

# Leasehold Management Policy



<b>Reference:</b>	HS/LHSO/BM/11	<b>Approved:</b>	14/12/11
<b>Scope:</b>	Housing Solutions: Leaseholder Properties Shared Ownership Properties	<b>Date of next Review:</b>	14/12/14
<b>Legislation:</b>	Commercial and Leasehold Reform Act 2002 Leasehold Reform, Housing and Urban Development Act 1993		
<b>Related Policies:</b>	Complaints Policy Forfeiture & Possession Policy Sales, Stair-casing & Re-sales Policy Service Charge Policy		
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## 1 Aims

- 1.1 To provide a customer focused leasehold management service.
- 1.2 Ensure that all leaseholders understand their rights and responsibilities.
- 1.3 To provide value for money services that residents can hold to account.

## 2 External managing agents

- 2.1 Housing Solutions will always seek to be appointed as managing agent, however on some new developments, the developer may engage an external managing agent (EMA) to manage common parts that cross all tenures. In these circumstances the EMA will provide services to Housing Solutions. We will proactively assess the costs and standards of service before we pass the cost of the services to tenants and leaseholders.
- 2.2 Where an EMA is considered to be failing to comply with the statutory code of conduct consideration will be given to taking the case to the Leasehold Valuation Tribunal to seek the removal of the EMA.

## 3 Antisocial Behaviour

- 3.1 We want to ensure that the neighbourhoods that we manage are enjoyable places to live, where residents can meet achieve their aspirations.
- 3.2 Antisocial behaviour caused by residents living on neighbourhoods managed by Housing Solutions will not be tolerated. We work with our local partners (including the police and local authority) to tackle nuisances and reduce reoffending.

## 4 Sub-letting

- 4.1 Individual leases will usually contain specific clauses on sub-letting. Generally shared owners are not permitted to sub let their properties and leaseholders, though permitted, are required to provide Housing Solutions with the details of

their tenant.

- 4.2 Where there is discretion under the terms of the lease, consent to sub-letting will not be unreasonably withheld.
- 4.3 Whilst there is no obligation to do so, in special circumstances we may consider giving permission to sub-let, even where the lease prohibits sub-letting.

## 5 Repairs

- 5.1 Responsive repairs to communal areas will be carried out in line with individual leases and the *Responsive Repairs & Cyclical Maintenance Policy*.
- 5.2 Our planned maintenance programme is designed to keep properties in good condition whilst delivering value for money. Details of the programme will be sent to residents as it is updated.
- 5.3 Where improvements to the property or communal areas are identified we will write to residents explaining why works are necessary and when they will take place.
- 5.4 We will consult with leaseholders on all work costing over £250 per leaseholder and when tendering for all contracts in excess of 12 months where the cost to each individual leaseholder will be £100 per year or more (for example, grounds maintenance).
- 5.5 Final accounts for work carried out must be collected within 18 months unless a Notice of Delay is sent to the relevant leaseholders.
- 5.6 Where a resident wants to make alterations to the building they must request written permission from Housing Solutions, permission will not be withheld unreasonably. Where retrospective consent is requested they will also be given consideration.

## 6 Access

- 6.1 There are circumstances where we may require access to individual properties. Leases make provision for access on reasonable notice.
- 6.2 Individual leases may also make provision for access without notice in cases of emergency. On rare occasions where the resident cannot be contacted it may be necessary to force access in the event of an emergency.

## 7 Shared Ownership Rents

- 7.1 Shared owners must pay rent on the share of the property which is owned by Housing Solutions. Details of how rents are calculated are set out in individual leases.
- 7.2 Rents are recalculated each year in line with the *Rent Policy* and individual leases. New rent levels take effect on 1 April each year.
- 7.3 Rents should be paid monthly in advance by direct debit.

## 8 Services Charges and Accounts

- 8.1 Housing Solutions will provide a variety of chargeable services to residents. These services form the upkeep of the communal parts of the property and may vary between schemes.

- 8.2 Service charges will be apportioned between the residents using those services and in accordance with individual leases.
- 8.3 Further detail on service charges can be found in our *Service Charge Policy* and in individual leases.
- 8.4 We will support residents in maintaining their tenancies and leases. Support will include providing the services of our Financial Inclusion Officer to assist with the management of personal finances and offering flexibility in repayment plans where rent and service charge accounts fall into arrears.

## 9 **Right to Manage and Enfranchisement**

- 9.1 Where leaseholders wish to take responsibility for the management of their block they may do so by setting up their own managing company in line with the Commonhold and Leasehold Reform Act 2002.
- 9.2 To qualify for the Right to Manage the building must meet certain conditions and a minimum number of leaseholders are required to take part:
- The building must be self contained
  - It must contain at least two flats
  - At least two-thirds of the flats must be let to leaseholders who own 100% of the lease where the lease was originally granted for a term of more than 21 years. There is no requirement for any residence period in the flats, or any limit on the number of flats, which can be owned by one person.
- 9.3 Where leaseholders consider taking over the management of the building all qualifying tenants must be invited to participate.
- 9.4 Enfranchisement is the legal right of all leaseholders to come together and form a company to buy out the freehold (as enacted in the Leasehold Reform, Housing and Urban Development Act 1993).
- 9.5 Where requested in writing Housing Solutions will consider allowing either lease extension or enfranchisement to take place on a voluntary process rather than be enforced through the provisions of the Act.

## 10 **Lease Extension**

- 10.1 Lease extension is provided for in the Leasehold Reform, Housing and Urban Development Act 1993 (as amended). Technically it is not an extension, but the issue of a new lease for 90 years, plus the balance of the old lease. This provides an ideal opportunity to determine new lease terms. Where Housing Solutions are a superior leaseholder rather than the freeholder, and the term of the lease is less than the 90 years plus the balance of the term of the old lease, then the period of the new lease will be the length of the Housing Solutions' remaining lease less one week.

## 11 **Varying Leases**

- 11.1 There may be circumstances in which it is necessary to make variations to lease, for example when additional services are provided or there is a change in legislation. Where these changes are required agreement will be sought from the affected leaseholders.
- 11.2 Where a potential variation has been identified consultation will be held with the

affected leaseholders and where possible the interests of all leaseholders will be reconciled.

- 11.3 Once variations to the affected leases have been agreed a report will be submitted to the Executive Team requesting authority to proceed.
- 11.4 **Deed of variation** – Where the required change can be achieved by agreement Housing Solutions will formalise it with a deed of variation, signed by both parties. It may also be necessary to obtain the consent of any mortgage lender.
- 11.5 **Landlord and Tenant Act** – Where agreement cannot be reached with all affected leaseholders, an application must be made to the Leasehold Valuation Tribunal to resolve the disagreement (in line with the Landlord and Tenant Act 1987, as amended by Section 162, Commonhold and Leasehold Reform Act 2002).
- 11.6 Section 35 of the Landlord and Tenant Act 1987 allows such applications to be made on the grounds that the existing terms are defective. This covers such matters as terms that effectively prevent unsatisfactory conditions of occupation.

## 12 Leaseholder disputes

- 12.1 The [Leasehold Valuation Tribunal](#) (LVT) is an independent legal body that offers a legally binding dispute resolution service without going to court. The LVT can respond to disputes relating to:
  - Service, administration or management charges
  - Appointing a manager for a block of flats
  - Buying the freehold
  - Varying or extending a lease.
- 12.2 Where they arise Housing Solutions will endeavour to resolve leaseholder disputes internally, however in exceptional cases where disputes are longstanding a referral may be made to the LVT, either by Housing Solutions or the leaseholder.

## 13 Equal Opportunities

- 13.1 Housing Solutions is committed to its Equality & Diversity Strategy. An equality impact assessment has been undertaken and this policy is considered to have no adverse impact.

## 14 Monitoring

- 14.1 A quarterly leasehold report will be presented to the Senior Management Team which will include details of leasehold performance including; new leaseholder satisfaction, arrears levels and consultation findings.

## 15 Review

- 15.1 This policy will be reviewed on a 3 yearly basis or in response to changes in legislation, regulatory guidance, good practice or changes in other relevant Housing Solutions policy.
- 15.2 Leaseholders will be consulted on any proposed changes to this policy. We will use feedback to inform reviews and recommend changes to this policy document at any time.