



**Epping Forest
District Council**

Home Ownership Strategy

2023/24 to 2028/29

Housing and Property Services

Epping Forest District Council



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1. Aims and objectives

- 1.1. The purpose of the Home Ownership Strategy is to administer the sale of council residential properties, and to manage the calculations and collection of leasehold service charges, in an efficient and effective manner.
- 1.2. The Home Ownership Team will also provide detailed information to Solicitors acting for homeowners who are selling their leasehold property on the open market, where the council are the freeholders. The team will support Section 20 consultation for planned major works on Council owned blocks, including regeneration sites. In addition, the Team will ensure accurate calculation for service charges for HRA stock where a service to the block is provided.
- 1.3. This aim will be achieved by:
 - Ensuring adequate procedures exist in order to fulfil all statutory and council requirements
 - Monitoring performance against those requirements
 - Providing applicants with accurate information to aid their decision-making
 - Following best practice relating to all aspects of the management of public services
 - Ensuring that all activities relating to leasehold properties follow the terms of the lease and current legislation
 - Calculating service charges using accurate information and apportioning as necessary any charges fairly between the leaseholders and the Council
 - Continually reviewing all aspects of the procedure and implement improvements wherever possible
 - Consultation with customers and the Epping Forest Tenants and Leaseholders' Panel.
- 1.4. This Strategy aligns with the higher-level Corporate Plan strategic aims and the Housing Strategy 2023-2027 key priorities:
 - Strategic aim one: Stronger Communities
 - Strategic aim two: Stronger Place
 - Strategic aim three: Stronger Council

The Council will provide for an efficient Home Ownership Service in order to meet its objectives to create stronger communities, stronger place and a stronger council.

The Housing Strategy Priorities that this strategy specifically helps deliver are:

 - Priority 2: Ensuring quality, safety, and high standards
 - Priority 3: Promoting health, wellbeing, and independence
 - Priority 4: Facilitating economic growth and regeneration
 - Priority 5: Protecting and enhancing the environment
- 1.5. We believe that providing this essential service, of coordinating the Right to Buy process along with the day-to-day management of leaseholders, is a key part of delivering sustainable communities and improving the quality of life of our residents.

2. Introduction

- 2.1. This Strategy gives direction to the Home Ownership Service and links to the strategic framework of our council. It will convey clear and consistent messages about our service ethos to staff, tenants, leaseholders and other stakeholders.
- 2.2. This Home Ownership Strategy draws upon the previous Home Ownership Housing Service Strategy 2015. This revised strategy takes into account changes in levels of discount and the levels of applications and completions.
- 2.3. The Home Ownership process deals with all aspects of any request to purchase. From initial enquiries, through to the completion of formal applications:
 - The identification of the actual property to be sold
 - The verification of the tenants making the application
 - The property valuation
 - Progressing to the completion of the sale and the transfer of ownership of the property to the former tenants, either on a freehold or leasehold basis.
- 2.4. This Home Ownership Strategy has been formulated in consultation with representatives of the Epping Forest District Tenants and Leaseholders' Panel and sets out how the Home Ownership process will be delivered over the next five years.

3. Related documents / legislation

- 3.1. Related documents include:
 - Corporate Plan
 - The Housing Strategy
 - The Resident Involvement Strategy
 - Conditions of Tenancy
 - Tenant Handbook
 - Leaseholder Handbook
 - Associated processes and work instructions.
- 3.2. Statutory requirements - Right to Buy and leasehold legislation is contained within the Housing Act 1985, Part V, (sections 118 – 188 inclusive) as amended. The main provisions include:
 - Right to Buy qualifying criteria
 - Procedure and timescales for the service of statutory notices
 - Valuation of properties
 - Calculation of discounts
 - Appeal procedures
 - Long term leases of properties.
- 3.3. Further leasehold legislation is contained in the Commonhold and Leasehold Reform Act 2002 which deals principally with the rights of leaseholders:
 - Commonhold
 - Leasehold enfranchisement
 - Right to Manage
 - Changes to consultation
 - Demand for rent
 - Forfeiture of lease

- Service charge improvements
- First-Tier Tribunal (Property Chambers) powers
- Consultation under Section 20 of the Housing Act 1985
- Long term contracts
- Major works
- Service and Administration Charges, Leaseholders; Rights and Obligations.
- Human Rights Act 1998 (Articles 6, 8 and 14) - Appeal procedures
- Data Protection Act 1998 and GDPR 2018 - Protection and use of personal data
- Health and Safety at Work Act 1994 - Responsibilities of the Council as employees in respect of Health and Safety Issues
- The Landlord and Tenant Act 1985 - Provisions relating to tenancies and leases.
- The Housing Act 2004 - Incorporated changes to the Right to Buy
- Housing and Regeneration Act 2008 - Incorporated changes to the Right to Buy.

4. Background

- 4.1. Since the introduction of the Right to Buy (RTB) in 1980, it has been necessary for the Housing Service to provide staff to support and coordinate the RTB function and leaseholder management process.
- 4.2. Each time a flat or maisonette is sold under the Right to Buy it becomes a leasehold property which is added to our portfolio to manage. Leaseholder stock is continually increasing.
- 4.3. Between 1 April 1977 and 1 April 2023, the Council received 12,314 applications to purchase council stock under the Right to Buy legislation, from which 6,492 properties were sold. These figures also include properties that were sold on a voluntary basis over the same period, however, this is no longer council policy.
- 4.4. The number of sales fluctuates each year and often depends on the financial climate and the maximum level of discount allowed. In April 2012 the Government increased the maximum RTB discount threshold from £34,000 to £75,000. This increase in discount saw applications significantly increase.
- 4.5. Since this time the maximum discount has been increased each year in line with inflation and the current maximum discount for the district as of April 2023 is £96,000. The housing market, the cost of living and particularly the impact on the availability of mortgages led to applications levelling off. EFDC district is a high value area for properties and changes in the housing market impact on the level of RTB applications being received. Our target time for acknowledging receipt of applications is 7 working days, and the statutory requirement is to admit or deny the right to buy in 28 days.
- 4.6. Performance Statistics

The table below shows the number of RTB applications and completions over the last decade:

Financial year	No. of RTB applications	Of which completed
2010 - 2011	27	9
2011 - 2012	23	7
2012 - 2013	73	13
2013 - 2014	88	53
2014 - 2015	68	46
2015 - 2016	98	20

2016 - 2017	82	46
2017 – 2018	71	42
2018 – 2019	49	23
2019 - 2020	46	22
2020 - 2021	45	14
2021 – 2022	33	30
2022 - 2023	26	16
Total	729	341

4.7. The Home Ownership Team currently manage service charge accounts for 1089 leasehold properties as of 31 March 2023. This requires the ongoing provision of leasehold services, the calculation and collection of annual ongoing service charges plus service charges for any planned major works along with all associated queries relating to those issues. Each of the 1089 properties have an ongoing service charge account and a major works service charge account, amounting to 2,178 accounts in total being managed by the Home Ownership Team.

4.8. In addition to service charge forecasts, the Home Ownership Service must assess final accounts and provide these to lessees by no later than 30th September each year, and within 18 months of the costs being incurred. If we do not meet these requirements, we cannot recover the costs.

4.9. Current Structure and Resource

The Home Ownership Team consists of 4.4 full time equivalents who together coordinate all activities involved with the sale of council housing stock, the calculating and issuing of all service charge accounts in respect of both ongoing service charges and major works charges and all activity in respect of sales of leasehold properties on the open market.

One full time member of staff manages the team. One full time equivalent concentrates on all aspects of Right to Buy. 2.4 full time equivalent team members deal with all activities relating to leasehold management, sales on the open market and ongoing and major works service charges.

In addition to the above the Home Ownership Team are responsible for de-pooling of all HRA service charges for all council owned blocks where services are provided. A part-time officer has been added to the team to undertake this ongoing annual project.

The Councils vision of regeneration across the district is underway. The first site being Limes Farm Estate. An experienced Section 20 Officer, 1 full-time equivalent (which is funded by each regeneration contract), has joined the Home Ownership Team on an annual contract basis to support such major works projects. Section 20 Consultation with leaseholders is a legal requirement and therefore forward planning is necessary to ensure compliance with legislation. Compliance ensures the Council has a legal right to recharge associated costs to leaseholders. Any breach of Section 20 consultation could remove this right and result in a large financial loss to the Council. Section 20 Consultation has statutory requirements which run over many months.

4.10. Staff from other services provide additional support and scrutiny in respect of sales such as the Corporate Fraud Team, Corporate Support Services, GIS Team, Legal and Finance. The valuations obtained on each property are provided by an outside body.

4.11. The cost of administering the leasehold service is recharged to the leaseholders.

5. Client Consultation, Information and Involvement

- 5.1. The way in which leaseholders will be consulted, informed and involved with regard to the Council's Strategy on Home Ownership is as follows:
- Consultation with the Epping Forest Tenants and Leaseholders' Panel
 - Through the delivery of the Resident Involvement Strategy
 - A Resident Involvement Officer promotes our services
 - Statutory consultation procedures are adhered to when carrying out major repairs or improvements to a block of flats/maisonettes where there are leasehold properties
 - Information published on the Council's website, which includes the Tenants' Handbook and the Leaseholders' Handbook
 - Each RTB applicant is signposted to the Government's online booklet about the implications of purchasing a property
 - Satisfaction surveys of every RTB applicant, sent a week after the offer notice.

6. General principles

- 6.1. An IT system-based module for leasehold management was introduced which allowed a reduction in the amount of paperwork and stopped duplication. The system has allowed greater efficiencies and the provision for leaseholders to pay their service charges via Direct Debit. The system provides an audit trail in all areas and any replacement housing management system will allow for further improvements.
- 6.2. Staff will ensure that the prospective purchaser or leaseholder is responded to promptly and accurately. Where an immediate response is not possible, staff will advise when they will be able to respond or provide details of which service will be able to provide the necessary information.
- 6.3. In addition, Housing Management staff provide some details relating to both property and the purchaser, and Property Assets staff provide on-going information relating to properties sold on a leasehold basis. The Home Ownership team manager is the authorised signatory on right to buy claims along with other Officers with delegated Authority. The Council continues to be responsible for any external or structural work related to leasehold dwellings and the details of the cost of that work must be passed to the leaseholder by the Home Ownership Team.
- 6.4. By law, each leaseholder has to be fully consulted on all major works. Annual service charges are calculated on an estimated basis and charged each month. At the end of the financial year the actual charges are calculated, and accounts raised accordingly. This section carefully monitors the calculation and collections of charges, in respect of the leaseholders.
- 6.5. Procedures will be monitored and reviewed regularly to ensure timescales are met and targets achieved and to implement improvements, wherever possible. Also, to ensure that all procedures fulfil all statutory and council requirements.
- 6.6. At all times it is essential to ensure accuracy of Right to Buy and leasehold calculations. Throughout this process, staff are mindful of the possibility of fraud, both with regard to the actual sale of the property and also fraud that may have been perpetuated in connection with Housing Benefits or Council Tax. Due to the increased level of Right to Buy discount achievable we have increased our fraud investigation processes surrounding this scheme to protect the public purse from fraudulent applications.

7. Action plan

7.1. In order to maintain and progress towards our strategic aim of providing an efficient and effective Home Ownership Service an action plan is outlined below:

No.	Action	Deadline	Target/ success measure	Officer accountable
1	Signpost all Leaseholders to the online Leaseholders' Handbook. Hard copy on request.	Ongoing	Leaseholders have continual access to current version.	Home Ownership Officer
2	Inform all new leaseholders they can participate in the Tenants and Leaseholders' Panel.	Ongoing	Information about the Panel communicated to new leaseholders.	Home Ownership Team Manager Tenant Participation Officer
3	Inform tenants annually of their RTB. Housing News	Ongoing	Include annual item in tenant newsletter.	Home Ownership Team Manager Housing Strategy Team Manager
4	Provide a clear summary of leaseholders' rights and responsibilities with service charge bills.	Ongoing	Summary distributed.	Home Ownership Team Manager Home Ownership Officer
5	Ensure strong processes are in place with Corporate Fraud Team.	Ongoing	Processes checked and adjusted regularly.	Home Ownership Team Manager Fraud Team Manager
6	Based on the tenant and leaseholder satisfaction survey in 2023/24 assess the need for further home owner satisfaction work.	Q3 2024/25	Consider the benefits of work to identify improvements in our services for home owners	Home Ownership Team Manager Housing Strategy Team Manager

8. Targets (PIs)

- 8.1. The performance for RTB for 2022/23 together with the proposed key targets for the following five years is detailed in the table below:

Key Targets and Performance				
Performance indicator	2022/23 Actual	2022/23 Target	2023/24 Target	2024/25 Target
Average time to respond to RTB 1 (Leasehold, in days). (Acknowledge RTB).	3	7 working days	7 working days	7 working days
Average time to respond to RTB 1 (Freehold, in days). (Acknowledge RTB).	3.64	7 working days	7 working days	7 working days
Average time to accept RTB application (RTB 2) (Leasehold, in days) (Admit or Deny RTB) Legislative requirement - 28 days.	25	28 days	28 days	28 days
Average time to accept RTB application (RTB 2) (Freehold, in days) (Admit or Deny RTB) Legislative requirement - 28 days.	26	28 days	28 days	28 days
Percentage of formal RTB applications formally denied or admitted within statutory timescales.	100%	100%	100%	100%
Service Charge estimates to be sent to lessees by 1 st March each year	100%	100%	100%	100%
Final accounts sent to lessees by 30 th September each year (and within 18 months of cost incurred)	100%	100%	100%	100%

- 8.2. In view of the legislative targets involved, continual monitoring is essential. The OHMS integrated computer system allowed more detailed and frequent reports for the RTB and leasehold service charges. This should ensure that the provisions of this Strategy. OHMS will be replaced by the Civica housing management system which aims to automate the reporting even further.
- 8.3. Legislated changes, and indeed the rumour of changes, can lead to uneven levels of demand which require management response to avoid the development of any backlog. Therefore, monitoring of workload is essential to ensure customers' demands are met and legislative timescales adhered to.

Review and monitoring

- 8.4. This Home Ownership Strategy will be reviewed by the Council's Communities Select Committee following five years of operation in consultation with our Tenants and Leaseholders' Panel. Any proposed changes will be referred to the portfolio holder and, if necessary, the Council's Cabinet. However, an earlier review will be undertaken if required, especially in the light of any significant changes in legislation or council policy.

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Version control

Version no.	Date	Details of changes included in update	Author
1	June 2020	First draft	Home Ownership Team Manager
3	Sept 2020	Final draft	Home Ownership Team Manager
4	August 2023	Revised Draft	Home Ownership Team Manager
5	September 2023	Revised Draft	Home Ownership Team Manager
6	September 2023	Draft for officer circulation	Home Ownership Team Manager
7	October 2023	Final for AGP and Tenant & Leaseholder Panel	Home Ownership Team Manager
8	December 2023	Final for Scrutiny Committee	Home Ownership Team Manager

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