



Cabinet Member for Improved Customer Services
11 October 2010
Decision to be taken by 19 October 2010

Ward: Widewater
Key Decision: No

Leasehold contributions for essential external repairs to Beverley House

Report by the Executive Head of Adur Homes

1.0 Summary

1.1 The purpose of this report is to seek approval for the reduction of leasehold administration charges for the above works.

2.0 Background

2.1 At Cabinet on 13th July 2010 it was agreed that:
“Where individual leasehold contributions were in excess of £5,000 for work, the apportionment and percentage fee of 10% be reviewed to more accurately reflect the administrative costs likely to be incurred by the Council”.

Any revision to the standard charge being reported to the Member for Improved Customer Services for an Individual Members decision.

2.2 Competitive tenders were sought for the following work at 1-6 Beverly House, Penhill Road, Lancing, comprising six flats, three of which are leasehold homes.

- Reroofing of pitched roof
- Structural repair & re-pointing of external wall areas
- External redecoration

2.3 The lowest, valid and most competitive tendered bid for 1-6 Beverley House was in the sum of £94,953 including contingencies & provisional items.

2.4 Second stage leasehold consultation was despatched on 5th October with a closing date of 5th November 2010 identifying leasehold contributions for work in excess of £5,000 per leaseholder as follows:

Breakdown of Estimate	Estimated Cost £	Estimated Cost Per Flat £
1 - 6 Beverley House (six flats)		
External/Internal remedial repairs	94,953.00	15,825.50
Management charge @ 10%	9,495.30	1,582.55
TOTAL ESTIMATED COST	104,448.30	17,408.05

- 2.5 A re-assessment of the administration fees & costs has been carried out for 1-6 Beverley House, and also incorporates block 7-15 Beverley House. The neighbouring block is likely to have identical work carried within the next two years and combining both blocks into one single fee assessment reflects the survey and research work already undertaken, similarity of the specifications, and administrative savings that can be achieved. This also demonstrates a standard approach to leasehold fees for both blocks. All as summarised on page two.

SUMMARY (both blocks 1 - 6 & 7 - 15) assessed administrative costs		£	
SCHEME PREPARATION		2,052	
CONSULTATION 1		864	
CONTRACT TENDERING		837	
CONSULTATION 2		1,188	
PRE CONTRACT		567	
CONTRACT WORKS		6,318	
LEASEHOLD BILLING		1,026	
OTHER TIME & ALLOWANCES		1,083	
Total assessed value of administration		13,935	
Estimated Contract Value		225,000	
Estimated percentage based on above ratio		6.19%	
Actual recommended percentage		6.25%	
Estimated cost of works per unit		leasehold contribution	
		New assessment	original 10% assessment
		938	1,500
		15,000	15,000
Total estimated cost per leaseholder		15,938	16,500
Estimated reduction in administration fee per l/h		562	

3.0 Proposals

- 3.1 As agreed by Cabinet on 13th July 2010 the administration charges for the contracts to both blocks of flats Beverley House has been re-assessed to reflect the specified work and associated administration charges as outlined above, resulting in a recommended revised fee charge of 6.25% per leaseholder.
- 3.2 It is therefore proposed that the newly assessed percentage be adopted for both blocks of flats.

4.0 Legal

- 4.1 The Council has power under section 6 of the Housing Act 1985 to provide, repair & maintain houses for rent. Under Section 151 of the Local Government Act 1972 the Council has a duty to make arrangements for the proper administration of its financial affairs.
- 4.2 The Council has the power to recover costs from Leaseholders in accordance with the Commonhold & Leasehold Reform Act, under the terms and conditions set in individual leases and the Councils standard procedures and Policies.
- 4.3 The report confirms that these arrangements are being made.

5.0 Financial implications

5.1 Works will be funded from the approved Housing Capital programme with costs being recovered from leaseholders under the terms and conditions set in individual leases.

6.0 Recommendation

6.1 The Cabinet Member is recommended to:

agree the revised leasehold percentage administration fee to be charged for the external repair and associated works at 1-6 and 7-15 Beverly House at the recommended rate of 6.25%.

Local Government Act 1972

Background Papers:

- Cabinet: 13th July 2010 : Agenda item 6: 'Administration Charges for Leaseholders'

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1.0 Council Priority

- 1.1 The wide scope and impact of the housing capital investment programme provides a positive contribution to the following priorities set by the Council:
- To promote a clean, green environment.
 - To revive, regenerate and create lively economies.
 - To support and contribute to the health, safety and well-being of the area.

2.0 Specific Action Plans

- 2.1 To meet Government set decency standards for Council housing and to maintain the structure, fabric and facilities offered by the Councils' housing stock.

3.0 Sustainability Issues

- 3.1 Investment in housing makes a positive contribution to the Council's Sustainable/ Environmental objectives of resource use, energy and waste. Ensuring that there is a supply of good quality, affordable social housing in the District to set criteria and standards.

4.0 Equality Issues

- 4.1 As 3.1 above
- 4.2 Aspects of access & equalities are considered at design stages of each contract or project.

5.0 Community Safety issues (Section 17)

- 5.1 Consideration is given during design and preparation of projects to ensure that, where possible, the safety and security of homes are maintained.

6.0 Human Rights Issues

- 6.1 Matter considered and no issues identified.

7.0 Reputation

- 7.1 Matter considered and no issues identified.

8.0 Consultations

- 8.1
- Cabinet Member for Improved Customer Services
 - Executive Head of Adur Homes
 - Leaseholders as required under the Commonhold & Leasehold Reform Act.

9.0 Risk assessment

- 9.1 Working and construction safety assessments are an integral part of project & programme management and are set out and defined for each contract for work or services.

10.0 Health & Safety Issues

- 10.1 Generally as for risk assessments above.

11.0 Procurement Strategy

- 11.1 The report and Procurement Strategy for the Housing Capital contracts adheres to the Adur District Council Constitution, Section 4 procurement rules, and meets the Best Value principles, including competitive quotations or tender procedures where required.

12.0 Partnership working

- 12.1 Matter considered and no issues identified.