

Notice of intention – Management and administration fee consultation



Customer comments and NCH response

Comment from leaseholder	NCH Response
<p>If you pay your invoices in full within the first two weeks you should receive some money back.</p>	<p>This is a future initiative we are currently researching. If people are paying in full or setting up direct debit arrangements within the credit terms of the invoice then arrears management costs are reduced. This is quite common practice in many industries. Why shouldn't our good paying customers be rewarded?</p>
<p>The current system of an annual and an estimate invoice is confusing and unnecessary.</p>	<p>We understand that charging an actual and estimate can be quite confusing especially if you are in a leasehold property which receives very few services. It is regarded as best practice for a housing provider to issue both an estimate and actual invoice as this allows customers to budget for living costs throughout the year. By having these two invoices, customers do not just get a one-off invoice which could lead to them spending money meant for leaseholder costs on something else.</p>
<p>There is no need for a newsletter twice a year</p>	<p>We believe there is a need for leaseholders to be kept aware of new services provided, changes in legislation and non-formal notices. Sending letters for each one is very expensive and the current format of being a supplement within NCH News has reduced the cost to provide this even further. The estimated cost of each issue is around £1.50 per leaseholder - £3 a year. We agree that there are always ways to reduce these costs further. We are investigating offering an electronic version by e-mail to leaseholders in the future. This will further reduce the number of actual copies we need to print.</p>
<p>In this current climate we see no need for correspondence to be answered in 24 hours or the need to contact the team at weekends if it increases the management and administration fee.</p>	<p>Many customers have commented that they are happy with the current service which we provide. Our office hours are 8:30am to 16:50pm Monday to Friday and correspondence is responded to in accordance with company policy. These comments will be taken into account when shaping the service in the future.</p>
<p>Why did the consultation not provide costings?</p>	<ul style="list-style-type: none"> • The first part of the consultation you were sent was about the notice of intention. This gives leaseholders the opportunity to comment on our intentions and give us a better idea of what areas we need to take into account before calculating the charges. • At the time of sending out the notice of intention (1st April 2011) the actual figures for the 1st April 2010 to 31st March 2011 were not available. The calculation of the management and administration is quite

	<p>complex and takes a while to calculate.</p> <ul style="list-style-type: none"> To reach the intended target of implementation by September 2011, we wanted to send the notice out with the estimate invoices. This would reduce mailing costs and mean more people would be likely to read it if it was included with the invoice.
I do not see the need for a more detailed statement.	The feedback we have gathered from our consultation is that most people believe the standard of information to leaseholders about repairs statements is already adequate. These comments will be taken into account when shaping the future of our service.
Sending formal notices electronically is dangerous as it is more prone to error and less effective at protecting confidentiality.	<p>Under the current legislation we have to send formal notices to the address provided by the leaseholders (unless it is outside England and Wales). What we would like to do in the future is send standard letters and newsletters to all leaseholders electronically (by e-mail). This seems to be a method which is growing in popularity with our customers due to the speed in which we can contact you with very little cost to the service in printing or administration costs.</p> <p>We understand that many people have concerns over the security of information held and sent electronically by companies. Nottingham City Homes will make sure that all personal information you provide is held responsibly in line with the company's policies, procedures and legislative standards. This practice is used by most companies worldwide but if you do not want information being delivered to you this way either let us know, or do not provide us with your email address.</p>
What happens if I haven't got a computer? How would I receive the information if it is only provided electronically?	<p>We understand that some people don't have the ability to access the internet at home or can't use one. If we were to use this method in the future, we know that some of our customers would be unable to access information and invoices electronically either through a home computer, phone or the library.</p> <p>They would then just need to phone us for a printed version which we would send out in the mail.</p>
I already feel the management fee is too excessive	<ul style="list-style-type: none"> We currently charge 15% on top of repairs and services costs. Unfortunately, this does not pay for running the leasehold service in the company.

	<ul style="list-style-type: none"> • Also the current system is not proportionately fair in relation to the service that each customer receives. As leaseholders with larger invoices get charged larger management and administration fees but still receive the same service, ie, two invoices a year etc • We propose to implement a new system which will be based on the actual cost of running the leasehold service throughout the company. This will be divided equally between all our leaseholders. We may decide to means test this based on the size of blocks (for example) but the final proposals on the calculations will be outlined in the next stage of the consultation. The decision will be based on fairness and transparency to the customer.
<p>The Leaseholder and Rechargeable Repairs Team (LRRT) also manages the void recharge process. Will leaseholders be charged for void work when it is nothing to do with us?</p>	<p>You will only be charged for elements which relate to leasehold costs. Recharge costs will be deducted from the employee staff cost element of the calculations.</p>
<p>If leaseholders do not have the improvements clause stated on their invoice, does that mean they will not have to contribute towards the management and administration fee changes.</p>	<p>This term in the lease agreement will not affect management and administration fees as all our leases have an agreement which states the landlord can recover the full cost of the services provided. Please note the wording will differ from lease to lease so we suggest you refer to your individual lease agreement for the confirmation of the terms.</p>
<p>Why don't you just cut the number of staff in the team to reduce the cost?</p>	<p>The LRRT has been working under an interim structure since October 2009. There are only two full time members of NCH staff working on the management of 1,037 leasehold properties across the city. The structure of the team is continually reviewed. The standard of service provided and value for money (vfm) for the customer is at the centre of these reviews. Under the current structure we feel the team is offering excellent vfm in line with similar organisations.</p>
<p>I don't believe the service has got any better since the LRRT was formed.</p>	<p>We believe that the service leaseholders receive has improved a great deal. For example, leaseholders now receive more detailed invoice statements, have the ability to make payment arrangements such as by Direct Debit, receive formal consultation about proposed works, have access to related services and information available</p>

	<p>at the click of a mouse.</p> <p>If you never have to contact us about repair issues and get all the information you need when you need it, we feel we are well on the way to providing an excellent management service.</p> <p>This is our main aim for the future!</p>
<p>How do you expect me to pay for these increases? We are in a recession.</p>	<p>We understand that times are tough but under the lease agreement you have signed, you are obliged to pay a fair share of the costs of managing and servicing your block. We are working very hard to give you the best vfm which we can provide. You will be able to spread the cost of the management fee monthly and we will break down the weekly cost in information we send you so it is a lot easier to understand and budget for.</p>
<p>It would be helpful if you could provide the full time equivalent of the staffing per block for caretaking services, so any discrepancies in time spent at the block by caretakers can be highlighted</p>	<p>We will liaise with the estates and caretaking service team to see if this can be done in future documentation.</p>
<p>Why should I pay for copy notices?</p>	<p>It is very expensive to reprint and resend out leasehold invoice packs due to the amount of documentation included. It is very common practice for companies to charge for copy documents if the original has been lost. We have been making enquiries about this and have found that most requests for copy documents happen when a customer is two or three months down our escalation policy. This could be used as another means to defer payment. We feel that costs incurred sending out copy invoice packs should be funded by the requestor and not by all leaseholders.</p> <p>We understand there are situations when leaseholders may have a valid excuse for requesting copy documents. That is why we are only investigating this initiative at the moment. Once a decision on any proposals has been made we will be consulting with leaseholders for their comments.</p>
<p>Why don't you send all invoices and notices by recorded delivery?</p>	<p>We are aware that recorded delivery is the safest option for sending out notices and invoices. But the cost in postage and staff time is very large and does not show a vfm saving when compared with the small minority of leaseholders who claim to have not received their documents. If they are very</p>

	<p>important documents or relate to consultation that only affects one particular complex, for example, Victoria Centre we do send out the notices via recorded delivery. We are investigating the implementation of a system where formal notices are sent by mail and e-mail to leaseholders who provide the correct details as this increases the chance of the customer seeing the notice. This successful strategy is used by many of the leading social housing providers in London .</p>
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Consultation carried out April/May 2011