

LEASEHOLDER CLUB MEETING



Minutes of Meeting held 10 January 2006 at 6:00 pm in the Bindloss Room, Kendal Town Hall

Present: D Dixon, 44 Waterside, Kendal
Mr & Mrs G T Burns, 8 Gawith Place, Kendal
M Fowler, 1 Levens Close, Kendal
T Keegan, 6 Applerigg, Kendal
J & K Noble, 9 Aynam Court
Ian Sager, 12 Middle Lane, Kendal
J Atkinson, 20 Sedbergh Drive, Kendal
T Northcott, 9 Sepulchre Lane, Kendal
A Dickinson, 5 Jennings Terrace, Kendal
D Thornton, 7 Jennings Terrace, Kendal

Apologies: Mrs Smith, 10 High Tenterfell Court, Kendal

Circulation: As above

Copy to: Leaseholder Club
T Woodward, Property Services Manager, SLH
S Mallinson, Leaseholder Manager, SLH
S Duffy, Community Participation Coordinator, SLH
Jack Jones, Strategic Director (Resources) SLDC

NO	<u>TITLE OF MINUTE</u>	ACTION
1	Financing of SLH & SLDC	
	<p>Sue Mallinson introduced Jack Jones, Strategic Director (Resources) for SLDC, and thanked Club Members for providing questions in advance of the meeting.</p> <p>Jack Jones gave a short talk and then hosted a lively question and answer session.</p> <p>First Jack described the 'Housing Revenue Account' (HRA) which is the account run by SLDC and includes all the incomings and outgoings that relate to the Landlord's role, including most of South Lakes Housing's functions. All leaseholder finance is part of the HRA. The HRA is mainly funded by tenants' rents.</p> <p>The rest of the Council's finance is part of the General Rate-Fund (GRF). For example, Planning, Leisure and other functions are generally GF costs that are funded by the Council tax and government grant.</p> <p>The HRA is 'ring-fenced' – that means that</p> <ul style="list-style-type: none">• It cannot be used to fund the Council's non-landlord functions• It cannot be funded by the GRF i.e. general Council taxpayers. <p>Some items are split between the HRA and GRF for example</p> <ul style="list-style-type: none">• Staff time• Buildings• Communal grass cutting/lighting	

The restcost of grass cutting across the District is 'pooled' and 75% is paid by GRF and 25% by HRA. It would be a prohibitively expensive exercise to identify and individually charge for every bit of grass in the District

ACTION

- Q
- When was the last time the 75/25% split was reviewed?
 - Owner Occupiers on estates only pay once for grass cutting via their Council tax. We are paying this, as well as in our service charge. Is this fair?
 - When so many Council houses are now sold how is it fair that tenants and leaseholders are paying 25% of the District costs?
 - Who pays for the charges for tenants on Housing Benefit?
 - Wouldn't 90%/10% be a fairer split?
 - Could freeholders be charged 'ground rent'?

A Split used to be 50%, but was changed to 75/25% to recognise Council house sales. The split was last reviewed in JACK-1997. The Government pays for the majority of tenant's Housing Benefit costs, which would include the pooled services such as grass cutting. As far as I am aware, there is no basis on which freeholders could be charged ground rent'~~Jack please answer question re freeholders being charged ground rent'~~. Sales under Right to Buy have slowed right down this year.

- Q
- Would it be cheaper to do away with small bills which must cost money to raise?
 - Wouldn't it be cheaper to make bills simpler?
 - Can bills be broken down even further to make all charges clear?

A The Office of the Deputy Prime Minister (ODPM) changed the legislation affecting leaseholders and this means that certain things included in the service charge must be itemised. Also leaseholder charges generally cannot be paid for by tenants so most bills must be raised.

- Q
- How do we know we are getting Value for Money (VFM) from SLDC/SLH?
 - Is it true we cannot be charged for something we haven't received?
 - How can we be sure we are getting VFM on major improvement works?
 - Will leaseholders be charged for anything other than works to the buildings' 'fabric'?
 - Can we be offered the kitchen/bathroom works?
 - What if we can't afford the cost of the works?

A SLDC/SLH are audited/assessed by Government Inspectors for Comprehensive Performance Assessment (CPA) ? and Best Value; by external auditors to ensure services are delivered properly; by internal auditors; and by staff and tenants auditors as part of SLH's 'ISO 9000' Quality system. Both Sue M and Suzy D are staff auditors and help test the service twice a year. Sue M is also Audit Manager for SLH and arranges and monitors the internal audit programme for the company. Tenants also test the repairs service for quality and will be testing the Decent Homes Programme.

Under the Landlord and Tenant Act 1985 you cannot be charged for something you haven't received, however, Section 18 of this Act provides that you can be charged directly or indirectly for the costs of services provided within the service charge levied.

You will be consulted about the works to be carried out under the Decent Homes Programme (DHP) and the consultation period is prescribed by legislation. We will give you as much notice as we can. There will be an opportunity to pay the cost by instalments, probably over a maximum of 12 months. The cost of the improvements will be fixed and quoted on a 'block basis'. Block charges are based

on the 'footprint' of the building. The footprint is the total area/dwellings which are included in your 'block' for billing purposes. The 'footprint' approach might be better understood if you imagine you are looking down on you and your neighbour's homes from above. Leaseholders and tenants are benefiting from the economies of scale afforded by the £20M spend. There are penalties if the contractor does not perform.

ACTION

We are negotiating with Bramalls, our partner, to offer you the benefits of the improvement programme.

Leaseholders thanked Jack Jones for coming along to the meeting and said that they would be pleased to be consulted about any issue which affects them.

[SLDC to note](#)

Further questions were then posed about

- How invoice charges are set
- Repairs charges
- Notification for leaseholders in occupation and those who sub-let that jobs in common areas were/have been done
- Will Decent Homes improvements lead to a rise in Council tax?

Sue Mallinson explained at length about setting charges and promised to write to all leaseholders to fully explain why "contribution" charges are charged to Leaseholders. Sue M also explained the way in which Council tax valuations are altered and confirmed that DHP works should not have an impact.

2 Newsletter

Everyone had received their newsletter and thought it very informative. The simple format keeps costs down. Suzy reminded the Club they had decided their newsletter should be twice a year though special editions can be organised for big news.

3 Volunteer Energy Representative

No-one present was interested in volunteering. Contact Suzy or Lisa Maguire at SLH if interested.

4 Calendar of meetings was agreed:

4 April 2006
11 July 2006
10 October 2006
9 January 2007