

Leasehold Services Strategy

2011-14

OUR MISSION

To deliver excellent, customer focused
and cost effective housing services
to all our residents



Please feel free to get in touch with us if:

- You feel this document is not as clear and easy to read as you would expect; or
- You believe that we aren't doing the things that this document says we will do; or
- You just want to talk to someone about this document

Whatever the reason, if you want to talk to us about this document you should contact:

Head of Income on Freephone 0800 195 5552

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Effective from:	April 2011
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Introduction

- 1.1** SHP delivers a range of housing services directly to the tenants and leaseholders of Sutton Council.
- 1.2** Until September 2010 services relating to service and major works charges, right to buy and pre-assignment information and the promotion of other services available to leaseholders (e.g. gas servicing, repairs) were delivered by a dedicated Leasehold Services team.
- 1.3** This strategy identifies the medium term approach to the delivery of these services and has been developed taking in to account the views of individual leaseholders and active members of the Sutton Leaseholders Associations prioritising improved information and services.
- 1.5** There are complementary service strategies for Asset Management, Community Cohesion, External Services, Income Management and Older People's Services. Together with the strategies for the support services and strategic drivers, our strategies provide the focus for achieving our Priorities.

Where Are We Now?

- 2.1** The current state of the service is reflected in the following:
 - A restructure of the service in 2010 resulted in the service being split between the Income and Finance Teams to benefit from the strong performance achieved in these areas

- The staff involved in leasehold services are knowledgeable and committed;
- Leaseholders are included in events such as the annual Residents' Conference and are provided with information through Homefront. Leaseholders, and their representatives, were involved in the 2008 Leasehold Services review;
- All leaseholders have been consulted about the five year Decent Homes programme, building insurance arrangements, and sinking funds;
- Service charge collection rate targets were met in 2007/08 (101.1%) but, following the implementation of a new IT system, performance in 2008/09 (70.3%) was below target. However, for both 2009/10 and 2010/11 collection is back on target and has exceeded 100% in both years;
- The methodology for service charging is strong and billing is timely for the actuals invoice and estimates;
- We have a positive, constructive relationship with Sutton Leaseholders Association;
- Extended Payment Options for Major Works Invoices have now been agreed and are offered to leaseholders;
- Additional one year extended payments option now available to non resident leaseholders;
- Leaseholder satisfaction continues to improve and compares well to available benchmarking data.

2.2 The view of the Audit Commission during their inspection in October 2009 was that for leasehold services strengths outweighed weaknesses. They commented that “Leaseholders receive a wide range of clear information about services and standards and satisfaction with the service is now relatively high. Consultation and resident involvement is improving services. Service charge estimates are reasonably accurate and payment options are flexible. However, service charge bills were sent out late last year, so collection rates are low. SHP does not have a full understanding of leaseholders' needs and does not adequately report on its performance to them.”

Where Do We Want To Be?

3.1 We want to see a service where leaseholders have a high degree of satisfaction with an excellent standard of delivery through:

- A greater understanding of the profile of our leaseholders and what their needs are;
- Timely distribution of accurate service charge statements and bills;
- Good communication with the major works team that supports the effective recharging of major work's costs;
- Frequent and meaningful consultation with leaseholders over issues relevant to them;

- A high level of support from well trained, customer focused staff who are readily accessible to leaseholders.

Our Strategic Objectives

4.1 In order to achieve our desired service level we have prioritised a number of strategic objectives and identified the scope of each objective across the service. These strategic objectives are:

- **To continuously raise customers' overall satisfaction with leasehold services [LS01]**
Covering service charges, major works charges, RTB and pre-assignment information, additional services information
- **To minimise the debt arising from leaseholder service charges [LS02]**
Covering service charges, major works charges
- **To fully utilise leaseholder software to improve service levels [LS03]**
Covering Northgate service charge module

4.2 To measure our progress in meeting these objectives we will use quantitative and qualitative indicators including:

- Customer satisfaction with services;
- Levels of service charges collected;
- Payment options available for major works charges;
- Levels of major works charges collected.

Our Drivers

5.1 In delivering our services we will seek to embed the organisation's strategic drivers:

- We will enable our **customers**, including under-represented leaseholders, to meaningfully participate in the development and monitoring of services through a range of mechanisms and we will use leasehold champions to provide feedback on our services;
- To ensure that the **diversity** of leaseholders is reflected in the way we offer our services: we will set targets for the collection of up to date diversity profiling information. We will use the available leaseholder profiling information to tailor the delivery of our services to make them accessible to, and appropriate for, all leaseholders;
- We will seek to reduce the **risk** of inadequate software performance by working closely with ICT services. Further, we will reduce the risk of high levels of debt by accessing the most effective debt collection services;
- We aim to ensure **sustainability** by reducing the number of mail outs or where possible combining these, for example sending customer statements and the Sutton Leaseholder Association newsletter together.
- In pursuing opportunities for **value for money** in service delivery we will make effective use of IT systems to ensure efficient billing and collection services. We will review debt collection to identify the most cost

effective service. In addition, We are looking to introduce payment cards or bar codes on invoice which will reduce the need to provide copy invoices we will seek to identify further inward investment opportunities to generate additional income for the service within existing resources.

Issues To Consider

6.1 The issues which may impact on service delivery that we are aware of are:

- The current economic downturn may increase the difficulties that leaseholders have in paying service charges and for major works;
- We may be subject to challenge at the Leasehold Valuation Tribunal;
- There may be adverse publicity resulting from the level of costs to leaseholders of major works programmes;
- Increased level of charges due to the Decent Homes programme may prove challenging to recover.

Expected Impact

7.1 We expect, through the successful implementation of this strategy, to have the following impact:

- **Customers** will benefit from being meaningfully involved in the delivery of leasehold services. They will have a more efficient and effective billing and collection service. The range of information available both to

leaseholders and potential leaseholders will be improved;

- **SHP** will have knowledgeable and committed leasehold services staff who are focused on providing high level customer service. Working between teams (i.e. income management, finance and programme delivery) will be improved.

Resources Required





8.1 To successfully deliver this strategy we will require the appropriate level of resources, the implications of which are:

- The reorganisation of the service has ensured that staffing levels are sufficient to meet the needs of the service.
- It is not anticipated there will be a significant increase in Leaseholders due to the slow down in Right to Buy sales and the loss of leasehold stock through buy- back at regeneration sites such as Durand Close and Corbet Close.





Strategy Delivery

9.1 The actions required to implement this strategy in its first year are contained in the appended Leasehold Services Service Plan 2011-12.













Service Plan Key

























Reference	Service Improvement Plan reference	Summary of action	Responsible Officer	Start date	End date	Evidence of action having been completed
		Expected impact on customer focus (access, care or involvement)				Expected impact on risk
		Expected impact on equality & diversity				Expected impact on value for money

Improvement Actions

IM.IA.II.01	SIP11.02	Undertake a review of private leasehold management options to assess their potential as a business development	BC	Jan-12	Mar-12	Report and action plan
		Customers will see the benefits of improved value for money and more efficient services				Reduces the risk that individual services and the organisation as a whole will not remain viable in the medium term
		Services will be delivered to provide the best value for money to all diversity strands				Additional sources of income will be identified and existing services will be provided more efficiently

Operational Actions

LS.OA.01		Review potential for charging Leaseholders for registering of sub let properties	NH	June-11	Sep-11	Report prepared for board and SLA
	✓			Beyond maintaining current performance levels, there will be the following impact on the driver(s) indicated (✓): Improved record of occupants of properties and more effective management of estates		
						
LS.OA.02		Produce an annual Leasehold report for the board	CH	Apr-11	Jun-11	Board report for June meeting
			✓	Beyond maintaining current performance levels, there will be the following impact on the driver(s) indicated (✓): Reduces the risk that the Board is not conversant with the delivery of the leasehold service and the issues that relate to it		
						
LS.OA.03		Start billing for Major Works with Estimated Bills followed by Actual Invoice when works completed	CH	Apr-11	Jun-11	Estimated Major Works invoices sent out
	✓			Beyond maintaining current performance levels, there will be the following impact on the driver(s) indicated (✓): Leaseholders start paying for Major Works earlier avoiding issues with sales of properties and ensuring leaseholders are more involved whilst actual works are in progress.		
						

LS.OA.04	Ensure all Major Works Actual Invoices are billed within 6 weeks of final account being agreed	JS	Apr-11	Mar-12	Major works Actual Invoices issued
 ✓		Beyond maintaining current performance levels, there will be the following impact on the driver(s) indicated (✓): Ensures leaseholders are advised of final cost and charges, and income is collected in a timely fashion			
					
LS.OA.05	Review potential to use Money Claims On Line system for Service Charge Debts	NH	Sep-11	Dec-11	Report prepared for consideration by board
		Beyond maintaining current performance levels, there will be the following impact on the driver(s) indicated (✓): Reduced use of LBS Legal Services and reduced cost to SHP and Leaseholders			
	 ✓				
LS.OA.06	Review system methodology for generation of 2012/13 estimates	JS	Nov-11	Feb-12	2012-13 service charge estimates issued on time
		Beyond maintaining current performance levels, there will be the following impact on the driver(s) indicated (✓): Ensures charges are made and income is collected in a timely fashion			
	 ✓				
LS.OA.07	Create a pre-tender process to ensure adequate information is provided to maximise major works recharges to leaseholders	NH	May-11	Dec-11	Pre-tender process drafted
		Beyond maintaining current performance levels, there will be the following impact on the driver(s) indicated (✓): Ensures full information available to minimise level of unchargeable costs and delays in invoicing			
	 ✓				
LS.OA.08	Review methodology of bulk refuse charge to ensure equity across developments	JS	May-11	Jul-11	Revised charging calculation devised and applied to 2010/11 actuals
		Beyond maintaining current performance levels, there will be the following impact on the driver(s) indicated (✓): Improves equity of charges across estates			
	 ✓				
LS.OA.09	Review Leaseholder Management Fee calculation methodology	JS	Apr-11	Jul-11	Revised charging calculation agreed with SLA and applied to 2010/11 actuals
 ✓		Beyond maintaining current performance levels, there will be the following impact on the driver(s) indicated (✓): Ensures full recovery of management costs in an equitable manner with the support of the SLA.			
					









Putting Customers First
Making Services Accessible To All
Achieving Value For Money
Providing Quality Homes
Creating Safe, Welcoming Neighbourhoods
