

EAST AYRSHIRE COUNCIL

HOUSING COMMITTEE – 3 SEPTEMBER 2003

CAPITAL CONTRACTS AND OWNER OCCUPIERS

1. PURPOSE OF THE REPORT

- 1.1 To advise members of the current procedures for involving owner occupiers, whose houses are affected by proposed Council Capital Contracts.

2. BACKGROUND

- 2.1 At the meeting of the Housing Committee of 26th March 2003 and previous meetings it was agreed that the Director submit a report to a future meeting to provide information on the extent to which the cost of unavoidable work carried out at former Council Houses under the Housing Capital Programme are recovered from the owner occupiers concerned.
- 2.2 This report sets out the procedures for involving owner occupiers, indicates in general terms the types of work involved, and also identifies circumstances where grants may be payable, subject to finance being available.

3. CONTRACTS AFFECTED

- 3.1 There are a number of circumstances and contracts in which owner occupiers houses, i.e. those which have been sold to the sitting tenant, and which are ex-council houses, are directly affected by the Council's Capital Programme in so far as this relates to common elements of work. These include:
- Re-roofing
 - Masonry Painting
 - Tenemental Upgrading (Common Entry Door, Door Entry Systems, Painting of Common Closets and Fences etc.)
 - Lead pipe replacement

The decision on whether works are common and the proportionate liability for the cost thereof is dependant on the owner occupiers' title deeds

- 3.2 In addition to common works there are other circumstances in which houses may be affected by capital contracts e.g., where there is a need for example to gain access to an upper floor flat to rewire the ceiling lighting of a ground floor or lower council property, or if there is a need to gain access to a privately owned house to gain access to a loft. The owner occupiers' title deeds make provision for the Council to gain such access, but arrangements are always sought to minimise disruption to owner occupiers during the course of such access.

4. CURRENT PROCEDURES FOR COMMON WORKS

- 4.1 The current departmental procedure for dealing with common works involves an initial identification of the addresses of sold properties affected by potential contracts . The contract is then procured and rates are established for the work although specific addresses for inclusion are not provided. The individual properties are then surveyed, and a letter is sent to the owner occupiers involved, with an initial estimate, which gives the owner 28 days notice to object to the proposed works and asks for their formal agreement to proceed. Where the owner occupiers return the agreement form, or where they do not object within the 28 day period, the house is added to the contract. Where the owner objects within 28 days, then the matter is subject to further negotiation and possible agreement. If an agreement cannot be forthcoming then the route to a solution is through arbitration. The timescale for objection and the arbitration process are set out in the owner occupiers' title deeds.
- 4.2 Grants are currently only available for two types of common repair work, namely lead-pipe replacement and roofing. Owner occupiers are advised about this at the time of the initial letter. The Councils normal policy on grants is followed.

5. REVISED PROCEDURES

- 5.1 Following concerns raised by owner occupiers about the nature of some of the work involved and the lateness of the notice given the above procedures have been reviewed. It is now proposed to give individuals earlier warning of the proposals for common repairs and to seek from them an earlier indication of their interest. The opportunity will be taken to draw owner occupiers attention to the provisions of their title deeds, and to allow them more time to consider these matters. That earlier indication will go to owner occupiers as soon as individual addresses for this kind of work are known. At the same time the letters used are being revised to make them clearer and more customer focused and user friendly. Officers will also consider the detailed position and pattern of ownership within individual blocks, prior to considering their inclusion in a proposed contract especially where owner occupiers may already have carried out some work. However members are asked to note that even where owner occupiers are a majority, in any individual block, the Council has the right in terms of their title deeds to carry out common repairs. These provisions have been included in the titles granted in order to protect the interests of tenants.

6. ADJOINING WORKS

- 6.1 Where the Council can carry out maintenance to its properties without requiring the adjoining owner occupiers to participate ie where the works are not common, such as the re-roofing of terrace or semi-detached properties, then adjoining owners will be offered a quotation for their property to be included in the contract. There is no requirement for them to participate.
- 6.2 There are some situations where the roof will be treated as adjoining works and the chimney as common.

7. EFFECT OF COMMON WORKS ON COUNCIL CONTRACTS

7.1 Delays to the Contract

Obtaining an agreement from an owner occupier requires a lengthy lead in time prior to the commencement of any works. Owner occupiers frequently refuse to consent to the works on the grounds of their inability to pay or because they do not consider the work necessary. This requires often lengthy correspondence and visits to resolve. Many do not return the authorisation slip. Owner occupiers will wait until they can establish if they will obtain a grant and at what level this will be set prior to consenting. Although the 28 day notice period provided for in terms of title gives the Council the legal right to proceed, it does not give the Council authority to enter an owner occupiers property without the owner occupier's consent. There have been instances where physical access is refused to the contractor when he arrives to carry out the work. These delays have affected the programme for contracts, where there is a tight programme to complete in the financial year. In particular it frequently affects masonry painting, painting of common entries and lead pipe renewal contracts.

7.2 Owners ability to pay

Many owners are on pensions or have limited sources of income and require time to arrange to borrow the sums involved. Where owners cannot raise the necessary sum through normal routes then more long term payment methods have been agreed through the Finance Department. Because the work is re-valued on completion the final cost can go up or down, which may require the owner to alter his loan requirements.

There are instances where planned work coincides with the sale of a private house and agreement is necessary with the existing owner and proposed purchaser to ensure payment will be forth coming.

7.3 Pending Sales

We do not carry out works on Pending Sale contracts without an agreement having been reached between Legal Services and the intended purchaser. Pending Sale addresses have to be constantly checked against addresses on Capital Contracts to filter them out of contracts when ever they become live.

7.4 The requirement to check individual title deeds

Where ownership boundaries require to be established, such as for boundaries walls or fences, it is necessary to go back to the original title plan held by Legal Services.

8. COST OF WORKS

8.1 Typical average cost for the types of work are shown hereunder. The costs shown have been averaged from the actual costs on completion of works carried out under previous years programmes and can vary significantly depending upon the size and type of property.

Work Type	Total Cost
Re-Roofing	£2,850.00
Masonry Painting	£ 790.00
Tenement Upgrading: Door Entry System	£1,800.00
Tenement Upgrading: Painterwork	£ 750.00
Lead Pipe Replacement	£1,015.00

- 8.2 The above costs are inclusive of the administration charge of 10% and also VAT at the standard rate. The VAT element, being a tax, is not credited as income to the Housing Capital Programme.
- 8.3 The costs are discounted by discretionary grant award to house holders, where appropriate. As indicated earlier grants are only available for re-roofing, and lead pipe replacement.

9. CONCLUSIONS

- 9.1 The amount of works affected by adjoining owners will progressively increase as house sales continue. Consideration is being given as to whether it is appropriate to review existing procedures further and if necessary, report to Committee.

10. LEGAL / POLICY IMPLICATIONS

- 10.1 The Council when carrying out common works to properties where owner occupiers are involved requires to comply with the terms and conditions of the owner occupiers titles in relation to identifying such repairs determining the proportionate liability and adhering to the procedure for carrying out such repairs. Where a proposal to carry out common works is responded to with an objection the requirement to follow such a procedure can result in protracted discussions between parties to resolve the issues, which affect the annual programme of works.

11. FINANCIAL

- 11.1 In this Financial Year it is anticipated that the Council will receive approximately £176,000.00 from private owners for works carried out under Capital Programmes. This is dependant on the resolution of long term disputes which can affect common works and the uptake from adjoining owner occupiers in respect of non common works..

12. RECOMMENDATIONS

- 12.1 It is recommended that the Committee:
- i) Note the report, including the reviewed procedures set out at Section 5 of this report.

James Lavery
Director of Homes and Technical Services
25 August 2003

LIST OF BACKGROUND PAPERS

NIL

For further information please contact Iain Barker, Principal Architect, Technical Services, on 01563 555250.

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