



**Leasehold contributions for external work & repair to:
14, 16 & 18 Lisher Road, Lancing**

Report by the Executive Head of Adur Homes

1.0 Summary

1.1 The purpose of this report is to inform the Cabinet Member for Customer Services of the reassessment of leasehold administration charges for the above works has been completed.

2.0 Background

2.1 At Cabinet on 13th July 2010 it was agreed that leasehold administrative charges be reviewed:

“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.

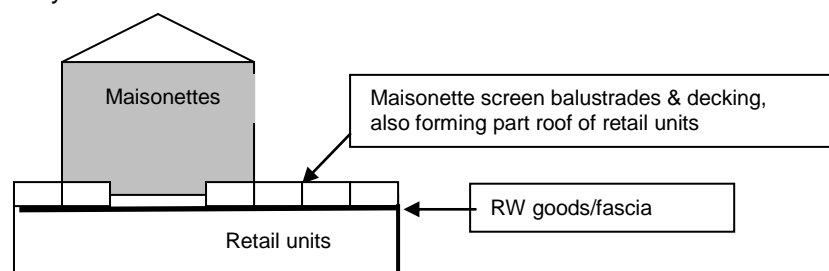
3.0 14, 16 & 18 Lisher Road, Lancing

3.1 Competitive tenders have been sought for the following essential work at the above small block; comprising three maisonettes and three ground floor retail premises. The project includes the replacement & repair of building elements that are shared between the three maisonettes and the three Council owned retail/commercial premises beneath, one of which is vacant.

Generally the proposed work entails:

- i) Replacement of first balcony & decking edge screen balustrade barriers to the maisonettes.
- ii) External decoration to common & shared parts of maisonettes.
- iii) Replacement fascias & rainwater goods to the first floor decking edge providing drainage to the maisonette decking, which is also forms the roof of the retail units beneath.

Explanatory Sketch



3.2 The lowest, valid and most competitive tendered bid for the contract was in the sum of £30,314 including ancillary work & provisional items (exclusive of project contingency & VAT)

It is accepted practice that costs identified in 3.1 (iii) are attributed on a 50/50 basis between the residential and retail units as follows:

Work Item	Shared elements Tender Cost	Costs attributable 50/50	
		Housing	Retail
UPVC Fascia	1,335.00	667.50	667.50
Gutters & RWP	1,182.00	591.00	591.00
Asphalt roofing including new Aluminium / GRP Perimeter drip	5,280.00	2,640.00	2,640.00
Scaffold & access	3,300.00	1,650.00	1,650.00
Totals	11,097.00	5,548.50	5,548.50

3.3.1 The total administrative cost for the project has been assessed as £4,465.00 and includes:

SURVEY & CONTRACT PREPARATION
L/H CONSULTATION Stage 1
CONTRACT TENDERING
L/H CONSULTATION Stage 2
PRE CONTRACT ADMIN & SET UP
CONTRACT WORK SUPERVISION
LEASEHOLD BILLING
MISC ALLOWANCES

3.3.2 Applying the assessment to the tender figure an Administration charge of 14.7% is required to recover equitable costs from leaseholders as detailed below:

Contract Tender figures			Administration cost		
		Percentage of Tender Value	Total assessed for entire contract	Value based on work %age	Assessed Admin %age
Leasehold total figure (Maisonettes)	£24,765.50	81.7%	£4,465.00	3,647.75	14.7%
Retail Premises contribution	£5,548.50	18.3%		817.25	
Tender Contract value (excl £3k contingency)	£30,314.00			4,465.00	

4.0 Proposals

4.1 Given that the projected administration costs for the contract and billing process is excess of the standard charge of 10% for leasehold fees it is proposed to apply an increased leasehold administration charge of 14.7% is applied to the contract final account figure.

5.0 Legal

5.1 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.

- 5.2 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.
- 5.3 The Estates Section are currently investigating the lease arrangements for the two let retail units and costs will be recovered in accordance with the terms of the leases.
- 5.4 The report confirms that all the above arrangements are being made.

6.0 Financial implications

- 6.1 Works will be funded from the approved Housing Revenue Account (external repair & re-decoration budget) , with costs being recovered from leaseholders under the terms and conditions set in individual leases.
- 6.2 The 50% of the cost of the shared element of responsibility (as 3.1 (iii), 3.2 & 3.3.1) will not be charged to leaseholders, but will be recovered in equal proportion of one third from each of the two retail unit lessees (subject to the terms of the leases), with the remaining third for the vacant premise being funded from the HRA.

50% of cost of shared work as 3.2 above <i>Not including any applicable Admin.charges</i>		£ 5,548.50
Two occupied Retail units @	£1,849.50 each	£ 3,699.00
One vacant retail unit - funded from HRA		£ 1,849.50
	Total	£ 5,548.50

7.0 Recommendation

7.1 The Cabinet Member is recommended to:

- i) agree the revision of the percentage administration fee for Leaseholders of the Maisonettes: to be set at 14.7% for the above work at Lisher Road.

Local Government Act 1972 Background Papers:

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

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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 as outlined below:
- > Promoting a clean, green and sustainable environment
 - > Supporting and improving the local economy
 - > Promote health and well being in our communities
 - > Ensuring value for money

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.
- 3.2** In the case of Lisher Road repairs are included to three retail units improving the commercial sector, with potential of making one vacant unit more attractive to let.

4.0 Equality Issues

- 4.1** As 3.1 above
- 4.2** Aspects of access & equalities have been considered at design stage of the project.

5.0 Community Safety issues (Section 17)

- 5.1** Consideration has been given during design and preparation of project 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.
 - Estates Section: to establish charges to be applied to the Retail Premises under the terms of the leases.

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 the contract.

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 tender procedures.

12.0 Partnership working

- 12.1** Matter considered and no issues identified.