the property. The payment options also assists the Council with recovering the cost it incurs within a shorter time period and without having to take legal action to do so.

### **Issue, Options and Analysis of Options**

5. The policy sets out the payment options that are available.

### **Reasons for Recommendation**

6. To ensure that the Housing Department has documentation to support the approach to seeking payment for major repairs, including offering options for those resident leaseholders that are not able to make payment upon receiving the invoice.

### **Consultation**

7. Consultations have taken place with the Tenant Talkback group and minor amendments were incorporated into the policy.

### **References to Corporate Plan**

8. Drive continuous improvement of our housing services and continue a service improvement programme to ensure our services are delivered efficiently.

### **Implications**

#### **Financial Implications**

**Name/Title: Phoebe Barnes Corporate Manager – Finance (Deputy S151)**

**Tel/Email: 01277 312500/phoebe.barnes@brentwood.gov.uk**

9. There will be financial implications arising from the implementation of this policy and the take-up of the different payment options in place. The policy's implementation will need to be planned based upon the level and type of major repair works to be completed and the monetary impact of this for leaseholders where this is a significant amount for the household. The delivery of the planned works will need to be organised and be referred to in the HRA budget setting process to enable the policy to be implemented.

10. In addition, the Council will have to account for the options available in separate ways as follows:

- Option 1&2 would recognise the contribution from the leaseholder as a capital contribution and would be used to finance the capital works.
- Option 3, Continues to be a capital contribution but would also recognize that the leaseholder is a debtor to the Council.
- Option 4 would create a deferred capital receipt which would be realised in the future when the property is sold
- Option 5 & 6 would require the Council to purchase the properties and incur additional capital expenditure in purchasing these properties which would need financing.

Revenue costs incurred would be around the administration of the policy.

#### **Legal Implications**

**Name & Title: Amanda Julian, Corporate Director (Law & Governance) and Monitoring Officer**

**Tel & Email: 01277 312500 / amanda.julian@brentwood.gov.uk**

11. Leaseholders will need to seek their own legal and financial advice based on their circumstances, and the Council should encourage leaseholders to seek the advice from organisations, such as the Leasehold Advisory Service.

#### **Economic Implications**

**Name/Title: Phil Drane, Corporate Director Planning & Economy**

**Tel/Email: 01277 312610/philip.drane@brentwood.gov.uk**

12. There are no direct economic implications. It is important that the Council manages and maintains its housing stock for the benefit of residents. Provision of good homes can bring an indirect benefit to the local economy.

#### **Background Papers**

There are no background papers to this report.

#### **Appendices to this report**

Appendix A: Leasehold Payment Options Policy