IN A FIX

The views and experiences of owner occupiers in Scotland sharing common repairs responsibilities with the Council

Jackie Welsh
Scottish Consumer Council
July 1999

ISBN 0-907067-71-9
CONTENTS

CHAIRMAN’S PREFACE 5
ACKNOWLEDGEMENTS 7
SUMMARY 8
INTRODUCTION 12
BACKGROUND 12
FOCUS OF THE RESEARCH 13
RESEARCH METHODOLOGY 14
SURVEY RESPONSE 15
STRUCTURE OF THE REPORT 16
CHAPTER 1 IN THEIR OWN WORDS 17
COUNCIL ATTITUDES TOWARDS OWNERS 17
GETTING REPAIRS DONE 18
RECOUPI NG COSTS 18
QUALITY OF WORK 19
CONSULTING OWNERS 20
CHAPTER 2 INFORMATION 22
CONTEXT 22
PRE-PURCHASE INFORMATION 22
SOURCES OF INFORMATION ABOUT COMMON REPAIRS 23
CONCLUSION 25
CHAPTER 3 COMMON REPAIRS 26
CONTEXT 26
D ISSATISFACTION 26
BEING CONSULTED BY THE COUNCIL 30
CONCLUSION 32
CHAPTER 4 FACTORING 33
CONTEXT 33
THE FACTORING SERVICE 33
CONCLUSION 36
CHAPTER 5 BUILDINGS INSURANCE 37
CONTEXT 37
VIEWS ON INSURANCE 37
CONCLUSION 40
CHAIRMAN’S PREFACE

This report makes depressing reading. It details the experiences of home owners who share common repair responsibilities with their council. The experiences they told us about are very worrying. Being sent large bills unexpectedly for work they did not know anything about; being billed repeatedly to repair faulty workmanship; having no option to shop around for quotes or for insurance; unable to challenge poor practice by their local authority; indeed being treated like “second-class citizens”: this is what we have heard from hundreds of home owners across Scotland.

People who buy their council house – and there are about a third of a million of them in Scotland – tend to have lower incomes than other home owners, to be older, and to have less savings. This is a vulnerable section of our community. But, from the evidence contained in this report, they face discrimination in not having the choices and redress options available to other home owners.

For too long the debate about common repairs has concentrated on the problems that home owners cause local authorities. We are aware of the problems that can arise. But there is another side to the story, and our report gives home owners in Scotland the chance to set the record straight.

The six local authorities that helped us carry out this research are to be commended, and their decision to work with us was a courageous one. We are encouraged by their commitment to finding out about their customers’ views.

Local authorities should set standards of excellence. They should lead in good practice, and meet at least the best standards of service that exist in the private sector. This is why the Scottish Consumer Council fully supports the development of Best Value, as an opportunity for local authorities to demonstrate quality and commitment to serving the needs of the public. Sadly, however, our report shows serious problems in the way our local authorities deal with owners of former council housing. Indeed, we call into question whether some of the conditions placed on people who buy council housing would stand up to legal challenge.

However, this report is not designed as a vehicle to vent fury, more as a practical tool. It is first and foremost an attempt to be honest about the problems in this area of housing management, and to look for ways forward. We owe it to the many home owners who took the time to complete our questionnaire, and to the many others who contacted us of their own accord when they heard about our research, to seek solutions.
The home owners provided information about how councils can target their resources to have the most positive impact on their relationship in managing common repairs. Key themes that emerge are attention to quality control, good customer care, and proper consultation with owners. Matters concerning accountability, legality of contracts, and conflict of interest in insurance arrangements also need to be tackled. To make sure they are, we present a series of recommendations to the Scottish parliament, national bodies and local authorities themselves.

None of the issues raised in this report related to only one or two of the councils involved: they applied across all or most of them. It seems very probable, therefore, that all local authorities in Scotland need to learn the lessons contained in this report.

I challenge you to put yourself in the shoes of the home owners as you read this report, and to determine to strive for quality and fairness in this area of housing management.

Deirdre Hutton
Chairman
ACKNOWLEDGEMENTS

This research was made possible through the co-operation of the six councils who distributed questionnaires for us. We are indebted to them, and are encouraged by their willingness to participate. Their help has enabled us to draw lessons for improving services across all local authorities in Scotland. Each of the six councils has been given the results of the survey relating to its own area. They are referred to as councils A to F throughout the report.

We would like to thank the many home owners who took the time to complete and return the questionnaires to us, and to the many others who wrote to us and telephoned about their experiences. The questionnaire was relatively complex, and the issues we asked about were ones that had caused a good deal of upset to many people. We appreciate their willingness to take part in our survey, and we owe it to them, and the many other home owners experiencing difficulty, to push for solutions in this problematic area of housing management.

Special thanks go to Kirsty Aird and Lisa Bowie, SCC administrative staff, who transferred much of the data from the questionnaires onto SPSS for analysis. Without their tremendous effort, the research could not have been completed in a reasonable time scale. Kirsty Aird also desk-top published this report.

The work for this research was overseen by the Social and Economic Affairs Committee of the SCC. Its members were:

Bruce Collier (committee chair)
Gillian Roberts
John Hanlon
Dougie Herd
Jeremy Mitchell
Tom O’Malley
Deirdre Hutton (ex-officio)
Martyn Evans (ex-officio)
SUMMARY

This report is about the views and experiences of owner occupiers in Scotland who share common property with their council.

The management of common repairs to former council property is becoming increasingly important in Scotland. Over a third of a million people have exercised their Right to Buy their council house, and many of these continue to share common property with their council. Our previous report *Factors in Common*, published in 1998, found that little thought has been given until now about how such property is managed. Consequently, serious problems have emerged, with the danger that property will fall into disrepair and neglect.

*In a Fix* is based on a postal survey of home owners sharing common property with their council. The survey was organised by the Scottish Consumer Council, and took place with the co-operation of six local authorities. A total of 3,880 questionnaires were sent to home owners, and we received replies from 873, or 23%.

These 873 home owners told us about the information they received, before buying their home, about common repairs. They also told us about how they felt about common repairs, how the council consulted them, about their factoring service, about buildings insurance, and generally about sharing common property with the council.

The following findings and conclusions emerged from the research:

- Information about common repair responsibilities is vital for home owners. Those in our survey, however, tended to feel they had not received enough information about common repairs before they bought their home. This was especially so when it came to the council’s role in common repairs. The council was by far the most common source of information, although it was generally poorly regarded. People thought information from solicitors, the next most common source, was better, but not very much. On the whole, however, very few people thought they had received good information from anyone.

- Common repairs were most usually carried out by the council, and most people experienced dissatisfaction with the work done. Dissatisfaction stemmed largely from work not being done properly, and owners’ inability to influence work done on property they shared ownership of. A surprisingly large proportion of owners was unaware of work being carried out, and this was a significant cause of dissatisfaction. When they were unhappy, people most typically complained to the council, but found this to be unhelpful. We see the need for an urgent review of complaints handling in this area.
Owners were unhappy that, while they were expected to pay their share of repair costs at short notice and with little prior information where the council instructed repairs, they found it difficult to recoup the council’s share of costs when they had instructed repairs.

Owner occupiers who said they were entitled to be consulted about repairs, did not feel the council consulted them when it should. Most felt the council did not give them enough information, and was not interested in their views: two of the key aspects of genuine consultation. People told us they did not receive basic information, such as costs, insurance arrangements, grant availability, or even who to contact for more information.

The involvement of a factor can make arrangements for common repairs more straightforward, and ensure property is maintained in good condition. Owners in our survey tended to agree that it was better to have a factor when people share common property. However, the majority of home owners thought the factoring fee they paid was poor value for money, although a high number had mixed views about it. There was evidence of uncertainty about who should provide factoring services, although it appeared that the majority of people (around two-thirds in our survey) would opt for the council if it carried out the service differently.

We were concerned about the potential conflict of interest when councils factor property they jointly own. The involvement of independent factors, and improved accountability in council factoring services need to be explored.

Those who had contacted their factor (usually the council) felt it not worthwhile: although staff were generally helpful and polite, they were not seen as knowledgeable about or interested in people’s problems.

Several complex issues surround buildings insurance for owner occupiers sharing property with councils. Three-quarters of the home owners in our survey were obliged to take out the buildings insurance arranged by the council. Most thought block insurance was a good idea, but over half also wanted the freedom to make their own arrangements. There were mixed views on the value of insurance policies, although those who were unable to make their own choices were less happy. Most people were unaware of the council receiving commission from their insurance premiums, which raises concerns about the role of the council as an agent.

A large proportion of people said they did not know who their insurer was. Given that the insurance contract is between the owner and the company, even when arranged by the council, worrying questions have to be asked about the validity of insurance contracts, and the
councils’ role in this complex issue.

- High levels of dissatisfaction with the council’s involvement were recorded among the owners in our survey, but while it is important to know what these relate to, satisfaction ratings provide a powerful analytical tool rather than useful information in themselves.

- We were able to analyse the priorities for service improvement according to owners in general, those who expressed dissatisfaction, and those who had recent experience of common repairs. In so doing, we aimed to encourage local authorities to pinpoint the action they could take to improve most effectively their services to home owners.

- Hardly any of the owners in our survey had been asked for their views about anything by the council. On the surface, the current lack of consultation with home owners is a very poor finding. However, it also represents an opportunity for councils to begin to open up more constructive dialogue with home owners, which could quickly lead to improved relationships between them.

The report concludes with the following recommendations for improving the way owners and councils manage common property:

**To the Scottish parliament**

*The Scottish parliament should examine, as part of its consideration of the law of the tenement, fairness to owner occupiers who share common property with local authorities*

*The Scottish parliament should address, as part of its consideration of the law of the tenement, the potential conflict of interest where councils factor property in mixed ownership*

**To solicitors**

*Solicitors should always make sure prospective purchasers are aware of the conditions contained in their title deeds about the management of common repairs*

*The Law Society of Scotland should take steps to improve pre-purchase information, given by solicitors, about common repair responsibilities*
To national bodies

The Scottish Office, Scottish Homes, CoSLA and the Chartered Institute of Housing in Scotland should consider their roles in developing national standards in managing common repairs to properties in mixed ownership

CoSLA and the Chartered Institute of Housing in Scotland should prepare and implement guidelines for local authorities on consulting owners about common repairs

The Association of British Insurers should investigate the position of Right to Buy owners in Scotland

To local authorities

Local authorities should clarify to purchasers the nature of their continuing relationship

Local authorities should put in place quality control mechanisms and provide quality guarantees to home owners

Local authorities should implement good customer care and complaints procedures for owner occupiers who share common property with them.

Local authorities should make sure owner occupiers always receive timely information about forthcoming repair work, estimated costs, insurance arrangements, grant availability, and who to contact for more information

Local authorities should allow owners to choose their own buildings insurance policy

Local authorities should find out the views of their customers who receive repairs, factoring or insurance services

The Scottish Consumer Council undertakes to review the management of common property in mixed ownership, and to monitor policy and practice in the light of our recommendations. A lack of progress over a reasonable timescale would indicate to us the need for legislation.
INTRODUCTION

Background

Some relationships are difficult. Such are the problems (well documented in Scotland) of owner occupiers agreeing on the maintenance of common property, that one of the early tasks of the Scottish parliament will be to consider draft legislation to reform the law of the tenement. When the sharing owners are individuals and local authorities, however, the relationship is more complicated, and more serious problems can arise.

This report looks at the views and experiences of owner occupiers in Scotland who share common repair responsibilities with councils.

In May 1998, we published Factors in Common, a report about how local authorities managed common property they shared with owner occupiers. This situation has come about largely as a result of the Right to Buy, introduced in 1980. Since then, over 300,000 homes have been sold to tenants in Scotland, and many of these share common property with remaining council tenants.

Right to Buy housing accounts for over a quarter of all owner occupied housing in Scotland. The owners tend to be older than other owner occupiers, to have lower incomes and less savings. People who buy Right to Buy re-sales, on the other hand, tend to be similar in socio-economic characteristics to other owner occupiers. These characteristics are important for owners’ abilities to maintain their property.

From our much earlier publication, we were aware that Right to Buy owners were experiencing problems with common repairs. Nearly a fifth of Right to Buy owners had said the decision to buy was strongly influenced by dissatisfaction with the landlord’s repairs - not just delays, but quality. And nearly a quarter had said their decision was influenced by the freedom to do their own repairs.

Around the same time, a government report showed that one in five Right to Buy owners in England reported contacting the council about post-purchase problems. A follow-up study showed that over half of local authority leaseholders had complained about charges and standards of service. This led, among other measures, to the preparation of a good practice guide for councils in England to improve the management of service charges and avoid unexpected bills for leaseholders. In Factors in Common, we made the point that local authorities in Scotland (unlike housing associations or private factors) did not have good practice guidelines or published standards for
managing common repairs. To date, we are not aware that this has changed.

The introduction and development of Best Value in Scotland has presented opportunities for local authorities to find out about consumers’ views and to improve their services. In Factors in Common, we highlighted some implications for Best Value in this area of housing management. Indeed, one of the six councils in our current research has already made use of preliminary results in its Best Value service review.

We would like to see more attention given to managing property in mixed ownership as, shown in Factors in Common, very little thought had been given to it. A key aim of this research is to encourage local authorities to review their management of property in mixed ownership, in light of the views and experiences of owner occupiers.

Since the publication of Factors in Common, we have received correspondence from individual owners and residents’ groups, expressing their frustrations about their relationship with their local authority. Little up-to-date information is available about the views and experiences of owner occupiers in Scotland who share common repair responsibilities with their council. Our research aims to fill that gap, and this is the report of what we found.

“I’m considering writing a book but I wouldn’t be believed”
(Customer, council D)

Focus of the research

The management of common repairs is problematic across the whole of the owner-occupied housing stock, and much has been written about the experiences in the private sector. We continue, however, to focus on common property shared by owner occupiers and local authorities. This is because there is a set of issues particular to this situation, which we explored in Factors in Common. A summary of Factors in Common, outlining these issues, is given in Appendix 1.

We are mindful that there can be similar common repair issues where people have bought their homes from other public sector landlords (such as Scottish Homes). We are also aware that many housing associations provide factoring services, either to their former tenants as owners or to wholly owner-occupied buildings. Factors in Common focused on the relationship specifically with local authorities, and as a continuation of that research, this current report looks only at owner occupiers who share common property with the local authority.
Research methodology

The views and experiences of home owners were gathered via a postal questionnaire. The questionnaires were sent to owners directly by local authorities, and returned to the Scottish Consumer Council (SCC) by FREEPOST envelope. This was to ensure home owners’ confidentiality. It did mean, however, that we were unable to send reminder letters to any who had not replied, therefore our response rate was achieved purely on the basis of one mailing.

The questionnaire was structured to allow us to compare the experiences of owners with what local authorities had said in Factors in Common. Also, the topics covered - common repairs, factoring and buildings insurance - were complex, and we opted to present the questions in a format that would allow people to tick boxes, to make completion of the questionnaire as simple as possible. The questionnaire is available separately from this report.

From Factors in Common, we identified local authorities who had agreed in principle to help us with further research, and who had enough information to draw up a sample of their customers. We wrote to each of these, and, following correspondence, we identified seven local authorities that were prepared to distribute questionnaires for us. One of these subsequently experienced staff changes, and was unable to take part. Therefore, six local authorities distributed questionnaires for us. A total of 3,880 questionnaires were sent out by these six councils.

The SCC put the questionnaires into A4 envelopes, along with FREEPOST return envelopes. These were then delivered to each of the local authorities, who then posted them out. One of the councils, though, sent us address labels rather than posting them directly. Confidentiality was still maintained in this instance, as the SCC did not keep any record of the addresses.

The questionnaires were distributed as follows:

<table>
<thead>
<tr>
<th>Council</th>
<th>No of questionnaires</th>
</tr>
</thead>
<tbody>
<tr>
<td>Council A</td>
<td>1,000</td>
</tr>
<tr>
<td>Council B</td>
<td>300</td>
</tr>
<tr>
<td>Council C</td>
<td>1,000</td>
</tr>
<tr>
<td>Council D</td>
<td>470</td>
</tr>
<tr>
<td>Council E</td>
<td>810</td>
</tr>
<tr>
<td>Council F</td>
<td>300</td>
</tr>
<tr>
<td>TOTAL</td>
<td>3,880</td>
</tr>
</tbody>
</table>
The numbers were based on a 10% sample of the number of owners sharing common property with the local authority. Where any particular local authority had a relatively small number of customers in this circumstance, we set a minimum of 300 questionnaires. This was to allow a reasonable enough return of questionnaires to allow each authority to use the findings from its own area. Where a local authority had a relatively high number of customers, we set a ceiling of 1,000 questionnaires, largely for reasons of cost.

Survey response

We sent 3,880 questionnaires, and received 873 replies. This is a 23% response rate. Figure 1 shows the response rates from each of the six local authority areas.

Figure 1 Response rates from each council area

Table A1 in Appendix 2 shows the numbers of responses.

The response rates varied considerably among the local authorities in this study: from 12% (Council C) to 36% (Council B). One possible explanation for this is that people are more likely to respond to this sort of survey when they have experienced problems. In this case, we would expect to find a correlation between expressed levels of satisfaction, and response rates. However, from data on satisfaction levels (shown in chapter 6), there was in fact little relationship between satisfaction and response rates. For example, Council B returned the highest response rate, yet gave the lowest levels of dissatisfaction of the six councils.
The more likely explanation for the differing response rates is that the councils each had different levels of information about their customers. This means some councils would have been able to target the mailing list more precisely to those who shared common repairs with them. The two councils with the lowest response rates were Council C (who provided a factoring service to only a small proportion of properties in mixed ownership) and Council D (who did not provide a factoring service). The other four councils, all of which returned expected or higher than expected response rates, each factored substantial proportions of property in mixed ownership. This difference is likely to affect the targeting of mailing lists, and seems the most likely explanation for the differing response rates.

The owners in our survey were most likely to live in a four-in-a-block flat (40%) or a tenement flat (32%). The least likely was multi-storey flats (2%).

**Structure of the report**

As a starting point, the next chapter presents some of the many comments we received from owner occupiers, to illustrate some of the frustrations they experienced. Chapters two to six present the findings of the questionnaire, and we present our conclusions and recommendations based on the research.
CHAPTER 1 IN THEIR OWN WORDS

Our previous report, *Factors in Common*, looked at how local authorities dealt with common repairs involving owner occupiers. Many of the solutions to the problems in this complex area will involve changes to management practice (such as improving information retrieval, developing customer care, or producing information for customers). It is important at this point, however, to emphasise that the problems surrounding common repairs can have a serious impact on people’s quality of life. The ability of councils to have an impact, positive or negative, on the lives of ordinary people must not be underestimated.

To illustrate the upset created when things go wrong, this chapter presents some of the many comments we received from owner occupiers. These are taken from the last part of the questionnaire, where respondents were invited to add any comments about their own experiences. Two hundred people did so, and many wrote extensively: their comments transcribed onto one document come to 25 pages. The comments contained in this chapter are grouped into themes that were consistently raised by respondents. Each of the comments is typical of many others like it. None of the issues is unique to only one local authority in the survey.

**Council attitudes towards owners**

“They are very arrogant and dogmatic. They seem to think that buying council property is a cardinal sin - and you will pay the consequence. The council should have a leaflet on our rights printed then we would know where we stood and not be pushed from pillar to post.”
Customer, council E

This comment reflects many we received from owner occupiers experiencing frustration with their relationship with the council. In many instances, the problems were extremely serious, involving disruption to living conditions (through poor or no repair work), and a feeling of helplessness.

In *Factors in Common* we explored with councils their attitudes towards Right to Buy owners. Councils tended to view dealing with owners as problematic, although we did question whether it was actually just a nuisance for councils. Certainly from many of the comments we received from owner occupiers, there is a perceived problem of poor attitudes towards them on the part of councils.

“Council workers treat owners as if they have no rights, never asking owners permission to store equipment on their land. Treated as second class citizens.”
Customer, council C
“I feel that the staff working within the council should realise that I am the customer who is paying for a service. The attitude of staff on at least six telephone conversations have been unhelpful and rude.”
Customer, council A

Getting repairs done

“Once reported should be given a date when work should be done. Owners should not have to keep on chasing the works department”
Customer, council E

Many owners suffered unnecessary problems due to delays in being able to carry out repairs.

“But there is now very extensive damage to my bedroom which wouldn’t have happened if they had sorted out the problem at the beginning so now it is going to be very expensive for myself and the council.”
Customer, council E

“For eight years now I have been fighting with the council over rain penetration, I have paid all the repair bills, I have had guttering broken, skylight smashed by the workmen, have 3 times had to redecorate my bedroom at my own cost due to rain penetration. This happens every winter and it’s started again this winter.”
Customer, council A

The issue of owners obstructing work that the council wishes to carry out was raised by local authorities in Factors in Common. It appears, however, that owners can find it difficult to get work done because of their council’s obstruction.

Recouping costs

“We feel we are at the mercy of the council”
Customer, council F

Many of the problems between owners and councils stem from their need to recoup repair costs from one another as appropriate. On one hand, the council has a responsibility to maintain the property where it has tenants, and to recoup costs from owners when it instructs work; on the other, owners need to be able to recoup the council’s share of the costs when they have instructed work.
“It seems to be normal practice for our council to keep people waiting (particularly owners) for lengthy periods before doing repairs. When they finally get done, they are expensive and not always professionally done. If owners get the work done themselves, they then face a battle to get the payment back from the council’s insurers, even if the repairs were of better quality and cheaper.”
Customer, council D

“As my property is owned and the flat above a council property, I find it impossible for the council to spend money. Subsequently I continually find myself carrying out work to upkeep two properties.....all paid for by myself with council refusing to pay their half”
Customer, council A

“While we would like entry door systems we aren’t allowed to do this until the council decides they are willing to pay their share (ie two houses out of six). NOT FAIR”
Customer, council B

Councils may argue that they are unable to carry out repairs because of a lack of finances. However, it appears from the comments we received that people feel there is little sympathy for owner occupiers who might be in the same position.

“I feel it is wrong for owner occupiers to have to wait for council to do repairs when they get around to doing it, when we have to pay repairs, council should allow us to get repairs done then pay their share.”
Customer, council F

**Quality of work**

“You would in most cases think you had been vandalised”
Customer, council F

A common theme from the owners was dissatisfaction with the quality of work carried out to their property by the council.

“When the council does a job here it ends up returning two or three times before the job’s done. I don’t mind paying once, I do object to be paying for the job a second time”
Customer, council unknown

“Ten times and the council have tried to fix a leaking window. This is still leaking and it’s over 18 months since we received confirmation of repair completed. All residents complained.”
Customer, council E
The problem of having to return repeatedly to fix repairs that hadn’t been done properly the first time, emerged from the customers of all the council areas in our survey. Owner occupiers should not have to pay a second time to put right faulty work: such a situation in the private sector would normally be covered by a guarantee.

**Consulting owners**

“There is a total lack of communication between council and owners”
Customer, council A

Many of the owners in our survey were not asked or consulted about repair work to be carried out, far less for their opinions on what they would like done.

“Without any warning and without asking my permission they sent their contractors to start painting certain parts of my property.”
Customer, council B

“Council did not keep us informed about work going to be done. Building was being painted. One of 4 neighbours did not agree. They went ahead without notifying others. The building was 3/4 painted. Looks a mess now.”
Customer, council D

It seems that situations such as this (and there were many examples) could have been avoided by improved communication by the council. If owners went ahead and carried out the work, it seems they could find the council refusing to pay its share. While we understand councils cannot be expected to consult over every small repair, there does seem to be scope for improved communication.

“Sharing common property with the council is fine but I should be informed as to what is going on”
Customer, council E

One of the consequences of poor communication is that resentment and suspicion build up.

“I believe the council spread the total cost of repairs between the homeowners and do not include the council tenants proportion. I would like to see an independent inspection of the work required, actually done, and the proportion levied at the homeowners.”
Customer, council B
“The council acts as our factor. We feel that the service is poor and is used to subsidise the council’s other plans.”
Customer, council A

Where a council factors the property, it is in fact the agent of the owner, with a responsibility to act in the owner’s best interests. The factor’s powers and duties, as well as being set out in the title deeds, are governed by the common law of agency, which means the council (as factor) is not actually required to consult owners about repair work. However, serious problems arise out of a lack of communication.

These comments give a flavour of what many owner occupiers were telling us. They told us they experienced poor attitudes on the part of councils; difficulty getting repairs done; poor quality work - and in many instances having to pay again for the same repair to be done properly; and lack of consultation by the council about the repair and maintenance of common property.

These are serious problems, which clearly local authorities have to address. By participating in this survey, the six councils involved have allowed a major step forward to be taken. In allowing a survey of the views of owner occupiers to go ahead, priorities for improvement can be assessed. And any improvement in the relationship between owners and councils will improve the upkeep of common property.

The following chapters present the findings of the questionnaires returned to us by owner occupiers. After this, a set of conclusions and recommendations is set out.
“More information should be available before buying council homes, especially in shared housing such as tenement buildings - on repairs etc”
Customer, council B

Information about common repair responsibilities is vital for home owners. Without good information, they are less likely to be able to fulfil their responsibilities, or to make sense of what is a very complex issue. Negative relationships can then easily develop between owner occupiers and local authorities who share common property. We began our survey, therefore, by asking owners about the pre-purchase information they had received about common repairs, and about their sources of information.

Context

The large majority of people in our survey (79%) had bought their home from the council. From what we know of the characteristics of Right to Buy owners (that is, they tend to be older, have lower incomes and less savings than other owners), this is a vulnerable section of the community.

Just over one in five had bought their home from someone else. Right to Buy owners, purchasing directly from the council, are likely to have had a very different purchasing experience from those who bought former council property. This second group of owners is likely to have been involved in selling as well as buying, and will have gone through a more complex purchasing procedure than those buying under the Right to Buy. On the other hand, they are also more likely to know what to expect when buying a home, or to be more aware of home-ownership responsibilities, than Right to Buy owners. Each of these factors will impact on owners’ perceptions of their pre-purchase information, and their sources of information.

Pre-purchase information

We asked a set of questions about the information people received about common repairs before buying their home. These were answered by 826 people. The large majority felt, in each case, that they had not been given enough information:
Poorest was information about the council’s involvement in common repairs: only 16% said they had been given enough information, while 72% had not. Even on the better-informed topic, “your share of common repair costs”, 63% said they had not had enough information.

“There was a sense that you had no right to ask questions. The Legal Dept. were always abrupt and always assumed that you had previous experience of house purchasing and of the council’s rules.”
Customer, council C

People buy their homes for many different reasons, and it could be argued that information about common repairs is unlikely to influence their decision significantly. However, almost a fifth of Right to Buy owners in our 1990 survey had said their decision to buy had been strongly influenced by dissatisfaction with the quality of the landlord’s repairs. To be uninformed about the council’s continuing involvement in common repairs, therefore, is likely to lead to significant problems for owner occupiers.

“I would never purchase property again where the council are the factors”
Customer, council A

**Sources of information about common repairs**

We asked people about their sources of information, and 750 people told us. The most common sources of information were the council (504) and solicitors (301). Information from solicitors was more highly regarded than information from the council, although less than a quarter thought it was good.
Tables A2 and A3 in Appendix 2 show the information sources for Right to Buy and non-Right to Buy owners. By far the most common source of information for Right to Buy owners was the council (435), and their next most common source was solicitors (213). Other owners, by comparison, were most likely to get information from the person selling the house (101), then from solicitors (88). Not surprisingly, given the more complex house purchase process, there was a greater spread of information sources for these owners.

Across all owners, satisfaction with the information provided by the different sources was relatively low. Those most commonly cited as giving good information were “someone else” (often neighbours) and solicitors, but only by 25% and 23% respectively. These were also least likely to be seen as providing poor information (27% and 39% respectively).

“Vaguely recall solicitor mentioning something, but wasn’t clear and in the process of getting mortgage arranged that little amount of information got lost in our heads”

Customer, council A

Estate agents and mortgage lenders were both the least likely to provide good information and most likely to give poor information about common repair responsibilities.
Similar trends appeared when Right to Buy and other owners were separated, although non-Right to Buy owners were less happy with information from solicitors than Right to Buy owners were. Dissatisfaction with information from estate agents and mortgage lenders was even more marked among non-Right to Buy owners.

The least-used source of information (someone else) was, interestingly, also the most highly regarded among those who reported it.

**Conclusion**

Home owners tended to feel they had not received enough information, before buying their home, about common repairs. We asked specifically about information on the council’s role in common repairs, the arrangements for carrying out work, and on owners’ share of common repair costs. In each of these cases, people tended to say they had not had enough information. This was especially so when it came to the council’s role in common repairs.

The council was by far the most common source of information, although it was generally poorly regarded. People regarded information from solicitors, the next most common source, to be better, but not very much. On the whole, very few people thought they had received good information from anyone.
CHAPTER 3 COMMON REPAIRS

“The block I live in is dreadfully in need of painting - repairs need to be carried out”
Customer, council C

We asked about people’s experiences of common repairs. We were interested in whether people were happy with work done, and what action they took if they were unhappy. It was also important to explore how owners felt about how the council consulted them about repair work.

Context

We were able to estimate that about half of our survey respondents had common repairs during the 12 months prior to the research. 403, or 46% of those who returned questionnaires, told us how many repairs had been carried out in the last 12 months. Most commonly, the respondents had had one repair carried out (50%), although a further 37% had had two to three repairs. Larger numbers of repairs were less likely, as might be expected in a 12 month period.

Common repairs were most often arranged by the council (54%), while just over a quarter (26%) said they had arranged for the work to be done themselves. A further 9% said the factor arranged repairs, and it can be taken from findings later in this report, that nearly all of these factors are likely to be the council.

Three-quarters of those with repairs in the last 12 months said they had not experienced any difficulty paying their share of the common repairs bill, although a quarter had experienced some difficulty.

Dissatisfaction

We asked if people had been happy with the repairs that had been carried out. The following table shows whether they said they were:

<table>
<thead>
<tr>
<th></th>
<th>Percentage</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, always</td>
<td>20%</td>
<td>79</td>
</tr>
<tr>
<td>Sometimes</td>
<td>33%</td>
<td>133</td>
</tr>
<tr>
<td>No</td>
<td>48%</td>
<td>193</td>
</tr>
</tbody>
</table>
405 people answered this question, and most had not always been happy with the work carried out: a third had sometimes been happy, while almost half had never been happy. Only 20% said they had always been happy with repair work carried out.

326 people in total, therefore, had experienced some dissatisfaction with common repairs carried out. We asked them what had been wrong. Most of them gave us an answer, and Figure 2 shows what they said.

Figure 2 What was wrong

Additional data is given in Table A4 in Appendix 2.

“The finished work was a disgrace”
Customer, council B

“The council in my opinion has a very poor work record on quality of work and able to complete the job on time. The main word of the council worker is can’t ‘can’t do this can’t do that’”
Customer, council D

The most common reasons for dissatisfaction among our survey respondents, therefore, were:

- poor quality of work carried out (58%);
- the work was too expensive (41%);
- delays by the council (32%); and
- they did not know the work was being done (30%)

Very few people (only 9%) actually felt the work was unnecessary. Owner occupiers, therefore, did not appear to be resistant to the idea of taking on common repair responsibilities, but rather were upset that work they deemed necessary was not being done properly, or that they were unable to influence the arrangements.
It is unacceptable that almost one in three had been unaware that work was to be carried out.

“When repairs have supposedly been carried out they are never followed up by an inspector...when they have to return to repair the same fault we are charged again”
Customer, council E

“Biggest problem is lack of advance warning. I was unaware of the work and had not budgeted for this large amount”
Customer, council E

Of the 326 people who had experienced dissatisfaction with common repairs, 77% told us about action they took. This suggests that people are likely to do something when they are unhappy, although about a quarter of those who were not always happy with repairs did not tell us about action they took.

Figure 3 Action taken when unhappy

<table>
<thead>
<tr>
<th>Action</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Refused to pay the bill</td>
<td>41%</td>
</tr>
<tr>
<td>Complained to the workmen</td>
<td>22%</td>
</tr>
<tr>
<td>Complained to the council</td>
<td>88%</td>
</tr>
<tr>
<td>Complained to my solicitor</td>
<td>5%</td>
</tr>
<tr>
<td>Complained to others</td>
<td>14%</td>
</tr>
</tbody>
</table>

“When council should keep in touch with owner re problems...until problem is solved to everyone’s satisfaction. This would prevent the necessity, sometimes, to withhold part payment of account”
Customer, council B

When people were unhappy with common repairs, they were by far most likely to complain to the council (88% of those who told us about action they took). This is likely to be because the council was responsible for arranging the repair work in most cases. The large majority of those who complained, however, said that complaining to the council had not helped (71%). This presents a poor picture of complaints handling by local authorities in this area, particularly when seen alongside later findings in this report of people thinking the council was not interested in their views.
Complaints handling in the public sector has undergone a significant culture change since the introduction of the Citizens’ Charter, and now developed in Service First. On the whole, there appears to have been progress towards a positive approach to complaints handling. Our findings suggest the need for an urgent review of how complaints from owner occupiers are handled by local authorities in Scotland.

“There seems to be many offices passing the buck. When you have a problem it takes forever to get the right person or answer”
Customer, council E

Two possible solutions for improving how people feel their complaints are handled by the council are: putting right the actual problem and good customer care techniques. As to putting right the problem, there seems to be plenty of scope for this. For example, the most common causes of complaint related to quality of work, timing of work, and communication from the council about the work. These are aspects of common repairs that are within the control of councils to improve. As for customer care, findings set out later in this report will show great scope for improving the way owner occupiers are dealt with as customers (for example, whether people feel they are being listened to, or how they feel staff treated them).

“When we complain we get all sorts of answers. In other words, in a polite way, we are told to go away and don’t annoy us. They just don’t care about home owners”
Customer, council B

<table>
<thead>
<tr>
<th>Took this action:</th>
<th>...and it helped</th>
<th>...but it didn’t help</th>
</tr>
</thead>
<tbody>
<tr>
<td>Refused to pay the bill</td>
<td>33 people</td>
<td>69 people</td>
</tr>
<tr>
<td>Complained to the workmen</td>
<td>8 people</td>
<td>46 people</td>
</tr>
<tr>
<td>Complained to the council</td>
<td>63 people</td>
<td>156 people</td>
</tr>
<tr>
<td>Complained to my solicitor</td>
<td>4 people</td>
<td>7 people</td>
</tr>
<tr>
<td>Complained to others</td>
<td>11 people</td>
<td>25 people</td>
</tr>
</tbody>
</table>

Other action taken by owners when they were unhappy about repair work, was refusing to pay the bill (41% of those who had done something), or complaining to the workmen (22%). Refusing to pay the bill was seen as the more effective course of action, although 68% still said it hadn’t helped (compared with 71% saying complaining to the council hadn’t helped, and 85% saying complaining to the workmen hadn’t helped).
Being consulted by the council

“We should at least have been consulted instead of being treated like second class citizens”
Customer, council F

We asked more specifically whether the council arranged common repairs and maintenance. 471 people answered this question, with most (79%) saying the council did arrange common repairs. Only 10% said it did not, although a further 11% did not know.

Of the 374 people who said the council arranged common repairs, 62% said they were entitled to be consulted, either in all cases or above a certain amount. While only 10% thought they were not entitled to be consulted, over a quarter (29%) of owner occupiers did not know whether they had a right to be consulted by the council about common repairs. Solicitors have an important role in explaining consultation arrangements to purchasers. Local authorities, however, also need to clarify the new relationship that arises when someone buys his/her council house.

We asked the 227 people who said they were entitled to be consulted whether the council consulted them when it should. A third said the council did not consult them when it should. This is the same proportion of people who said they were dissatisfied with repairs because they did not know work was being done. We would suggest that better communication by local authorities would improve owners’ responses to repair work.

In only 29% of cases did people feel they were consulted when they should have been by the council. A further 29% felt the council only sometimes consulted them when it should. This is an aspect of the relationship between councils and owner occupiers that could readily be improved.

We also asked these 227 people for their views on a set of statements related to consultation by the council. 217 of the 227 answered at least one of these questions:

<table>
<thead>
<tr>
<th>Statement</th>
<th>Agree</th>
<th>Sometimes</th>
<th>Disagree</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>The council gives me enough information</td>
<td>20%</td>
<td>42%</td>
<td>38%</td>
<td>187</td>
</tr>
<tr>
<td>The council only tells me when it’s too late</td>
<td>46%</td>
<td>37%</td>
<td>17%</td>
<td>127</td>
</tr>
<tr>
<td>The council is interested in my views</td>
<td>7%</td>
<td>13%</td>
<td>81%</td>
<td>134</td>
</tr>
</tbody>
</table>
Only a fifth agreed that the council gave them enough information when it consulted them about repair work needed. 46% thought the council told them about repair work when it was too late. However, when we asked if they thought the council was interested in their views, a staggering 81% said no. This is likely to be a cause of much dissatisfaction among home owners, particularly when they have little influence over the way the council arranges common repairs.

From the previous chapter, there was evidence that the council was unexpectedly involved in common repairs post purchase, and that this is likely to be a significant source of dissatisfaction. Coupled with a strong perception that the council is not interested in their views, this could explain a good deal of the problems experienced by councils and owners. It is worth noting, however, from findings earlier in this chapter, and to come in later chapters, that information and good customer care handling appear to be secondary to the quality of work actually done in the first place.

“Once the person you are talking to learns you are owner occupier they very quickly lose interest. Wrong information is often given as a quick method of passing the buck”

Customer, council E

To the 374 people who said the council arranged common repairs, we asked whether any of the following information was given to them before the work was carried out:

<table>
<thead>
<tr>
<th>Information</th>
<th>Yes</th>
<th>Sometimes</th>
<th>No</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>The total cost of the work</td>
<td>27%</td>
<td>21%</td>
<td>52%</td>
<td>330</td>
</tr>
<tr>
<td>Your share of the cost</td>
<td>38%</td>
<td>19%</td>
<td>43%</td>
<td>323</td>
</tr>
<tr>
<td>How to make an insurance claim</td>
<td>3%</td>
<td>4%</td>
<td>93%</td>
<td>305</td>
</tr>
<tr>
<td>The availability of grants</td>
<td>6%</td>
<td>6%</td>
<td>88%</td>
<td>314</td>
</tr>
<tr>
<td>Who to contact for more information</td>
<td>10%</td>
<td>7%</td>
<td>83%</td>
<td>297</td>
</tr>
</tbody>
</table>

Most of the 374 answered at least some part of this question. Over half were not given information about the total cost of the work, and most were given no information about how to make an insurance claim (93%), the availability of grants (88%) or who to contact for more information (83%). The information most likely to be given was the owner’s share of the cost, and even then an astonishing 43% did not get this information.
It is clearly unacceptable that timely information about each of these aspects is not given to owner occupiers. This could readily be put right by councils, for example by putting into practice a policy of routinely providing such information as soon as the decision has been taken to carry out common repairs.

**Conclusion**

Common repairs were most usually carried out by the council, and most people experienced dissatisfaction with the work done. Dissatisfaction stemmed largely from work not being done properly, and owners’ inability to influence work done on property they shared ownership of. When they were unhappy, people most typically complained to the council, but found this to be unhelpful. We see the need for an urgent review of complaints handling in this area.

A third of home owners did not know if they were entitled to be consulted by the council about common repairs. Those who said they were entitled, did not feel the council consulted them when it should. Most felt the council did not give them enough information, and was not interested in their views: two of the key aspects of genuine consultation.

Owners in our survey tended to say they did not receive basic information from the council about common repairs, such as costs, insurance arrangements, grant availability, or even who to contact for more information. While the quality of work done was paramount, it is also clearly important to look at the content and timing of information given to home owners, and to look at ways of allowing owners to feed their views properly into the council’s decisions.

Each of these issues is central to achieving Best Value in this area of housing management.
CHAPTER 4 FACTORING

“We believe that it is the owners responsibility to maintain their property. However, not every owner shares this opinion, therefore as we live in a four in a block we are happy for the council to provide repairs. However...we have never had the factors role explained to us”
Customer, council F

Factoring is a crucial feature of common repairs. The involvement of a factor can make arrangements more straightforward, and ensure property is maintained in good condition. However, we are aware from Factors in Common that misunderstandings and poor information can lead to serious problems in the relationship between owners and factors, and there is the potential for conflict of interest when a council factors property it also jointly owns. In this chapter, we look at what home owners said about their factoring arrangements.

Context

70% of all respondents completed some part of the section on factoring. Most of these (95% of the 591 who told us) said the council was their factor. People were most likely to say common repairs and grass-cutting were included in the factoring service. Stair-cleaning and window-cleaning were most typically not included. More people were unsure about whether processing insurance claim forms was included than about other services.

Most people (88% of the 592 who told us) said they paid a factoring fee.

The factoring service

We asked the 520 people who paid a factoring fee whether they thought this was good value for money. Only 10% said that they did. Over half (52%) thought the fee was poor value for money, while the remaining 38% were unsure.

We asked a similar question in our 1990 report, and Figure 4 compares their views with the views of those in our present survey. For better comparison, we used the analysis of the 383 Right to Buy owners who paid a factoring fee.
The findings compare poorly with our 1990 survey, when 15% of those with a factor thought the service was good value (still a very low proportion); 30% had said poor value; and 46% had mixed views. Satisfaction on this aspect of factoring seems to have worsened. It is likely that, over time, unresolved problems have led to this deterioration.

“I may as well factor myself! I receive regular factor bills - but nothing has been done to earn the fee”
Customer, council A

“Why should I pay this fee to the council as it is not for any work the council has carried out. All it is for is administration. Who in their right mind would give money to someone for doing nothing?”
Customer, council B

We asked people for their views on a series of statements about factoring:

<table>
<thead>
<tr>
<th>Statement</th>
<th>Agree</th>
<th>Disagree</th>
<th>Not sure</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>The property is managed better because of the factoring service</td>
<td>19%</td>
<td>48%</td>
<td>34%</td>
<td>511</td>
</tr>
<tr>
<td>Not enough information about what I am paying for</td>
<td>68%</td>
<td>19%</td>
<td>13%</td>
<td>510</td>
</tr>
<tr>
<td>I would like to change my factor</td>
<td>31%</td>
<td>26%</td>
<td>47%</td>
<td>435</td>
</tr>
</tbody>
</table>

Only fewer than one in five (19%) agreed their property was managed better because of the factoring service. While over a third were unsure, almost a half disagreed that the property was managed better. It is worth recalling that the factoring service was almost always provided by the council.
Two in three owner occupiers (68%) agreed that they did not receive enough information about what they were paying for.

The highest level of uncertainty (47% unsure) was whether they wanted to change their factor, although 31% said that they did. The levels of uncertainty may be a surprise to councils who are aware of customer dissatisfaction. Later findings in this report show that the majority of people think it is a good idea to have a factor, and the large majority would be happy for the council to be the factor, in principle. Uncertainty about other potential providers may explain why, despite dissatisfaction, people would prefer factoring to be carried out by the council. However, it is also likely that owners would prefer the council to provide the service, but to do it differently.

“I feel comforted knowing that the council is the factor as opposed to a private company. That said, they could do more particularly regarding regular maintenance work”
Customer, council E

Half of the owner occupiers who answered thought it was easy to get in touch with their factor. 19% thought it was difficult, and a fifth did not know. Just under half of the 577 who answered had contacted their factor in the last 12 months. Figure 5 shows what they thought of the way staff treated them.

**Figure 5 Views on staff**

<table>
<thead>
<tr>
<th>Aspect</th>
<th>Yes (%)</th>
<th>No (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Helpful</td>
<td>51</td>
<td>36</td>
</tr>
<tr>
<td>Polite</td>
<td>71</td>
<td>11</td>
</tr>
<tr>
<td>Knowledgeable</td>
<td>47</td>
<td>26</td>
</tr>
<tr>
<td>Interested in my views/problem</td>
<td>52</td>
<td>25</td>
</tr>
<tr>
<td>Worthwhile contacting</td>
<td>47</td>
<td>31</td>
</tr>
</tbody>
</table>

Table A5 in Appendix 2 gives the full data on responses to this question.
Staff were most likely to be seen to be helpful and polite, but least likely to be seen to be interested in people’s views or problems, knowledgeable, or indeed worthwhile contacting. This supports some earlier findings in this report, that while customer care approaches are important, the ability to get the job done well is even more important. Therefore, staff may well be helpful and polite, but if they appeared to lack the knowledge or the will to resolve a problem, contacting them was not worthwhile.

“We have complained, phoned, written etc. Have made 30+ phone calls”
Customer, council E

“Firstly my calls were not returned. Then my letters ignored.”
Customer, council A

Conclusion

In the overwhelming number of cases, the council provided the factoring service. Most people paid a factoring fee, and the majority thought it was poor value for money. While only a small proportion thought it was good value, a high number had mixed views about it. There was evidence of uncertainty about who should provide factoring services, although it appeared that people would opt for the council if it carried out the service differently.

In Factors in Common we expressed some concern about conflict of interest where the local authority acted as factor to owner occupiers and itself. For example, the council (as factor) may be alerted to work that needs to be done, but another department in the council may not allow the resources to be spent on the work. Or the council (as factor) may be compelled by the local authority to use its own tradesmen rather than shop around for quotes on behalf of owners.

The potential conflict of interest needs to be addressed, bearing in mind the finding that the majority of people would prefer the council to be their factor. Looking at independent factoring services, or improving the accountability of council factoring services, should be explored.

Almost half of those who had contacted their factor felt it not worthwhile: although staff were generally helpful and polite, they were not seen as knowledgeable about or interested in people’s problems. The findings support earlier evidence that competence and good communication are crucially important to developing a good relationship between home owner and factor.
“Insurance cleared up cost of repairs within reasonable time”
Customer, council F

Complex issues surround buildings insurance for owner occupiers sharing property with councils. In Factors in Common we highlighted the argument about making sure all owners are insured versus each owner’s freedom to make his/her own arrangements. There was also a lack of clarity about the status of councils as agents where they received commission from insurance premiums, and the implications for insurance contracts between the owner and the insurance company. In this chapter, we look at the home owners’ perspective on buildings insurance.

Context

76% of all respondents answered at least some part of the section on buildings insurance.

Three-quarters of the 631 who told us about their choice of insurance policy, said that they were not able to choose their own insurance if they wanted: they had to take the policy arranged by the council. 15% were able to arrange their own insurance, while 10% did not know if they could or not.

“I was told I had to have buildings insurance with the council when I phoned to enquire about what the bill was for.”
Customer, council A

Views on insurance

Of those 474 who had to take the insurance policy arranged by the council, we asked for views on a series of statements. In answer to what they thought about the council arranging their buildings insurance, they said:
We posed these questions to reflect the real dilemma that exists for owner occupiers: the need to be assured that everyone has insurance, versus the freedom to arrange their own policy to meet their needs. It is worth highlighting that these questions were asked only of those who had no choice but to take the policy arranged by the council. The answers suggested that owner occupiers struggle with the pros and cons of block insurance policies.

- 71% agreed that insurance arranged by the council was a good idea, because it meant everyone was insured; and 43% were favourably disposed to the idea because of good value for money (although almost a quarter disagreed, and a third were not sure).

<table>
<thead>
<tr>
<th></th>
<th>Agree</th>
<th>Disagree</th>
<th>Not sure</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>A good idea, because it means everyone is insured</td>
<td>71%</td>
<td>18%</td>
<td>11%</td>
<td>376</td>
</tr>
<tr>
<td>Unhappy, because I should be free to make my own decisions</td>
<td>55%</td>
<td>25%</td>
<td>20%</td>
<td>274</td>
</tr>
<tr>
<td>Favourable, because it is good value for money</td>
<td>43%</td>
<td>24%</td>
<td>33%</td>
<td>275</td>
</tr>
<tr>
<td>Unhappy, because I can get a better policy elsewhere</td>
<td>40%</td>
<td>15%</td>
<td>45%</td>
<td>247</td>
</tr>
</tbody>
</table>

On the other hand:

- the majority (55%) were unhappy about the arrangement, because they felt they should be free to make their own insurance decisions, and 40% were unhappy because they could get a better policy elsewhere (although 45% were unsure about this).

These mixed views came across in the answers to our question about the value for money of their insurance policy. 635 people, including those who had to take the council’s insurance and those who could choose their own, answered this question. In all, 34% thought their insurance policy represented good value for money. Only 10% felt it was poor value, while the majority (57%) had mixed views.

“I would hope that the council ’shop around’ for buildings insurance. I have no way of knowing if this is the best value policy”

Customer, council E
There were differences of opinion, however, between people who could choose their own insurance policy, and those who had to take out the policy arranged by the council. Those who could choose their own were twice as likely to say their policy was good value (60%, compared with 30% of those who could not choose); and they were much less likely to say their policy was poor value (only 1%, compared with 12% of those who could not choose). This is probably because people who can choose will switch to another insurer if they are unhappy with their policy.

We asked people whether the council received commission from their insurance premiums. 634 people answered the question, including 465 people who said they had to take the council’s policy, and 82 who could choose their own. Most people (90%) did not know if the council received commission, although this rose to nearly all of those who were not free to choose their own policy (95%). People who could choose their own insurance were less uncertain, although still 59% of these did not know if the council received commission from their premiums. 40% of those who could choose their own policy said the council did not receive commission from their insurance premiums.

There were only 19 people in the survey who said the council did receive commission; and 18 of these did not know how much.

In fact, three of the councils in our survey received commission from insurance premiums. Commission rates were typically as high as 25%. Clearly, owners are unaware of this, which raises serious concerns about conflict of interest and the role of the council as agent. These three councils also provided factoring services, and were therefore the agent of the owner. In this case, the council should be acting in the owner’s best interest. With no information to owners about commission rates, it is difficult to argue that they are doing so. Where commission is taken, this should be declared to owner occupiers.

We asked who people would contact if they needed to make an insurance claim. Of the 639 who answered the question, most would contact either the insurance company (42%) or the council (43%). 12% did not know who they would contact. When asked who their insurance company was, 40% said they did not know. Most of the rest named an insurance company, but several people named the council as their insurer. In previous reports we have highlighted problems of the validity of insurance contracts when people are not even aware of who the insurer is. Where the council arranges buildings insurance, care must be taken to make sure owner occupiers know who the insurer is.
Conclusion

Three-quarters of home owners were obliged to take out the buildings insurance arranged by the council. Most thought block insurance was a good idea, but over half also wanted the freedom to make their own arrangements. There were mixed views on the value of insurance policies, although those who were unable to make their own choices were less happy.

Most people were unaware of the council receiving commission from their insurance premiums, which raises concerns about the role of the council as an agent. In particular, there is a worrying conflict of interest for councils in this situation.

A large proportion of people said they did not know who their insurer was. Given that the insurance contract is between the owner and the company, even when arranged by the council, worrying questions have to be asked about the validity of insurance contracts, and the councils’ role in this complex issue.

While block insurance arrangements may be offered not just by councils but in the private sector as well, owners of former council property have less freedom to make different arrangements (such as opting to change their factor). We would suggest it is unlikely that many of the provisions they are asked to accept as a condition of buying their home would stand up to legal challenge.
CHAPTER 6 VIEWS AND OPINIONS

We wanted to find out not only about home owners’ experiences, but also about their views and opinions in principle about a set of issues around sharing common property with the council. We asked their priorities for improving the council’s service to them, their views on factoring in principle, and on how buildings insurance should be arranged.

Context

Most people (859 of the 873 respondents) answered some part of the section on views and opinions.

First of all, we asked a general question about satisfaction with the council’s involvement in common repairs:

Figure 6 Satisfaction with the council’s involvement

Table A6 in Appendix 2 gives further data.

The evidence was of very low levels of satisfaction and high levels of dissatisfaction with the council’s involvement in common repairs. Fewer than one in five people expressed a positive view of the council’s involvement in common repairs. While a third were neutral on this, nearly half (47%) were not happy.

There were some positive comments:

“On the whole I have had a good service from the council”
Customer, council A
“I was impressed by the speedy action by the council”
Customer, council B

But these were rare among the responses.

The findings of this survey, therefore, show serious problems in the owner occupier-local authority relationship. However, while it is important to know what dissatisfaction relates to, satisfaction ratings alone are not particularly useful. Rather, being able to analyse responses of satisfied compared with dissatisfied customers can provide very useful information about how best to improve services.

Improving the service

We asked people to indicate, from a given list, the importance of certain elements in improving the council’s service to them. The answers of all respondents in general, of satisfied compared with dissatisfied customers, and of those with recent experience of common repairs, are each presented below: each yielded distinct priorities for improving services.

From the perspective of all respondents

We asked people to indicate, from a relatively long list, what would improve the council’s service to them as owner occupiers. 832 people ticked at least one of the areas as being important.

The most important aspects that they said would improve the council’s service were:

- better information about their own repairs responsibilities (82% people);
- timely information about repairs and maintenance work (80%);
- knowing who to contact in the council (80%); and
- a better attitude towards home owners (80%).

Close behind were

- better information about the council’s role (79%); and
- better quality work (79%).

The least likely to be seen as improving the service were more helpful staff and less bureaucracy, although these were still seen as important by over 60% of people.

Items about owners’ autonomy (such as being involved or able to make their own decisions) did not appear in the top priorities, but were
important to almost or above 70% of people.

For all customers in general, therefore, improved information appears to be the key to improving services. Councils who experience relatively high levels of dissatisfaction, however, or who carry out large numbers of repairs, may find the following two sets of analyses to be more relevant.

**From the perspective of satisfied and dissatisfied customers**

We were interested in looking at the responses of two particular groups of people: those who were dissatisfied or very dissatisfied with the council’s involvement, and those who were satisfied or very satisfied. Useful lessons could be drawn from analysis of the priorities of these groups.

There were 370 people who said they were either dissatisfied or very dissatisfied with the council’s involvement in common repairs. Most of these gave us their priorities for making the council’s service better. There were 142 people who said they were satisfied or very satisfied with the council’s involvement, and again, most told us what would be important in improving the service.

The first point to note is that, not surprisingly, those who were dissatisfied tended to choose more options for areas that would improve the service, than did those who were satisfied. In other words, those who were dissatisfied saw more scope for improvement. Because of this, analyses of dissatisfaction rather than satisfaction can be more useful to councils seeking to improve their services.

Those who were already happy with the council’s involvement in common repairs were least likely to say being able to make their own decisions, less bureaucracy, or more helpful staff were important in improving the council’s service (less than half in each case). Those who were dissatisfied gave lowest priority to these same three aspects, however, while more helpful staff was the lowest priority listed by dissatisfied people, still 71% of them thought it was important.

Satisfied customers said that the most important aspect of improving the council’s service was:

- timely information about repairs and maintenance work (77%);
- better information about their own repairs responsibilities (75%);
- knowing who to contact in the council (73%); and
- better information about the council’s role (72%).
At the top of the list for dissatisfied customers was:

- better quality work (91%);
- a better attitude towards home owners (89%);
- better information about their own repairs responsibilities (85%); and
- being involved in decisions (85%).

It would appear, therefore, that for customers who are already happy with the council's involvement, improved and more timely information is the key to improving services. For dissatisfied customers, however, quality of work and attitudes towards home owners are crucial.

**From the perspective of customers experienced in repairs**

When we looked at the responses of the 405 people who told us what they thought of common repairs carried out in the last 12 months that is, those in the survey with actual recent experience of common repairs), a slightly different set of priorities emerged.

The top priorities for improving the council's services, according to all those with recent experience of common repairs were:

- timely information about repairs and maintenance work (83%);
- better quality work (also 83%);
- better information about their own repairs responsibilities (81%); and
- a better attitude towards home owners (80%).

Of least importance, but still important to significant numbers of people, were more helpful staff, less bureaucracy, and being able to make their own decisions.

The lesser priorities were the same, whether people were happy with the repairs done or not. The ranking of top priorities for those who were not always happy with repair work were also the same, although better quality work and a better attitude towards home owners were markedly more important.

**Lessons for improvement**

Lessons to be drawn from this analysis include that councils who are seeking to improve their service to owner occupiers should look to improving all of the aspects listed in our questionnaire. Where priorities must be made, however, the results of this survey suggest that different approaches will work better with different sets of customers.
For example, councils who carry out a relatively large number of common repairs should consider the priorities expressed by those who have recently experienced common repairs: quality assurance on repair work and more positive reactions to home owners to reduce dissatisfaction, and improved information to increase satisfaction. In these cases, efforts to involve people in decision-making, while important, may have a lesser impact than these other aspects.

For councils with a relatively high dissatisfaction level, the views of those expressing satisfaction or dissatisfaction will best indicate how to prioritise service improvements. For example, improved information is likely to increase satisfaction, while quality assurance and more positive responses to owners are likely to reduce dissatisfaction. With dissatisfied customers, attempts to involve them in decision-making are likely to have a relatively strong impact.

**General views**

**Factoring**

We asked whether people thought it was a good idea in principle to have a factor when neighbours share common property.

**Figure 7 Is it a good idea in principle to have a factor?**

- Yes, it makes arranging repairs easier: 57%
- Doesn’t matter, makes no difference: 9%
- No, owners should arrange their own repairs: 21%
- Don’t know: 13%

815 people answered this question, and the majority (57%) thought it was a good idea to have a factor. More than one in five, however, thought that owners should arrange their own repairs.
When asked about the things a factor should do, 754 people gave us their views:

<table>
<thead>
<tr>
<th>The factor should:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Visit the property regularly</td>
<td>75% (562)</td>
</tr>
<tr>
<td>Provide written property reports</td>
<td>56% (421)</td>
</tr>
<tr>
<td>Carry out regular work, not just emergencies</td>
<td>68% (511)</td>
</tr>
<tr>
<td>Only do emergency work</td>
<td>6% (45)</td>
</tr>
<tr>
<td>Do other work</td>
<td>6% (42)</td>
</tr>
</tbody>
</table>

Three-quarters felt that a factor should visit the property regularly, and over two-thirds also thought a factor should carry out regular work, not just emergencies. This indicates a responsible attitude towards home ownership and common repair responsibilities. Over half (56%) thought that written property reports should be provided.

We also asked whether people would be happy for different types of organisations to provide a factoring service.

**Figure 8 Happy for different organisations to provide a factoring service**

- The council: 62%
- A private company: 21%
- A housing association: 30%
- Someone else: 6%
689 people answered this question, and the majority (62%) said they would be happy for the council to provide the factoring service. This is despite the low levels of satisfaction with the council's involvement, and the perceptions of poor quality of work carried out by the council. This suggests that people would prefer the council to continue as factor, but would like them to do this differently and better.

Significant proportions of people would also be happy for a housing association (30%) or a private company (21%) to provide a factoring service. This is an important finding, as one of our suggestions from Factors in Common was that local authorities should look at independent factoring, to address the potential conflict of interest in councils factoring property they jointly own.

Buildings insurance

We asked for people’s views on two statements about how buildings insurance should be arranged. 812 people gave a response to at least one of these statements:

<table>
<thead>
<tr>
<th>Statement</th>
<th>Agree</th>
<th>Disagree</th>
<th>Not sure</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Should be arranged by the council or factor</td>
<td>61%</td>
<td>23%</td>
<td>16%</td>
<td>564</td>
</tr>
<tr>
<td>Each owner should make his/her own arrangements</td>
<td>69%</td>
<td>15%</td>
<td>16%</td>
<td>561</td>
</tr>
</tbody>
</table>

As was found in the chapter on buildings insurance, the answers to this question reflected the complexity of the two sides of the issue: the assurance that all owners are insured, versus the freedom for owners to choose their own insurance policy.

On balance, there was slightly more support for buildings insurance being left to the arrangements of each owner. However, there was almost as much support for insurance being arranged by the council or factor. This suggests that while people do wish to exercise their own choices as home owners, they also recognise the need for collective responsibility over common property.
And finally

We asked whether the council had ever asked for owners’ views about aspects of its service:

<table>
<thead>
<tr>
<th>Service</th>
<th>Yes</th>
<th>No</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repairs/maintenance work</td>
<td>3%</td>
<td>97%</td>
<td>827</td>
</tr>
<tr>
<td>Factoring service</td>
<td>2%</td>
<td>98%</td>
<td>766</td>
</tr>
<tr>
<td>Buildings insurance</td>
<td>5%</td>
<td>95%</td>
<td>770</td>
</tr>
<tr>
<td>Other services</td>
<td>1%</td>
<td>99%</td>
<td>400</td>
</tr>
</tbody>
</table>

“We have lived in our flat for seven years. We have never seen anyone from the council or been consulted in all that time about anything”
Customer, council A

837 people answered this question, and hardly any of them had been consulted by the council about any of these services. While this is a very poor finding, in fact it does also suggest that there is considerable scope for councils to find ways of making the improvements to their relationship with owner occupiers that we have suggested throughout this report. Since most owners have not had a constructive dialogue with the council, where they feel they have been able to put forward their views and that the council has listened to them, it would be realistic to suggest that even the first steps towards genuine consultation and dialogue can make a very positive difference to the way councils and owners relate to each other on common repairs. While we recognise it will not resolve all of the problems, we would assert that owner occupiers are likely to be reasonable about common repairs, and will respond well to a genuine approach from the council.

Conclusion

High levels of dissatisfaction with the council’s involvement in common repairs were recorded, but while it is important to know what these relate to, satisfaction ratings provide a powerful analytical tool rather than useful information in themselves.

This chapter has explored the views of owner occupiers on ways councils can improve their services, and has drawn lessons about the most effective ways different councils can improve their services to home owners.
People tend to view factoring as important, and are more likely to want the council to provide this. They would prefer a relatively proactive service, indicating an understanding of the importance of good property management. There was also tentative support for the idea of housing associations and private companies providing factoring services.

On balance, people would prefer buildings insurance to be arranged by individual owners themselves, although there was a considerable degree of mixed views on this issue.

On the surface, the current lack of consultation with home owners for their views on anything is a very poor finding. However, it also represents an opportunity for councils to begin to open up more constructive dialogue with home owners, which could quickly lead to improved relationships between them.
CONCLUSIONS AND RECOMMENDATIONS

Conclusions

Sharing common property can be complicated, particularly when it is owner occupiers and local authorities who are sharing. Agreeing on work to be done; recouping costs; redress when work is not done satisfactorily; buildings insurance; and factoring arrangements, are all issues that can cause problems between home owners and councils.

From our previous work, reported in Factors in Common, and this research with home owners, it is individuals, rather than councils, who appear to suffer the most when things go wrong in this area. For example, in many cases, particularly when the council is the factor, owners feel they play no part in making decisions about repairs. Too often, owners do not even know about repair work until they receive the bill for their share of the costs. What is more, owners told us that when they wanted to carry out repairs (even when they were in the majority), they found it difficult to get the council to agree, or to pay its share. Home owners in our survey tended to feel the council was not interested in their views.

While some of the problems stem from poor pre-purchase information, there does also seem, from what people told us, to be a significant element of unfairness to owner occupiers sharing common property with local authorities.

The arrangements for agreeing to carry out common repairs will normally be set out in the title deeds, which should be explained to prospective purchasers, so they are able to take this into account before they decide to buy. From Factors in Common, we were aware that solicitors do not always make these things clear to people, and we recommended that solicitors should always make sure purchasers are aware of the conditions contained in their title deeds about the management of common repairs, and are aware of their responsibility to maintain the common parts of their property.

Without good information home owners are less likely to be able to fulfil their responsibilities or to make sense of what is a complex area. This can easily result in negative relationships with local authorities. Very few people in our survey thought they had received good pre-purchase information from anyone. Less than half of those telling us about their sources of information said their solicitor had given them information about common repairs, and only a quarter of these thought the information was good. This is clearly an area that has to be dealt with.
Even if home owners are well informed, they face problems in dealing with councils as co-owners of common property. Two sources of these problems appear to be fairness in legal contracts, and poor management practice on the part of some councils.

As to fairness in legal contracts, we raised concerns about this in *Factors in Common*. The Unfair Terms in Consumer Contracts Regulations 1994 are in place to protect consumers against unfair standard terms. This does appear to apply to the conditions purchasers are asked to accept when they buy their council house15.

While we recognise the need to be clear in title deeds about the arrangements for common repairs, we also see the need to consider what is fair to both owner occupiers and local authorities who share common property. The evidence we have gathered so far suggests councils have not seriously considered fairness to home owners. One example is factoring, where councils appoint themselves as factors. Many owners feel aggrieved that they are unable to change their factor until all the property is owned by owner occupiers, and they have few rights to challenge what they see as poor practice by councils. In addition, we have raised concerns about a conflict of interest where councils act as factor in this situation. The conflict of interest can cause problems for owners, for example if they are unable to get the factor to instruct repair work because another department of the council is unable to fund its share of the costs. Some title deeds also compel owner occupiers to take out buildings insurance arranged by the council (in some cases where, unknown to owners, councils are receiving substantial rates of commission from insurers). We have argued that, on balance, owners should be free to make their own insurance arrangements. Otherwise, people owning former council property do not have the same opportunity as other home owners to shop around for the insurance policy that best meets their needs. We are doubtful as to whether many of the provisions that must be accepted by purchasers of former council property would stand up to legal challenge.

We would urge that some priority now be given to looking at the fairness of contracts.

Poor practice on the part of local authorities can also lead to severe difficulties for owners, who are in a very weak position when they have cause for complaint. The experiences of owner occupiers in this survey suggest poor complaints handling by local authorities. This raises serious concerns about local authorities’ approaches to Service First and Best Value. Good complaints handling, and a positive culture towards complaints, are central to both of these.
Many of the owners in our survey complained of poor quality work carried out on their behalf, often requiring repeated work for which owners were billed. This is clearly unacceptable: owners should not be expected to pay for work until it has been completed satisfactorily. Furthermore, some form of time-specified guarantee should be in place in the event of defective work. Otherwise home owners who share property with councils do not have the safeguards available to other home owners, a situation which is discriminatory.

While it is crucial for the views and experiences of owner occupiers to be highlighted, we also wanted this research to be used by local authorities and others to improve the management of common repairs between owners and councils. Throughout this report, therefore, we have suggested ways in which councils can improve their services, and indeed improve relationships with owner occupiers. Greater attention to quality control, and good practice in communicating with owner occupiers are central themes. We were able to analyse the priorities for improvement according to different groups of customers. By doing this, we hope to point local authorities to the areas they might concentrate on to make the most effective impact.

The Scottish Consumer Council believes public services should lead in excellence. Consumers should expect council services to meet at least the best standards achieved in the private sector. Sadly, the findings of this survey indicate serious shortcomings in councils’ management of property in mixed ownership. While the survey was based on a sample of owner occupiers from six council areas, the themes that emerged were not unique to any one of the council areas. We would suggest that important lessons can be drawn from this research by all local authorities in Scotland.
Recommendations

To the Scottish parliament

1. **The Scottish parliament should examine, as part of its consideration of the law of the tenement, fairness to owner occupiers who share common property with local authorities**

While measures do have to be in place for making sure common repairs can be carried out, these measures have to be fair to all involved. It appears, from the evidence of our survey, that owner occupiers are often not treated fairly when they buy former council property. For example, they have little opportunity to obtain redress for poor practice by the council as factor, far less to change their factor. In some cases, they must accept the insurance policy arranged by the council. In addition, while owners are expected to pay their share of common repairs at short notice, they are often unable to recoup the council’s share of costs when they carry out work. These are all issues to do with fairness, and they must be considered independently of local authorities. Independent dispute resolution is an important issue to address in this context, with its role in promoting fairness both to owner occupiers and to councils.

We ask the Scottish parliament, therefore, to examine fairness to owner occupiers in managing common repairs.

2. **The Scottish parliament should address, as part of its consideration of the law of the tenement, the potential conflict of interest where councils factor property in mixed ownership**

Some local authorities appoint themselves as factors where they share property with owner occupiers. While this may be convenient for councils, there is a potential conflict of interest. For example, the council as factor may decide it is best to carry out certain repairs or maintenance work. It may find, however, that another department of the council prevents the work being carried out. The factor, in this case, may be acting in the council’s interests rather than the owner’s, which goes against the principle of the factor being the owner’s agent. One solution may be to appoint an independent factor, such as a housing association or a private company, who will treat all owners - individual or council - on the same basis. Given our finding that the majority of owner occupiers would prefer the council to be their factor, measures to improve the accountability of council factoring services should also be considered. There may be other solutions, and these have to be explored. With the potential for conflicts of interest in this matter, it is appropriate for it to be developed independently of local authorities.
We ask the Scottish parliament, therefore, to address this issue as a matter of priority.

To solicitors

3. Solicitors should always make sure prospective purchasers are aware of the conditions contained in their title deeds about the management of common repairs

Very few people in our survey thought they had received good pre-purchase information from anyone. They tended to feel they had not received enough information, before buying their home, about the council’s role in common repairs, the arrangements for carrying out work, or about their share of costs. This information is crucial, especially in view of the impact it can have on people’s relationship with the council. Poor relationships can easily develop out of poor information, and can lead to mistrust and suspicion. Even when good information has been given, there is evidence that people find it difficult to retain it. Written information, such as a leaflet, may be more helpful to people than verbal information at a time when they are thinking about other complex issues concerning house purchase.

We ask solicitors to consider ways of improving pre-purchase information about common repairs in all relevant cases.

4. The Law Society of Scotland should take steps to improve pre-purchase information, given by solicitors, about common repair responsibilities

The finding that people felt poorly informed by anyone, including solicitors, was common across all six of the council areas in our survey. Furthermore, it is an echo of findings of previous research we have carried out. Therefore we see the need for action to be taken at a national level to ensure all purchasers are made aware of their common repair responsibilities. This may be by highlighting the issue in the relevant journals, or by promoting training opportunities. We would also like the Law Society of Scotland to consider preparing a leaflet on common repair responsibilities, which would help people retain more of the information given to them by solicitors. It is important that progress towards improvement is properly monitored.

We ask the Law Society of Scotland to develop and monitor means of improving solicitors’ pre-purchase information.
To national bodies

5. The Scottish Office, Scottish Homes, CoSLA and the Chartered Institute of Housing in Scotland should consider their roles in developing national standards in managing common repairs to properties in mixed ownership

We now have evidence from two recent pieces of research - one from the perspective of local authorities, the other of home owners - showing that much more attention needs to be given to improving this area of housing management. Some councils, in response to Best Value, may well be looking at ways of making their services more responsive to customers. However, the issues around common repairs are complex, and solutions and good practice need to be developed at a national level. Based on the evidence of our research, we see an urgent need to publish national standards of housing management by local authorities for properties in mixed ownership.

We ask the Scottish Office, Scottish Homes, CoSLA and the Chartered Institute of Housing in Scotland, therefore, to take up the issue of common repairs shared between councils and owner occupiers, and to take responsibility for developing national standards.

6. CoSLA and the Chartered Institute of Housing in Scotland should prepare and implement guidelines for local authorities on consulting owners about common repairs

A third of home owners did not know if they were entitled to be consulted by the council. Those who were entitled, did not feel the council consulted them when it should. A staggering proportion of people - over 80% - thought the council was not interested in their views, which is a crucial element of genuine consultation. Most people also said the council did not give them enough information about repair work. Often, the bill was the first they knew of any work having been done. Not surprisingly, many owner occupiers felt as if councils regarded them as “second-class citizens”. This is an unacceptable situation, and local authorities should receive strong guidelines on consulting owners properly.

We ask CoSLA and the Chartered Institute of Housing in Scotland, as the appropriate bodies, to ensure such guidelines are developed and implemented.
7. The Association of British Insurers should investigate the position of Right to Buy owners in Scotland

Some local authorities compel owners, as a condition of house purchase, to take out a specific buildings insurance policy. Some of these councils take substantial rates of commission (such as 25%), of which most owners seem to be unaware. We are extremely concerned about the potential conflict of interest when councils appoint themselves as factors of property they jointly own, compel owners to take out a specific policy, and take commission from the insurance premiums. All this places owners of former council property at a disadvantage compared with other owner occupiers, who could opt to change their factor. For example, they may be unable to take advantage of lower premiums by taking out their buildings insurance with the same company as their home contents or car insurance. They are also unable to shop around for the policy that best meets their needs. We question the legality of some of these practices, and they must be investigated independently of local authorities.

We ask the Association of British Insurers to investigate these issues.

To local authorities

8. Local authorities should clarify to purchasers the nature of their continuing relationship

The vast majority of people in our survey said they did not receive enough pre-purchase information about the council’s involvement in common repairs. Such a lack of information is likely to contribute to a poor relationship between owner occupiers and the council. Furthermore, too many people (over a quarter) did not know if they were entitled to be consulted by the council about common repairs.

Trust and a good relationship between owner occupiers and the council are key to the sensible management of common repairs. Councils, therefore, must set out clearly their continuing role in maintaining common property. Purchasers must be made aware that their relationship with the council will not come to an end, but will change. They need to know what standards of service to expect from the council in this new relationship, including arrangements for consulting them about repair work.

We ask housing managers to make sure purchasers are clearly informed about the continuing involvement of the council in managing common property.
9. **Local authorities should put in place quality control mechanisms and provide quality guarantees to home owners**

The biggest source of complaint from owner occupiers was the quality of the work carried out. In addition, owners were sometimes billed for repeat visits to correct faulty work. While many councils may have quality control procedures, the evidence from our survey suggests these need to be re-assessed. When owner occupiers instruct repair work privately, such as within their own property, they would normally expect the work to be guaranteed. Faulty workmanship would then be corrected at the company’s expense, not the owner’s. Owners who share common property with councils, and who have to accept the council’s repair work, should not be placed in a different situation from other home owners. Councils, therefore, should ensure that their work is covered by a guarantee that defects in workmanship will be corrected, within a specified timescale, free of charge, so that owners are not repeatedly billed for work on the same repair. Where councils contract out repair work, they should similarly make sure the company provides a guarantee.

We ask elected members to make sure their council has in place quality control mechanisms and quality guarantees.

10. **Local authorities should implement good customer care and complaints procedures for owner occupiers who share common property with them**

When owner occupiers experienced problems with repair work, they most typically complained to the council. However, they tended to find this unhelpful. Councils should welcome complaints from all customers, and should make it clear to owner occupiers that their views are important. Part of a good complaints procedure will be the monitoring of complaints information, so that the service can be improved. Listening to customers, and improving services in line with their views, will be an important feature of Best Value, and it will improve relationships between councils and owner occupiers.

The rights and responsibilities of owner occupiers and councils may not be clear, and owner occupiers may find it very difficult to obtain redress when they have a dispute with the council. We see it as crucial that home owners and councils have recourse to an independent, low cost, dispute resolution mechanism. We have highlighted the need for this in our recommendations to the Scottish parliament.

We ask housing managers to implement good customer care and complaints procedures that include home owners.
11. **Local authorities should make sure owner occupiers always receive timely information about forthcoming repair work, estimated costs, insurance arrangements, grant availability, and who to contact for more information.**

Owners tended to know very little about repair work until they received the bill. Unexpected bills can cause difficulty for some people, and a great deal of distress. This situation discriminates against owners of former council property: other owners would not expect to pay for work without information beforehand, particularly a quote. Councils, therefore, should provide owners with quotes for repairs, and be bound by these in accordance with normal practice elsewhere. Even in the case of smaller repairs, which councils may not be obliged to consult owners about, information should still be given as a matter of course.

We ask housing managers to develop and implement consistent procedures for giving owner occupiers properly documented and timely information.

12. **Local authorities should allow owners to choose their own buildings insurance policy**

The right of home owners to choose their own buildings insurance policy needs to be regarded as a key principle. Being able to pay for repairs is the owners’ responsibility. Therefore, they need to be able to choose a policy that suits their needs (this may not be in terms of cost alone). Discounts offered on joint home, buildings and car insurance, for example, will not be open to owners who are compelled to take out a particular policy.

We recognise that there can be advantages in arranging a common buildings insurance policy, and we would support councils giving owners the option of buying into their block policy. Where they do, any commission taken by the council must be clearly declared to home owners.

However, a small number of councils require owners to take out a specified policy, and we continue to find this worrying. Most people were unaware of commission rates received by some councils, even when these were substantial (such as 25%). This calls into question the council’s role as an agent (of the owner or the insurer), and complicates the validity of the insurance contract between the owner and the insurer. We have made a recommendation to the Association of British Insurers to investigate the position of owners of former council property.

We ask elected members to ensure their council addresses choice of buildings insurance for home owners.
Local authorities should find out the views of their customers who receive repairs, factoring or insurance services

Our study included owner occupiers across six council areas. While the themes we have reported were common to all the councils, and the lessons drawn are useful to all councils in Scotland, each council should find out the specific views of its own customers. This is central to Best Value. On the whole we found a responsible attitude towards common repairs among home owners: they tended to think repair work was necessary when it had been carried out, they tended to think common property was best factored, and they took a balanced view of buildings insurance arrangements. Hardly any of them had been asked for their views by their council. While this is a poor finding, it does suggest a positive way forward for councils. The scope for beginning constructive dialogue with home owners is open and substantial.

We ask housing managers to develop plans for systematically seeking the views of home owners who share common property with the council.

The Scottish Consumer Council intends to review the management of common property in mixed ownership, and to monitor policy and practice in the light of our recommendations. Most, if not all, of the required improvements could be achieved voluntarily by councils in Scotland. A lack of progress over a reasonable timescale (such as over the next two to three years) therefore, would indicate to us the need for legislation.
APPENDIX 1  SUMMARY OF FACTORS IN COMMON

FACTORS IN COMMON: How local authorities manage common repairs to property in mixed ownership in Scotland
May 1998

Common repairs are notoriously difficult, with owners having to agree on the need to carry out repairs, and to be able to recoup other owners’ share of the costs. But when common repairs involve the local authority as landlord and owner occupiers, a different set of problems is opened up.

This report is about how local authorities in Scotland manage repairs to common property shared by council tenants and owner occupiers. The report is based on a postal survey of local authorities in Scotland, carried out in autumn/winter 1997.

In 1980, council tenants were given the right to buy their home, and since then more than 304,000 properties have been sold through the Right to Buy and related schemes. No information is available on the number of properties that have common parts (eg tenements, flats and others that have shared entrance, stairs, roof, etc). However, 41% of purchasers in a 1990 study published by the SCC, said they had common repairs and maintenance responsibilities.

The report considers:

• The local authority role: where there are council tenants, the local authority as landlord has a responsibility to maintain and keep in good repair the common parts of the building. When the building also contains owner occupiers, the local authority and the owner need to be able to agree and pay for common repairs. If the local authority carries out work for its tenants, it needs to be able to recoup money from owner occupiers, and if owners need to carry out work, they will have to recoup money from the council.

• The relationship between owners and the council: there was bad feeling among many owners towards the local authority, partly due to a poor relationship when they had been tenants. Local authority officials we spoke to found dealing with former tenants as owners difficult. However, we did wonder if it really was difficult or just a nuisance: after all, owners are now paying for a service and should be reasonably expected to take an active interest in what they are paying for.
• **Factoring**: normally a factor can make decisions about the maintenance of common property, as if the owners had taken a vote together. This can overcome some of the difficulties associated with common repairs. Local authorities should consider the role of a factor in managing property shared between tenants and owner occupiers. They might provide this service themselves, although problems may arise out of a conflict of interest (the council acting as its own factor). Or councils might arrange for the services of an independent factor, such as private property managers or housing associations. Looking at alternatives such as these will become increasingly important to local authorities, with the development of Best Value.

• **Buildings insurance**: owners need to be able to pay for damage done to common property. One way they can do this is to take out buildings insurance. Owners who need a mortgage are generally required to take out adequate buildings insurance, and can normally shop around for a policy that meets their needs. However, some local authorities require Right to Buy owners to take out the council’s block policy. While such policies might offer good value to owners, they should be able to choose their own policy.

• **Standards**: local authorities, surprisingly, are not expected to adhere to written management standards when dealing with common repairs. Housing associations, on the other hand, have a set of written management standards with which they are expected to comply, and they are monitored by Scottish Homes. Private property managers have written management codes and good practice codes. Right to Buy owners should have a right to know what standards are expected of the council, especially given the complexities involved.

Our survey of local authorities asked about information given to owners, how owners are consulted, how complaints are handled, the number of common repairs involving Right to Buy owners, billing arrangements, factoring, buildings insurance, and customer satisfaction. 27 out of the 32 local authorities responded to our survey.

We found little evidence of good practice.

• Many councils were unable to give us basic management information such as the number of repairs they carried out, or the number of complaints they handled.

• There was very little evidence that owners were being provided with written information about their common repair responsibilities, or were being properly involved in decisions about repairs that they had to pay for.
In the small number of councils requiring owners to take out one particular buildings insurance policy, we saw potential confusion over the role of the local authority - as the agent of the owner, with a responsibility to act in the owner’s best interests, or as agent of the insurance company. Substantial rates of commission were received by some of these councils from the insurance companies.

We saw information leaflets for owners from only two councils.

Astonishingly, only one council had carried out research to find out about customer satisfaction among Right to Buy owners.

We had some concerns, as a result of carrying out our study, about the accessibility of information generally from local authorities. We came across contradicting information and many instances of councils being unable to retrieve basic management information. Information retrieval is vital to provide people with accurate advice, and for the accountability of local authorities. It needs to be improved as a matter of priority.

Our findings confirm the need for a closer look at the management of common repairs to former council housing in Scotland. The report will be of interest to central and local government, as well as to bodies such as Scottish Homes, the Chartered Institute of Housing in Scotland, and the Law Society for Scotland. It precedes our next study, currently underway, into the experiences of owners themselves.
APPENDIX 2 ADDITIONAL SURVEY DATA

Table A1 Numbers and response rates from each council area

<table>
<thead>
<tr>
<th>Council</th>
<th>Number of responses</th>
<th>Response rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Council A</td>
<td>257</td>
<td>26%</td>
</tr>
<tr>
<td>Council B</td>
<td>107</td>
<td>36%</td>
</tr>
<tr>
<td>Council C</td>
<td>117</td>
<td>12%</td>
</tr>
<tr>
<td>Council D</td>
<td>82</td>
<td>17%</td>
</tr>
<tr>
<td>Council E</td>
<td>230</td>
<td>28%</td>
</tr>
<tr>
<td>Council F</td>
<td>64</td>
<td>21%</td>
</tr>
</tbody>
</table>

Table A2 Sources of information: Right to Buy owners

<table>
<thead>
<tr>
<th>Source</th>
<th>Good</th>
<th>OK</th>
<th>Poor</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>My solicitor</td>
<td>26%</td>
<td>42%</td>
<td>32%</td>
<td>213</td>
</tr>
<tr>
<td>The estate agent</td>
<td>10%</td>
<td>21%</td>
<td>69%</td>
<td>29</td>
</tr>
<tr>
<td>My mortgage lender</td>
<td>6%</td>
<td>24%</td>
<td>70%</td>
<td>70</td>
</tr>
<tr>
<td>The council</td>
<td>15%</td>
<td>24%</td>
<td>61%</td>
<td>435</td>
</tr>
<tr>
<td>The person selling the house</td>
<td>13%</td>
<td>25%</td>
<td>63%</td>
<td>16</td>
</tr>
<tr>
<td>Someone else</td>
<td>28%</td>
<td>40%</td>
<td>32%</td>
<td>25</td>
</tr>
</tbody>
</table>
### Table A3 Sources of information: other owners

<table>
<thead>
<tr>
<th>Source</th>
<th>Good</th>
<th>OK</th>
<th>Poor</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>My solicitor</td>
<td>15%</td>
<td>28%</td>
<td>57%</td>
<td>88</td>
</tr>
<tr>
<td>The estate agent</td>
<td>4%</td>
<td>9%</td>
<td>87%</td>
<td>47</td>
</tr>
<tr>
<td>My mortgage lender</td>
<td>4%</td>
<td>15%</td>
<td>81%</td>
<td>47</td>
</tr>
<tr>
<td>The council</td>
<td>9%</td>
<td>15%</td>
<td>76%</td>
<td>67</td>
</tr>
<tr>
<td>The person selling the house</td>
<td>10%</td>
<td>39%</td>
<td>52%</td>
<td>101</td>
</tr>
<tr>
<td>Someone else</td>
<td>24%</td>
<td>53%</td>
<td>24%</td>
<td>34</td>
</tr>
</tbody>
</table>

### Table A4 What was wrong

<table>
<thead>
<tr>
<th>What was wrong</th>
<th>Percentage</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Too expensive</td>
<td>41%</td>
<td>130</td>
</tr>
<tr>
<td>Unnecessary</td>
<td>9%</td>
<td>27</td>
</tr>
<tr>
<td>Poor quality</td>
<td>58%</td>
<td>184</td>
</tr>
<tr>
<td>Delayed by the council</td>
<td>32%</td>
<td>100</td>
</tr>
<tr>
<td>Delayed by neighbours</td>
<td>2%</td>
<td>7</td>
</tr>
<tr>
<td>Didn’t know anything about it</td>
<td>30%</td>
<td>94</td>
</tr>
<tr>
<td>Other reasons</td>
<td>7%</td>
<td>22</td>
</tr>
<tr>
<td>Total answering</td>
<td></td>
<td>317</td>
</tr>
</tbody>
</table>
Table A5 Views on staff

<table>
<thead>
<tr>
<th>Were the staff:</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Helpful</td>
<td>51% (138)</td>
<td>36% (95)</td>
</tr>
<tr>
<td>Polite</td>
<td>71% (189)</td>
<td>11% (29)</td>
</tr>
<tr>
<td>Knowledgeable</td>
<td>26% (68)</td>
<td>47% (124)</td>
</tr>
<tr>
<td>Interested in my views/problem</td>
<td>25% (66)</td>
<td>52% (139)</td>
</tr>
<tr>
<td>Worthwhile contacting</td>
<td>31% (82)</td>
<td>47% (124)</td>
</tr>
</tbody>
</table>

Table A6 Satisfaction with the council’s involvement

<table>
<thead>
<tr>
<th>Satisfaction Level</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Very satisfied</td>
<td>2% (12)</td>
</tr>
<tr>
<td>Satisfied</td>
<td>16% (128)</td>
</tr>
<tr>
<td>Neutral</td>
<td>35% (275)</td>
</tr>
<tr>
<td>Dissatisfied</td>
<td>26% (202)</td>
</tr>
<tr>
<td>Very dissatisfied</td>
<td>21% (153)</td>
</tr>
</tbody>
</table>
### Table A7 Priorities for different groups of customers

<table>
<thead>
<tr>
<th>Important:</th>
<th>All</th>
<th>Satisfied</th>
<th>Dissatisfied</th>
<th>All repairs</th>
<th>Always happy with repairs</th>
<th>Not happy with repairs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Better information about the council’s role</td>
<td>79%</td>
<td>72%</td>
<td>82%</td>
<td>77%</td>
<td>82%</td>
<td>77%</td>
</tr>
<tr>
<td>Better information about my repairs responsibilities</td>
<td>82%</td>
<td>75%</td>
<td>85%</td>
<td>81%</td>
<td>75%</td>
<td>83%</td>
</tr>
<tr>
<td>Knowing who to contact in the council</td>
<td>80%</td>
<td>73%</td>
<td>84%</td>
<td>78%</td>
<td>75%</td>
<td>81%</td>
</tr>
<tr>
<td>Timely information about repairs</td>
<td>80%</td>
<td>77%</td>
<td>84%</td>
<td>83%</td>
<td>78%</td>
<td>85%</td>
</tr>
<tr>
<td>Involving me in decisions</td>
<td>76%</td>
<td>62%</td>
<td>85%</td>
<td>78%</td>
<td>69%</td>
<td>83%</td>
</tr>
<tr>
<td>Better attitude towards home owners</td>
<td>77%</td>
<td>58%</td>
<td>89%</td>
<td>80%</td>
<td>63%</td>
<td>88%</td>
</tr>
<tr>
<td>Less bureaucracy</td>
<td>63%</td>
<td>48%</td>
<td>71%</td>
<td>64%</td>
<td>56%</td>
<td>71%</td>
</tr>
<tr>
<td>More helpful staff</td>
<td>61%</td>
<td>49%</td>
<td>71%</td>
<td>61%</td>
<td>53%</td>
<td>68%</td>
</tr>
<tr>
<td>Taking my views seriously</td>
<td>69%</td>
<td>53%</td>
<td>80%</td>
<td>71%</td>
<td>58%</td>
<td>78%</td>
</tr>
<tr>
<td>Lower costs</td>
<td>77%</td>
<td>69%</td>
<td>80%</td>
<td>78%</td>
<td>67%</td>
<td>77%</td>
</tr>
<tr>
<td>Being able to make my own decisions</td>
<td>68%</td>
<td>47%</td>
<td>77%</td>
<td>69%</td>
<td>57%</td>
<td>77%</td>
</tr>
<tr>
<td>Better quality work</td>
<td>79%</td>
<td>61%</td>
<td>91%</td>
<td>83%</td>
<td>58%</td>
<td>91%</td>
</tr>
</tbody>
</table>
Notes and references

1 Factors in Common: how local authorities manage common repairs to property in mixed ownership in Scotland. Scottish Consumer Council. 1998


3 The Tenants’ Rights, Etc (Scotland) Act 1980

4 Information from the Scottish House Condition Survey 1996, currently being analysed for new information.


6 Department of Environment The Right to Buy: a national survey of tenants and buyers of council houses. HMSO 1988

7 DETR Leaseholders and service charges in former local authority flats. HMSO 1995

8 From information supplied by councils for Factors in Common. SCC. 1998

9 NB this is 25% of a small number of people, ie 59

10 57% of the 873 respondents filled in at least some part of the section on common repairs. 46% of the 873 told us how many repairs they had in the last 12 months. Therefore, we can say that between 46% - 57% of the respondents to our survey had common repairs carried out during the past 12 months.

11 One of the statements included in the questionnaire was “My views are important to the factoring service”. Upon analysis, this question was found to be ambiguous, and therefore was not used.

12 Information from Factors in Common


14 Table A7 in Appendix 2 provides the full data on the priorities of each of the three groups of home owners.

15 Communication from Leon Molenberg of the European Commission