

Leaseholders Service Charge Working Party

Report to RCC March 2018

Members

Anne Mason - Chair (BEO), Michael Bennett (BEO), Helen Davinson (BEO), Jim Davies (Deputy Chair of RCC), Helen Wilkinson, Mary Gilchrist, Jane Northcote, Phillip Burgess, David Lawrence, David Graves

Background

At the RCC AGM it was agreed that the objectives for the LSCWP would be presented back to the RCC in March.

The LSCWP met on 12 February and discussed what the objectives should be.

LSCWP strategic focus

Objective 1

Build a database of service charge data from which the breakdown of costs over a period of time can be reviewed and analysed across the Estate as well as by Terrace / Tower block

The benefit of this approach is that it is not only easier to identify, for review, those areas with consistently higher increases than the norm and which are also a substantial element of the overall charge, but this information, with an explanation of the reasons behind the trend, can be used to provide better information for leaseholders.

Progress - Anne Mason and her team have already provided the base level data across the Estate and this information will now be broken down by Terrace / Tower block.

Objective 2

Work with the BEO to improve communications to the leaseholder in order to provide a better understanding of the charges, the trends and the reasons behind the trends

The benefit of this approach is that leaseholders have a better understanding of what they are paying for and why changes have or will occur against estimates for a year or in the future.

Progress - The working party has reviewed changes proposed by Anne Mason, and her team, for revised letters to leaseholders covering both the annual estimate of charges for the coming year and the review of actual costs against estimates at the

end of the year. These will be reviewed again in April before a trial run is undertaken in three or four Terrace / Tower blocks during early 2018. There will also be a check to see if there is any drain on resources in producing different communication.

The working party have also discussed current Section 20 notices and suggested improvements which will be checked with the legal department. Improvements to the repairs survey form were also discussed.

Objective 3

Work with the BEO to identify where we can find improvements in value for money, and to set some KPIs for these value deliveries to leaseholders.

The benefit of this approach is the development of a relationship with the BEO that demonstrates the delivery by the BEO of value to leaseholders.

The working party discussed underfloor heating during the meeting. As this cost is currently some 20% of the total service charge, improvements here could have the significant “value” benefit for long leaseholders. The working party concluded that, working with the outputs from the underfloor working party, the development of KPIs should initially be focussed here.

It was noted that the UFHWP are investigating “selling back” energy (interruptible supply) and using weather forecasting to anticipate weather conditions and switch heating on and off accordingly and that this has the potential to deliver savings and VFM for Leaseholders.

It was recognised that the interruptible supply work is at a very early stage. However, it could be an aspiration to have this in place for the next heating season i.e. 6 months’ time. The LSCWP would like to work with the UFHWP to formulate a KPI for improved value from UFH which includes improved comfort and cost indicators.

Further Work

Use the database of service charge costs and their trends to identify further areas where value improvements can be derived.

At the next meeting the LSCWP will discuss the method of the calculation of the supervision and management charge.

Also, the BEO will provide information on the procurement process for goods and services to establish that tendering has provided real value to Leaseholders.

Conclusion

The above workstreams should inform leaseholders and improve understanding and communication of how service charges are formulated and provide value for money for residents.