



CORPORATE SCRUTINY COMMITTEE

27th September 2023

Wednesday, 4th October, 2023, 6.00 pm in Town Hall, Market Street, Tamworth

SUPPLEMENT – ADDITIONAL DOCUMENTS

Further to the Agenda and Papers for the above meeting, previously circulated, please find attached the following further information, which was not available when the agenda was issued:

Agenda No. Item

8. **Update on Leaseholders** (Pages 3 - 10)
(*Report of the Assistant Director, Assets*)

Cabinet Motions from Leaseholders – February 2023: Members and Officers giving account

Yours faithfully

A handwritten signature in black ink, appearing to be 'A. B.', followed by a long horizontal line extending to the right.

Chief Executive

To Councillors: D Cook, M Bailey, C Bain, L Clarke, R Claymore, G Coates, S Doyle,
D Maycock and B Price.

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Wednesday, 4 October 2023

Report of the Assistant Director, Assets

Leasehold Service Charges

Exempt Information

Not exempt

Purpose

This report provides a timeline of events relating to the Corporate Scrutiny review of Leaseholder Service Charges, the report also provides an update on progress to date against each of the recommendations made to Cabinet by Corporate Scrutiny Committee.

Recommendations

This report is intended to provide an update on the current status of the recommendations approved at Cabinet on 23rd February 2023 along with a timeline of events from the service of initial consultation notices to Leaseholders.

Executive Summary

At a Cabinet meeting on 23rd February 2023 a number of recommendations were made and whilst the review will supersede the majority of these recommendations the table below provides an update on progress against these recommendations,

Cabinet Recommendation	Action –	
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1	<p>Agreed to a one-off look for this piece of work, with an independent assessor to assess if the costs are correct</p>	<p>An inspection has been completed by a third-party surveyor; this was a visual inspection for the purpose of confirming the existing condition of the roofs. Access attempts were made at all properties but there were some instances where access was denied this means that some roofs may not have been inspected.</p> <p>Out of the 44 leaseholders affected who reside at 21 properties overall which require re-roofing. Surveys-16 number surveys were completed.</p> <p>It had been agreed that an external consultant would be appointed to carry out a more detailed review of the SOR items and undertake a market comparison, this however has now been superseded by the strategic review.</p> <p>Works have now been suspended pending the outcome of the strategic review and it is expected that given the period of time that will have passed new surveys will need to be completed before any future works are planned.</p>
2	<p>Agreed that the Portfolio Holder would consider the implications of assessing all repairs in advance of leaseholders being asked to contribute and bring the report back to the next available Cabinet meeting.</p>	<p>The Council has amended its processes to include a visual inspection of works prior to the issuing of Stage 3 consultation for all future works.</p> <p>It has been agreed that no further s20 consultations or works will be carried out until the strategic review has been completed with the exception of works of an urgent nature or those works with Health & Safety or compliance nature.</p>

3	<p>Review the council's communications when residents buy a council house, including what responsibilities and obligations are on the owner occupier.</p>	<p>Amendments have been made the Right To Buy pages on the website making the subject of charging clearer and also urging potential Leaseholders to seek more detailed legal advice in advance of purchasing a Leasehold property.</p> <p>Communications are currently under review in consultation with Customer Services and 'Right to Buy' colleagues, drafts have been made available for review by the Corporate Scrutiny committee by These will also be subject to review by the Council's legal advisors.</p> <p>The draft written communications are aimed to ensure–</p> <p>They are understandable for customers They meet the requirements of the necessary legal notifications</p> <p>It is expected that a review of communications will form part of the strategic review process.</p>
4	<p>Review communications and include the information from the whole capital programme in the communications.</p>	<p>The Council currently informs solicitors of any known works for the relevant property. However, as part of the above review of communications under 3 above information will be separately provided separately to Right to Buy applicants.</p> <p>It should be noted that although the Council can provide information to Right to Buy applicants it is not possible for the Council to provide information as part of onward sales.</p> <p>It is expected that a review of future programmes and associated communications will form part of the strategic review process.</p>

5	<p>Referred back to Corporate Scrutiny that the Committee look at the process for requesting at least two face to face drop ins with residents before any work commences and Scrutiny should consider whether this is for all works or works over a certain monetary threshold.</p>	<p>No further feedback had been received concerning this item from the Committee prior to the extraordinary meeting of Full Council.</p> <p>Currently the contractor provides day-to-day management of these programmes through a Resident Liaison Officer [RLO]. The role of the RLO is to provide information on the project to residents, make arrangements around access and generally support residents to ensure that the project runs smoothly.</p> <p>It is expected that a review of future programmes and associated communications will form part of the strategic review process. This review is likely to consider the most appropriate methods of interfacing with Leaseholders for specific projects and in general.</p>
6	<p>Agreed that if any of the 44 Leaseholders affected any of the 21 roofs that haven't been assessed they will be assessed immediately.</p>	<p>This was completed other than those who have not allowed access prior to the meeting of extraordinary Full Council.</p> <p>As works have now been suspended and there is likely to be a significant gap before projects re-commence it is expected the works will need to be reinspected as part of any future programmes.</p>

7	Agreed that the affected 44 leaseholders would not be faced with increased costs because of the delay in works being commenced.	<p>Legal advice obtained in relation to this matter specifies that the Council has no power to waive charges that are due and that to subsidise Leaseholders through either the HRA or General Fund accounts would be ultra-vires.</p> <p>Works have now been suspended pending the outcome of the strategic review. The review will include legal advice in relation to charging and this item will be included within that review for further consideration.</p>
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Timeline of events leading to the above outcomes: -

Date	Action
<p>May 2019 stage 1 Section 20 consultation commenced.</p> <p>Stage 2 consultation followed in November 2019 the 30 days had expired and all observations had been answered to.</p>	<p>Initial notices of intention to enter into contracts LTQA were served on all leaseholders in advance of the award of the new repairs and investment contracts which commenced on 1st April 2020.</p>
<p>Letters sent out to notify of the stage 3 notices commenced 21st March 2022</p>	<p>Stage 3 notices issued to Leaseholders in Gillway in respect of roofing works. During the initial formal consultation process no formal representations were received.</p>
<p>Various dates after the original stage 3 was issued.</p>	<p>Over a period of months, a number of Member enquiries were received in respect of the proposed works. These were responded to through the normal Member Enquiry process.</p>
<p>27th September 2022</p>	<p>A motion was moved at Full Council to review the handling of communications with Leaseholders following communications with Members</p>
<p>6th October 2022</p>	<p>Corporate Scrutiny Committee agreed to establish a working group to look at the recommendations made by Full Council on 27th September 2023.</p>
<p>November 2022</p>	<p>The working group made several requests for information from Officers in respect of Leasehold Service Charges. All information requested that was available at the time was</p>

	<p>provided.</p> <p>There was no direct Officer input into this working group beyond the provision of the information that had been requested.</p>
21st February 2023	<p>The Portfolio Holder for Housing & Homelessness circulated a copy of the recommendations that the Corporate Scrutiny working group would be taking to Cabinet on 23rd February 2023.</p> <p>Officers reviewed the recommendations and made various comments and sought clarifications on some items which were not forthcoming at this time.</p>
Feb/Mar 2023	<p>Work commenced on reviewing the inspections of all roofing in response to the first recommendation.</p>
April 2023	<p>Copies of the inspections completed were supplied to the Portfolio Holder for Housing & Homelessness</p>
Feb/Mar 2023	<p>Implications of the various recommendations were set out for the Portfolio House for Housing & Homelessness advisory panel for discussion.</p>
Mar 2023	<p>Discussions with legal in relation to the information supplied to prospective leaseholders.</p>
28th February 2023	<p>Officers met with the Portfolio Holder for Housing & Homelessness to discuss the recommendations in more detail, to update on progress and to agree actions and to clarify certain matters.</p> <p>At this meeting the question was put to the Portfolio Holder as to whether or not the process should be suspended until an outcome was agreed. The Portfolio Holder indicated that he would discuss this with the Leader and feedback. Unfortunately, there is no record that this feedback was forthcoming and as such the process was not suspended at that time.</p>
May 2023	<p>New Portfolio Holder in position following election process.</p>
20th June 2023	<p>A further update to Corporate Scrutiny on the matter of Leaseholders was provided. It was the view of this Committee that there were still some matters outstanding and it was identified that to date there had not yet</p>

	<p>been a formal update through the Cabinet process.</p> <p>It was minuted at this meeting that the Portfolio Holder for Housing & Homelessness had been updated on progress against the actions.</p> <p>It was recommended that the matter be referred to an Extraordinary full Council meeting for resolution.</p>
June/July 2023	Formal legal advice from Counsel received in relation to the wider issue of the application of charges to Leaseholders
21st August 2023	<p>An Extraordinary Full Council meeting was held where the matter was discussed.</p> <p>It was agreed that no further Leaseholder works would commence or be consulted on (with the exception of H&S or works of an urgent nature) until a full strategic review had been completed.</p>
September 2023	<p>The process of the strategic review commenced with the issue of a tender document.</p> <p>Counsel producing documents for Stage 3 Consultation withdrawal.</p>

Options Considered

None as this report is for the purpose of providing an update and information only.

Resource Implications

None as this report is for the purpose of providing an update and information only.

Legal/Risk Implications Background

None beyond that which has been provided as part of other reports and updates. The purpose of providing an update and information only.

Equalities Implications

No specific equalities issues arising from this report, the strategic review however will undertake an impact assessment.

Environment and Sustainability Implications (including climate change)

None arising from this report.

Background Information

Report Author

Paul Weston – Assistant Director Assets

List of Background Papers

None

Appendices

Appendix A - Strategic Review procurement brief