

Tower Hamlets Homes

Leasehold Services

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The Context of LBTH Leaseholders

- Currently there are just over 10,000 leaseholders in a portfolio of 21,000. It is estimated that at least 60% of leaseholders sublet, so effectively operating a business.
- The proportion of original RTB purchasers is constantly reducing. Currently at 45% but only 33% are resident.
- The number and percentage of complaints from January 2017 to date (excluding RTB) was 217. This represents 2% of our leaseholders. The main themes are: service charges (72), MW's (40) and income recovery (32).
- The current level of leasehold overall satisfaction is at 68%, with caretaking at 79%, which compares favourably with other landlords.

Key Performance Indicators

- Alongside satisfaction our main KPI is arrears collection – are leaseholders paying their bills? Over the last 3 years THH's performance has been excellent:

Year	Annual Debit Raised	Income Collected	Collection over Debit raised	Collection Rate (%)
2015/16	£13,520,196	£14,669,402	-£1,149,206	108%
2016/17	£14,025,998	£14,356,253	-£330,255	102%
2017/18	£13,535,262	£15,109,386	-£1,574,124	112%
Total	£41,081,456	£44,135,041	-£3,053,585	107%

- So over the last 3 years we have not only collected 100% of the debit raised but on average, collected an additional £1,000,000 per year. This would suggest that on the whole the vast majority of leaseholders are happy to pay for the services that they receive.

- **The crucial document that provides for the 'needs' of leaseholders and the services we provide is the lease.**
- The landlord (LBTH) is both obliged and restricted in what it can or cannot do for leaseholders via this contractual document. The lease outlines our obligation to maintain the communal areas of the block and estate.
- When we plan to do major works the overriding concern and focus is that the works are necessary and that we obtain value for money. The drivers for this are two-fold. Leaseholders and tenants (quality and VFM) and the HRA (financial solvency).
- There is robust legislation in place which provides that any charges to leaseholders must be reasonable.

- We exceed the consultation requirements of s20.
- We always invite all residents to a pre s20 block walk around and share the survey we have, that indicates works are required.
- When on site we have a meet the contractor meeting
- On larger projects we have a daily on-site presence where residents can raise any issues.
- We have made considerable changes to the way we now deliver our Better Neighbourhoods programme and current satisfaction rates are at 68%.
- We have also radically changed the way we bill lessees for MW's. We issued our first MW's actual in September.

Managing Major Works and Bills

- We never issue invoices late.
- It's driven the need to issue our first MW estimates.
- We will never again have to issue s20B Notices.
- Drives 100% accuracy in charges.
- Drives/assists the need to ensure our Asset Management system is used efficiently and effectively.
- Aligns our Asset Management system directly with the General Ledger.
- It brings far greater certainty to protect significant income to the HRA.

Managing Major Works and Bills

- It drives improvements in customer service to our leaseholders: timely, accurate and certainty to billing, often when works are still in progress.
- It drives/focuses on the quality of works as THH, leaseholders and contractors know that a bill is imminent, if not already issued.
- In many cases, it provides for a longer time for lessees to pay and plan to pay their bills as our billing cycle now reflects the cash flow of the project.

Managing Major Works and Bills

- We always encourage lessees to form a small working group to work with us. This has worked well at Dunmore and Cuff Point where lessees elected to have windows that were three times more expensive than we were advocating.
- There are sometimes when we will carry out works even though some lessees may disagree. Examples being ground floor flats who oppose a new lift or door entry system. We have also had opposition to carrying out fire prevention works.

Leaseholders' Concerns and Finances

We believe we provide ample opportunity for lessees to be able to raise their concerns. We employ 3 Leasehold Advisors to investigate their queries and concerns but all staff try to be responsive and helpful.

We send out 2 arrears letters before sending the case to our external solicitor and they in turn write to the leaseholder before the case goes to the County Court. Because of the new County Court rules on debt recovery the earliest we will take a lessee to Court for day to day charges (due in advance in April) will be around July.

Leaseholders' Concerns and Finances

We employ a FT Financial Inclusion Officer who works 2 days from the new Financial Health Centre. This year's current caseload is:

LHS7.00	Financial Inclusion	2018/19 YTD
LHS7.01	Referrals (No.)	108
LHS7.02	Referrals (£)	£758k
LHS7.03	Payment Plans (No)	76
LHS7.04	Payment Plan (£)	£221k
LHS7.05	Benefit Application (No)	29
LHS7.06	Benefit Application (£)	£342k

This is a recent (10th Dec) email from one of our customers to the FIO:

"I really appreciated your kind voice on the 'phone, thank you. This is quite a vulnerable and stressful subject for me and so a gentle tone makes a difference to my courage to meet someone to talk about all this."

- We believe the main drive for this is the private sector. However the consultation refers to all landlords.
- They seek to make enfranchisement easier (lease extension and freehold purchase).
- Include whole estates as a freehold purchase.
- If required by Leaseholders, Leasebacks extended to include all parts of premises that are not common parts, commercial units and non-participating leaseholders.

THH continues to work to improve the services to our leaseholders and tenants.

- Improve the information available and transparency, primarily via our website.
- Respond to the current leasehold reform proposals requesting LA's are exempt or the proposals are changed to take account of our position as a social landlord.
- Issue a full explanation on our website on how we manage major works projects (February 2019). It runs to 39 pages.
- We are currently undertaking a review of all our leasehold services with the Steering Group being chaired by one of our leaseholders.