Oxford University & Future Climate *Leaseholders and Refurbishment* Event Issues raised in breakout groups/plenary feedback

What are the challenges and opportunities for social housing providers to help leaseholders access finance to pay their share of costs? Should there be compulsory sinking funds?

Challenges: engaging with leaseholders, engaging with local authority elected members; offering longer term funding (may need credit licences if offering longer term finance; some do not want to offer advice to leaseholders). Longer term finance arrangements also appear as arrears on social housing providers' books, which then reflects on their financial performance and ability to raise capital in the future. The accounting treatment is often a barrier and therefore, should be examined further.

Stock condition surveys should be seen as separate from planned works. Not all works were carried out, due to funding/budget constraints.

A lot of works would not have happened without the funding support of energy efficiency programmes. The changes to ECO are likely to impact on works undertaken in social housing now.

Opportunities: better provision of information (face to face) by lawyers and residents at time of purchase of RTB lease

Strong view that there should not be compulsory sinking funds and there may be other appropriate mechanisms [NB: in earlier plenary discussion there was seeming support for compulsory sinking funds]. Social housing providers felt that sinking funds were difficult and complicated to determine the appropriate contribution from leaseholders, and that they were often challenged as they didn't appear to align with stock condition surveys/planned works. Some had experienced situation where the sinking fund was dismantled, and returning funds was a complicated and resource-intensive process.

Social housing providers were of the view that an equity charge or cap might be a more effective alternative.

What are the opportunities for social housing providers to better engage leaseholders to enable them to see the benefit of energy-related improvements?

Could be more monitoring of pilot schemes – what do other residents achieve in terms of bill savings, improvements in comfort etc

Think about where leasehold officers should be placed within the housing team. The "Leasehold Officer" function has evolved as primarily a financial role – ie focused on collecting money from leaseholders. Better alignment of role with asset management and tenant engagement would make the role more effective.

Should there be reform of S20 and what would be the key principles?

Brexit will require some change to s 20 (reference to OJEu)

S 20 regarded as burdensome.

The fact that dispensation can be given from consultation requirements (s 20ZA) is useful for emergencies, but is abused, particularly following the *Daejan v Benson* decision.

Views expressed that s20 should be abolished. Designed as protection for tenants it is now a protection exercise for landlords. It does not provide meaningful engagement. The landlord can say: 'I consulted, no one responded, what more could I do?'

It costs lots of money and involves masses of paper for v little response and provides v little meaningful information.

Consultation should not be just about money, should also be about voice. Consider also consultation across all tenures.

NB the new s 21 of the Landlord and Tenant Act 1985 (introduced by s 151 of the Commonhold and Leaseholder Reform Act 2002) was never brought into force.

For major works it is unrealistic to think that leaseholders can nominate contractors.

The contributions limits are out of date.

Perhaps there could be different regimes depending on the size of blocks and/or costs?

How do you legislate for meaningful consultation? It might be more meaningful if landlords are required to provide 5-10 year plans.

What's fair: what are the principles that should underly the allocation of costs and benefits of energy efficiency measures between the public purse, housing revenue accounts and private owners in mixed tenure buildings?

There is a difference between what is fair and how costs are allocated. Something may be fair but not perceived as fair, for example, because it has not been sufficiently clearly explained.

Allocation of costs: many of the benefits are intangible, for example, the amount to be gained from energy savings may be unclear, increase in property values may be seen as unfair.

In principle there ought to be some sort of public purse input to recognise eg, the health benefits.

How does reform to law around improvements/repairs relate to proposed wider reforms of the leasehold system? What is the possibility of political action in this area?

This is a time of opportunity. Both DCLG and GLA are looking at reform. Recent events (ground rents on leasehold houses, and Grenfell Tower) have brought many leasehold issues into the media eye.

It may be useful to erase the distinction drawn in law between repair and improvement and think instead about issues more holistically: eg, do these works need to be done, who should pay for the works.

There is presently a test of reasonableness but perhaps a test of fairness would work better.

Law reform often lags behind.