

**REPORT FOR: TENANTS' AND  
LEASEHOLDERS'  
CONSULTATIVE FORUM**

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**Date of Meeting: 25 February 2010**

**Subject: INFORMATION REPORT –  
Leaseholder Service Review –  
Terms of Reference, Framework  
and Timetable**

**Responsible Officer: Lynne Pennington  
Interim Divisional Director  
Housing**

**Exempt: No**

**Enclosures: Appendix 1: Service Standards  
for Harrow Home Owners**

**Appendix 2: Service Charge  
Presentation**

**Appendix 3: Home Ownership  
and Service Charge Team  
Improvement Plan**

## **Section 1 – Summary**

For Information and noting. This report sets out an agreed approach to the calculation of Home Owners Service Charges

**FOR INFORMATION**

## **Section 2 – Report**

The variable service charge payable by Harrow Home Owners is legislated for under the Landlord and Tenant Act 1985(as amended). Section 19 of the said act states that all variable service charges must be reasonably expected to be incurred and that actual charges must be reasonable and of a reasonable standard.

Harrow Home Owners are currently represented by the Leasehold Support Group (LSG), a dedicated team of voluntary leaseholders, which bring forward disputes and challenges on the behalf of all those represented.

The Leasehold Support Group has been in dispute with Harrow Council for the last three years, the disputes can be categorised as below:

- Charges can not be inspected in accordance with legislation
- The management fee does not reflect service provided
- The charges are not apportioned in a fair and reasonable manner
- There is no service standards in place to measure the performance of the management of the service provided
- Estate and block definitions are not consistent with the different charges made

On February 4th 2010 The Interim Head of Home Ownership Services and the Leasehold Support Group met to agree a way forward, one which would allow both the legislated requirements to be met and be fair, open and reasonable to all Home Owners.

The following has been agreed and fully supported by the Leasehold Support Group.

1. A set of service standards which will allow Home Owners to measure the service they receive from officers. These will be issued to all Harrow Home Owners within the next week. The standards agreed are as Appendix 1.
2. A defined Home Ownership Team budget, clearly identifying what will be charges as the management fee and what elements of expenditure can be self financed through administration charges.
3. In order to define an estate a full inspection will take place with the caretakers and ground maintenance team. This will enable an agreed estate definition with defined blocks and amenities on each estate. The definition will be agreed with a representative of the TRA.

4. Every energy metre will be recorded and assigned to either the block or estate so that energy charges are invoiced correctly.
5. Any unadopted roads will identified and assigned to the correct estate.
6. The caretaking and grounds maintenance roles will be divided into functions and each function given a weighting. This will allow charges to be passed on correctly and fairly and in line with both the legislation and best practice.
7. Repairs will be audited quarterly and issued to Home Owners
8. A quarterly statement of account will be issued to Home Owners showing debits and credits, clearly identified, with the full balance of their service charge account
9. A service charge statement identifying both the estate and block budget/expenditure will be issued as demand for payment (Appendix 2) this again will be in line with both legislative requirements and best practice.
10. A Home Ownership service improvement plan will be agreed. This plan will take into account the HQN inspection feedback, the requirements of the legislation, best practice and local requirements as agreed by the Leasehold Support Group. The group have received the first draft of the plan and will comment in due course. The first draft is attached as Appendix 3

### **Section 3 – Further Information**

Further updates will be issued at the next LSG meeting, and next sitting of this Group on 20th July 2010

### **Section 4 – Financial Implications**

- There is likely to be a revenue impact on the Housing Revenue Account from 2010-11 as it is proposed the Home Ownership Service Team become self financing.
- This impact is currently being assessed and will be reported separately when quantified

## **Section 5 – Corporate Priorities**

Please identify which corporate priority the report incorporates and how:

- Build stronger communities

By ensuring that the Leasehold Support Group is fully involved and informed on the way forward for the calculation of service charges and the presentation of charges we are building a stronger link with this customer group.

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| Name: Milan Joshi     | <input checked="" type="checkbox"/> on behalf of the<br>Chief Financial Officer |
| Date: 9 February 2010 |   |

## **Section 6 - Contact Details**

**Contact:** Debi Sainsbury, Interim Head of Home Ownership Services,  
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