

WEST DUNBARTONSHIRE COUNCIL

Report by the Executive Director of Infrastructure and Regeneration

Housing, Environment and Economic Development Committee: 5 February 2014

Subject: West Dunbartonshire Council Owner Engagement Charter

1. Purpose

- 1.1** This purpose of this report is to seek approval to establish an Owner Engagement Charter in West Dunbartonshire which sets out proposed arrangements to encourage and facilitate higher levels of owner engagement with repair work in multi tenure estates including changes to the Housing Property Payment Scheme. The Charter has been the subject of consultation with stakeholders since August 2013.

2. Recommendations

- 2.1** It is recommended that the Committee:

(i) agrees to the:

- introduction of an Owner Engagement Charter as set out in Appendix 1; and
- amendments to the Housing Property Payment Plan set out in paragraph 4.7.

3. Background

- 3.1** At the Housing, Environment and Economic Development Committee on 7 August 2013, members agreed in principle the introduction of an Owners Engagement Charter and amendments to the Housing Property Payment Scheme subject to consultation with stakeholders.
- 3.2** Since the introduction of 'Right to Buy' legislation in 1981, approximately 11,000 Local Authority properties have been sold to sitting tenants. This creates significant challenges in relation to owner participation in communal repairs and improvements, particularly to flatted accommodation (which represents 46% of all sales in West Dunbartonshire).
- 3.3** Most local authorities (including West Dunbartonshire Council) operate similar Schemes of Assistance which offer advice, assistance and limited financial aid to owners to help them maintain the fabric of their homes.

- 3.4** The legal framework for owners whose homes share common parts is the Tenements (Scotland) Act 2004 and a guide to this is on the Council's website. Essentially, when the Council retains an interest (i.e. a Council property) in a shared block it remains the factor and can ensure that essential common repairs are carried out.
- 3.5** The Council has developed its capital investment programme for housing which was shown in detail in the booklet 'Delivering Housing Improvements' which was distributed to all tenants in June 2013. An updated booklet detailing the programme for 14/15 will be issued later this year. The Council is clear about the ongoing investment it wishes to make and it is now in a position to engage positively with owners to make them aware of this and to promote their participation.
- 3.6** This report details the key issues which owners tell us are barriers to their participation and which the Council feels it can overcome. There are three different drivers which influence the requirement for an Owner Engagement Strategy, these are:
- Enabling participation in essential routine repair work;
 - Enabling participation in essential capital investment work; and
 - Encouraging participation in non-essential work, but which the Council wishes to undertake in mixed tenure blocks.

4. Main Issues

Essential Common Repair Work 2011-12

- 4.1** In this period, 3983 owners were billed for repairs to common parts of shared interest property. The average value of a repair billed to an owner was £49.63

Number of Repairs Billed	Average Value £
3983	£49.63
Total Value	£198,000

- 4.2** The Housing Service is aware that there is a level of dissatisfaction with the Council's historic arrangements for estimating, undertaking and invoicing for essential repair work. In 2012, a review of key elements of the Building Maintenance Service was commissioned and APSE produced its findings in March 2013. One of the key elements reviewed was the Council's practice and processes involved in its engagement with owners in relation to essential common repairs.

4.3 Since that report the service has implemented some significant changes to the service it delivers to owners in mixed tenure blocks. These include:

- increased staffing resources, induction and training;
- dedicated maintenance officers for sold property; and
- revision of the employee manuals and associated procedures in relation to duties and responsibilities for sold property.

This has been an extensive programme of work and the outcomes for owners are:

- all owner repair enquiries will be responded to in full on the same day or the owner informed when they can expect an answer to the enquiry - this timeframe will not exceed 10 working days;
- all completed common repairs will be 100% post inspected with 10 days of completion and all invoiced work checked for accuracy;
- all unsatisfactory work immediately raised against the contractor with no recharge to either the HRA or to owners;
- where works are subject to a variation on site, owners will receive a single notification only; and
- a commitment that the final cost of work will be no more than 10% of the estimated cost in 2013/14, with a further reduction in this variance to 5% from April 2014.

These will be embedded in the Owner Engagement Charter which is attached at Appendix 1.

Owners Participation in Capital Investment Programmes

4.4 West Dunbartonshire Council's housing capital investment programme's key objective is to ensure that all its viable housing stock is able to comply with the SHQS by 2015. The current approved housing capital investment plan covers up to 2015. All of our proposed investment plans are set out in the 'Delivering Housing Improvements' booklet. As a result tenants are aware of what work is planned for their home and area well in advance of work commencing.

As much of the work programmed to 2015 involves either essential common repair work or improvement work which involves blocks of properties in multi-tenure ownership, our practise is to communicate directly with owners well in advance of the programmes in order to effectively carry out maintenance and repair work as efficiently as possible.

4.5 Much of the work we wish to undertake is in multi tenure ownership and a significant amount of SHQS compliance work is classified as non-essential.

Our approach to engaging with owners is therefore twofold:

- to make participation in capital investment work as affordable as possible; and
- to ensure that owners recognise the benefit to them in investing in their own homes for the future.

4.6 In addition to the Scheme of Assistance which can offer grant aid to owners who qualify, the Council also operates a Housing Property Payment Scheme which allows owners to repay the cost of work over a period of either one or two years. This scheme allows for:

- payment for work of a value between £250-£1500 to be spread over twelve months; and
- payment for work over £1500 to be spread over 24 months.

4.7 In order to support owner participation, it is proposed that the current Housing Property Payment scheme's provisions be extended and amended.

This is proposed to involve:

- permitting a longer repayment period of up to 5 years;
- establishing a standard security on the property for loans for periods between 2-5 years. This involves an administration charge which covers the Council's costs of:
 - registering the loan with the Registers of Scotland
 - title verification
 - securing a Ranking agreement

4.8 The focus on enabling owners to participate is underpinned by a commitment to:

- engage with our residents well in advance of planned work commencing to advise of the scope, scale and likely cost of the work. This will enable owners to save for or seek financial support for future work which is required;
- to advise owners of any grant funding which may be available for work which involves energy efficiency improvements and to support them in making applications for this;
- to advise owners of the provisions of both the Scheme of Assistance and the Housing Property Payment Scheme;
- to work closely with owners where they may find it physically difficult to have the work undertaken; and
- to put into place practical measures which may help.

4.9 The Owner Engagement Charter will also include a firm commitment to:

- ensuring the initial estimated cost is as close as possible to the final invoiced cost; and
- to provide a final invoice as soon as possible following advisement of final costs from our contract administrators for the works

4.10 Whilst the opportunities for direct financial assistance from the Council are limited, the development of the draft charter enables us to work with owners to help them:

- save for necessary repair and improvement work; and
- spread the cost of repayment where work is undertaken on their behalf by the Council.

5. People Implications

5.1 Additional resources within the Sold Property Team are already in place.

6. Financial Implications

6.1 There are no direct financial implications for the Council. However, earlier and more transparent engagement with owners will enable them to plan for repair and improvement work. We anticipate that this will result in speedier settlement of invoices and greater participation in improvement work.

6.2 Indirectly, the lack of owner participation could compromise the value of the Council's housing assets and those of owners in the long term and the scheme has been developed to secure the viability of those assets in a mutually beneficial way.

7. Risk Analysis

7.1 Should owners continue to refuse to participate in non-essential improvement work, this will have an impact on the Council's ability to fully meet the SHQS in viable stock and will increase the numbers of abeyances it requires from the Scottish Government. This proposal is designed to mitigate this as far as practicable.

8. Equalities Impact Assessment (EIA)

- 8.1** An equalities impact assessment was carried out in November at the outset of the development of the Housing Asset Management Strategy. No negative impacts were identified for the protected characteristic groups and the conclusion was that the strategy should impact favourably on all residents as the long term objectives is to ensure that there is sufficient good quality housing stock to address all types of housing need.

9. Consultation

- 9.1** The Council has a strong commitment to consultation. The draft charter and associated Housing Property Payment Scheme have been the subject of full consultation with all stakeholders including the West Dunbartonshire Tenants and Residents Organisation. The response to the introduction of the Owners Engagement Charter has been positive.

10. Strategic Assessment

- 10.1** The development of the Owner Engagement Charter contributes directly to the following strategic priorities:
- improve local housing and environmentally sustainable infrastructure; and
 - improve the wellbeing of communities and protect the welfare of vulnerable people.
- 10.2** Additionally, the outcomes of this report contribute directly to achieving the Scottish Housing Quality Standard (SHQS).

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Date: 15 January 2014

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Appendices: Appendix 1 - Owner Engagement Charter

Background Papers: An Owner Engagement Charter - Participation in Necessary Repair Work, Report to Housing, Environment and Economic Development Committee, 7th August 2013

Housing Property Payment Scheme information leaflet, West Dunbartonshire Council

Housing Asset Management Strategy, Equalities Impact Assessment, November 2012

Wards Affected: All