

THE HYDE GROUP
CENTRAL HOME OWNERSHIP PANEL
[DRAFT] MINUTES OF MEETING HELD ON 18 JULY 2017
AT PARK STREET FROM 6.00PM - 8.30PM

1.0 Welcome, Introductions and Apologies for absence

1.1 Apologies were given from two members and a member of staff. Introductions were made by all.

2 Declarations of Interest

2.1 No declarations of interest were received.

3 Minutes and Matters Arising

3.1 The minutes of 2 May 2017 were approved by all as a true record. Outstanding actions to be added to this meeting's action list as per below.

3.2 Section 5 of the previous minutes was discussed. Apologies were given for the outstanding actions not completed. It was confirmed that service charge reconciliation for 15/16 have still not been received in New Cross, Peckham or The Grove, Islington. **ACTION**

3.3 A discussion was had about the process between creating the documents and the relationship with the printers. The printers convert all the statements into pdf and send back to Hyde for approval. Two residents have since requested their statements directly from Hyde either by print or email and have still not received anything. **ACTION**

3.4 The special measures felt to be needed in certain members' areas still had had no update or contact from staff. This was deemed to be very disappointing. **ACTION**

3.5 Apologies were sent from the Head of Service Charges and he has confirmed his attendance at the September meeting to introduce himself. A reminder was given to CHOP members to add questions for him on the OAK in the relevant thread. It was asked why the Hyde CEO does not attend CHOP, and it was confirmed that she attends the highest strategic resident group, HRV, along with other similar level directors. The Head of Service Charges is attending HRV on 25 July and CHOP members invited to attend. The Service Charge Managers have been delegated to attend CHOP.

4 Complaints case studies and statistics

4.1 CHOP had been sent four case studies of Home Ownership complaints via the OAK in advance of the meeting.

4.2 It was agreed that the first two cases, about the CCTV consultation were so in depth and contained so much detail that they seemed to lose the specific answers to the questions posed by the complainant. There was also agreement that the tone and language of the response letters were courteous and better than response letters used to be from Hyde. It was discussed as being an appropriate response in plain English.

- 4.3 It was suggested that the format of the letter include highlighting the questions the complainant asks and responding specifically, otherwise there is a risk that the long answers may be felt to be a smoke screen.
- 4.4 The group agreed that all four complaints sounded more like queries than actual complaints. It was assumed that sometimes the original queries were escalated to complaints because of the lack of initial response/communication. It seemed a trend in staff members not wanting to take responsibility for a home ownership or service charge enquiry in the past. Communications to this effect were felt to have included; “this is the policy now”. The general feeling was that these enquiries had been turned into a complaint due to frustration with the lack of initial communication. It was pondered that if a complainant uses the correct and structured process for reporting an issue and the first route of escalation is not productive, they will diversify their avenue of attack by sending the complaint/query to every senior staff member or politician they can. This was discussed as being done through frustration and desperation only and the expectation that they will not receive a response based on past experience.
- 4.5 With regard to the CCTV consultation, a discussion was had about certain information within the response letters that maybe should have been included in the consultation in order to prevent the complaints. It was pointed out that the letter does offer an apology as well.
- 4.6 It was assumed that another reason residents are so frustrated with the CCTV consultation is more so because of the generalisation of information across the areas and the lack of detailed information held by Hyde about the roll out of the CCTV installations historically. There had been no individual responses that included this level of information and the specific information communicated was not accurate. An example was given of the CCTV in one area being installed in 1998, yet Hyde insisted it was installed in 2003.
- 4.7 In future, CHOP would like to see the full correspondence from the complainants, including emails and telephone notes if possible. They would also like to see the dates of the responses on the letters.
- 4.8 A discussion was had also about Hyde not being able to get an accurate picture of customer satisfaction as residents are still untrusting of Hyde due to historic issues.
- 4.9 Feedback from this discussion to be sent to the Home Ownership Manager.

ACTION

5 Staircasing and shared ownership services

- 5.1 Statistics on staircasing were shared with CHOP from the last three years.
- Hyde have 3500 shared owners, 659 of which have staircased over the past three years
 - 273 of the 659 have staircased to the full 100% ownership, are really happy and are staying in their property
 - 206 have staircased to 100% and have sold their property simultaneously on the open market
 - 89 shared owners have bought a partial share in their property but not 100% yet

- 25 shared owners have been repossessed, which was explained to be quite a low figure when compared to the G15
 - 66 shared owners have bought a Hyde resale shared ownership property and maximised the share by staircasing at the same time. This has brought in additional staircasing receipts for Hyde
 - 63% of the staircasings have been in London
- 5.2 These statistics will be sent to put onto the OAK, along with the average percentages and benchmarking information from ESOG (Existing Shared Ownership Group).
ACTION
- 5.3 A discussion was had about whether or not staircasing was talked about upon purchasing their properties. The majority had heard about staircasing from their mortgage broker. The information was confirmed to be in the welcome pack, but not talked about at purchase. Feedback to go back to the sales team re promoting staircasing. **ACTION**
- 5.4 Positive feedback was given regarding the amazing service one of the CHOP shared owners had had during her recent staircasing.
- 5.5 213 staircasing sales and the surplus was £2.1 million. This money has now been recycled to invest in and develop new affordable housing or repair and maintain our existing stock.
- 5.6 As there has been such a large demand for staircasing, Hyde have not needed to proactively advertise it. It has been featured in the shared owners magazine and on the website previously.
- 5.7 The barriers to staircasing were discussed and comments were made that there are a lot of mortgage restrictions on staircasing and lenders still want 20% deposit. Lenders are being very strict on affordability and they even take into account childcare etc. Interest rates are not very competitive either recently. A comment was made that there is not much advice in the public domain about shared ownership and staircasing as it is still quite a new concept. Only certain lenders will lend on shared ownership and staircasing.
- 5.8 Share to buy; there is a staircasing calculator on their website, which Hyde use to signpost people. www.sharetobuy.com/information/staircasing-calculator Link to be put on the OAK. **ACTION**
- 5.9 Part staircasing has been quite rare, due to the costs involved. Stamp duty is not a factor unless you buy 100%. It has also proved more difficult to resell if the ownership is between 50% and 100%, as it proves unaffordable for most first time buyers.
- 5.10 273 that staircased did so in one go up to 100% ownership from 50% ownership. However, there are cases of shared owners part staircasing 10% more every year. They have had to pay legal fees and valuation fees every time.
- 5.11 Age can also be a barrier to staircasing. An example was given of a shared owner having been in their property for 20 years but now can only get a 10 year mortgage.
- 5.12 Lease extensions have also been an issue, as some of the leases are now very old and costly to renew.

- 5.13 A discussion was had about the lack of options for those who choose to purchase shared ownership. Their only other option is to private rent or to try and save to purchase outright. In some areas you can only staircase up to 80% as per the agreement with the local authority and some parish councils.
- 5.14 A positive example was given of a shared owner, who recently resold her shared ownership property in Greenwich and had made £110,000 in equity. This was enough to use as a deposit to purchase a house in Kent. .
- 5.15 Some staircasing sales have recently been halted by the buyer due to uncertainty regarding the housing market and the consequences of Brexit. They want some clarity around the conditions and the ‘knock on effect’ before pursuing. A conversation was had about the possibility of non-British passport holders finding it difficult to obtain a mortgage post Brexit.
- 5.16 The group was updated on the “Second Steps” scheme and the process was explained again. To date there have been nine sales of flats and the shared owners have purchased two and three bedroom houses. They were not in central London; some were in Bexley, some in Lewisham, one in Enfield and none in Greenwich/Southwark or high value areas. Two shared owners currently have buyers for their shared ownership property and are looking for a property to purchase. The group was reminded that the maximum purchase price for this initiative is £395,000, which is quite low for London. Four shared owners are looking for a property. There are 10 more spaces still to fill on the scheme before March 2018, when the grant will stop.
- 5.17 At this time, we are unsure whether the GLA will give the grant again, but Hyde is keen on this scheme so may do something on its own.
- 5.18 It was confirmed that the shared owners purchasing a house through Second Steps are able to purchase the freehold from Hyde in the future. There has been a few examples of estate agents being very unwilling to get involved in Second Steps, as they did not understand the process and did not understand that Hyde are cash buyers. CHOP would like to see the information leaflet for the estate agents.

ACTION

6 Service Charge and sinking funds project updates

- 6.1 The Service Charge project update was given and asked for questions on the update. There were none.
- 6.2 CHOP was given an update on the sinking fund project. The update is that all resident leases and tenancies have been reviewed as part of the project. This part of the project is now complete. This now means we have a clear picture around sinking funds / provision funds for our residents including who should or shouldn't be charged the fund. All stock condition surveys have been reviewed, and works required to each scheme have been identified over the next 30 years. All existing sinking/provision funds have been reconciled, and the funds held at scheme level will be factored in when calculating the new sinking/provision fund budget for future years.
- 6.3 Stock condition survey data has now been taken into consideration and has been uploaded into the project.
- 6.4 CHOP would like to know how the calculations are made for the sinking funds and would like to see the policy. **ACTION**

- 6.5 It was asked why the interest recently dived in the sinking funds **ACTION**
- 6.6 A comment was made that where there have never been sinking funds, i.e. in Oval, Stockwell and Kennington, there could be issues if the communication is incorrect. It was asked if HC could clarify if the sinking fund project will only affect existing sinking funds and adapt the communications to residents to clarify this. **ACTION**
- 6.7 A discussion was had around the information about sinking funds in the welcome packs for homeowners. The shared owners welcome pack was revised with CHOP's input a year or so ago but not the leaseholder version. CHOP to see the welcome pack. **ACTION**
- 6.8 Questions were asked about what is included in the sinking funds and was there information on the website about this. It was confirmed that this information was included in the sinking fund provision statement, and was noted to be on the website but under the tenant section for Service Charges. Link to sinking funds from the service charges section to be actioned. **ACTION**
- 6.9 Send all information to the Service Charge team that the previous Head of Home Ownership had worked on. **ACTION**
- 6.10 CHOP was given an update on the 16/17 reconciliations. Hyde is on track and should all be completed in house by 14 August. Planning to get all to the printers by 11 September (may be changed by a couple of weeks in contingency planning). They will not pull any schemes this year, due to the delays previously.
- 6.11 The whole Service Charge Team has been focused on this reconciliation so there has been less resource in dealing with complaints and queries. September and December will be completely free to focus on enquiries, complaints and closing everything down.
- 6.12 Only one letter to be sent this year as opposed to the four separate letters to be sent that were sent last year. A request was made to ensure they are double sided documents. **ACTION**
- 6.13 When the new Service Charge Management Team came into effect at the beginning of Jan 2017, there were over 2000 enquiries, which have now been reduced to about 700. It was asked if the 700 had been notified and confirmed that some have not as yet. Some examples were given of requests and complaints that have to date, not been answered. It was asked if CHOP could see the updated figures in the last CHOP meeting of the year. **ACTION**
- 6.14 A suggestion was made that a scheme specific booklet should be produced as part of Look Again. It is something that the Property Manager role should be able to help to create. **ACTION**
- 6.15 The statements for this year should be more accurate than in previous years. Face to face meetings will be happening in certain areas. Some invoice packs have not been accurate previously and so figures are not trusted by residents. If someone calls for information the proposal will be to give them a summary document rather than an invoice pack moving forward.
- 6.16 A conversation was had about the glossary document provided to CHOP. It was decided that more conversation should be had on the OAK about the letters. **ACTION**. A comment was made about the management fee section not being particularly descriptive.

6.17 It was suggested that a section be added to state if residents would like a hard copy, please write to Hyde. **ACTION**

7 Forward Planner

7.1 Forward planner to be discussed on the OAK. **ACTION**

8. AOB

8.1 No AOB

Meeting closed at 8.40pm