



# The Havebury Housing Partnership Leasehold Management

HS 017

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Relevant corresponding Policy (procedures only)			
Approved by (inc date)	Leadership Team		
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	JNC	N/A	
	Other		
Equality & Diversity Impact Assessment Outcome	N/A		
Legal Advice (inc date)	Not Required – Compliance with s20 consultation main legislation		

## **1 Responsibility**

- 1.1 Homes and investment committee is responsible for approval and oversight of this policy. Head of Finance Business Support, Rent & Service Charge Manager and Neighbourhood & Estates Services Manager and other delegated staff are responsible for delivery.

## **2 Definitions**

- 2.1 'Leasehold Management' refers to Leaseholders that own 100% of their property and where we own the freehold. It also applies to shared owners that own either part of their property, regardless of being a flat or house, and 100% shared ownership leases where we own the freehold.

## **3 Aims and Objectives**

- 3.1 We will comply with all relevant legislation and the terms of individual leases and covenants.
- 3.2 We will consult leaseholders about any works and long-term agreements which will incur costs above the prescribed amounts, and which will be recovered in service charges as required by the Landlord and Tenant Act 1985.
- 3.3 To ensure that leaseholders comply with the terms and conditions of their individual leases including the recovery of service and other charges.
- 3.4 To deliver value for money services.
- 3.5 To provide a high-quality service to our leaseholder residents.
- 3.6 In addition to the statutory requirement to consult we will provide resident leaseholders with the same opportunities to get involved as those offered to other residents. We will encourage and support the involvement of all leaseholders in decisions that affect the services we deliver on our estates and the services we provide specifically to leaseholders.

## **4 Policy Statement**

- 4.1 We will set ground rent charges and service charges to fully recover costs incurred to provide the relevant services, where this is stated within the lease. This will include a management charge.
- 4.2 We will review the lease we use regularly to ensure that it complies with current law and good practice.
- 4.3 We will take appropriate action where a leaseholder is acting in breach of the terms of their lease.

4.4 We will insure the structure of the building in which individual leasehold or shared ownership properties are located. The homeowner will bear the cost of the premium through the service charge.

4.5 We will follow the Section 20 consultation requirements (as set out in the Commonhold and Leasehold Reform Act 2002 S151) as follows:

- If we need to carry out work which will cost any one leaseholder more than £250. This includes repairs, maintenance and improvements to your building and estate.
- Enter into a long-term agreement (for more than 12 months) with outside contractors for work, supplies or services which will cost any one leaseholder more than £100 a year. Examples include cleaning, grounds maintenance and surveying.

Carry out work under a long-term agreement where the work will cost any one leaseholder more than £250.

## **5 Service Charges**

5.1 We will produce timely and accurate service charge estimates including a breakdown of the relevant costs. These will be in writing and give one month's notice.

5.2 Annual service charge statements will be sent to all leaseholders within six months of the end of the accounting period, together with an accountant's signature and a summary of the rights and obligations in relation to the service charge.

5.3 Service charges will reflect the actual costs of delivering a particular service. Deficits should be paid within the year they are due. Credits from previous years will be credited to their account . We will notify all leaseholders of their actual charges once a year.

5.4 Our management fee will be based on the actual costs of delivering the leaseholder service including officers and overhead costs. This is currently set at 15% of total costs, excluding utility charges and managing agent fees, which are both 5%

5.5 Details of how to make payments and arrangements are included in service charge correspondence.

5.6 We will follow our arrears process for any outstanding debts belonging to a leaseholder.

5.7 Disputes around service charges should initially be made to us for resolution using our complaints process. If we do not uphold a dispute and

you are unhappy with a decision you can apply to the First Tier Tribunal-Property Chamber (Residential Property) or a County Court for a judgement on this. We recommend seeking independent legal advice in this respect.

## **6 Changes to Leases**

- 6.1 Leases will only be altered by a 'Deed of Variation' approved by a court or Leasehold Valuation Tribunal and with the permission of the leaseholder.
- 6.2 Leaseholders will be consulted in compliance with Section 20 of the Landlord and Tenant Act 1985 (as amended by the Commonhold and Leasehold Reform Act 2002)
- 6.3 Any leaseholder wishing to carry out improvement works to their home will be required to seek written permission detailing the proposed works. If the application is refused, this will be put in writing with the reasons provided.
- 6.4 We currently offer 99-year leases for Shared Ownership and 125-year leases if flats are sold through Right to Buy or Right to Acquire.
- 6.5 We offer lease extensions and follow the statutory process for these, details on this process are contained within our procedure.
- 6.6 We will ensure that we respond to all changes to rules around changes to leases and the associated charges we can/cannot make.

## **7 Breaches of the Lease**

- 7.1 We will take appropriate action where a leaseholder is acting in breach of the terms of the lease, making sure to consider individual needs to take proportionate action.

## **8 Legislation and Regulation**

- 8.1 The legislation governing leasehold property has developed over a long period of time and is contained in several acts of parliament as well as in various orders and regulations. The key legislation includes:
  - The Landlord & Tenant Acts of 1985 and 1987
  - The Leasehold Reform, Housing and Urban Development Act 1993
  - The Housing Act(s) 1990, 1996 and 2004
  - The Commonhold and Leasehold Reform Act 2002.
  - Arbitration Act 1996
  - Leasehold Reform (Ground Rent) Act 2022

8.2 Other relevant legislation includes:

- The Housing Act 1985
- The Property Misdescriptions Act 1991
- The Consumer Protection Act 1987
- The Law of Property Act 1925
- Consumer Rights Act 2015
- Equality Act 2010

8.3 As leasehold legislation is complex and subject to frequent change, we will engage legal advisors with appropriate experience to ensure it complies with the legislation and are able to advise leaseholders accordingly.

8.4 It is the leaseholder's responsibility to keep their property safe. The expectations as a leaseholder are outlined in the details of your lease agreement.

8.4 We will ensure this policy is applied consistently to leaseholders, in line with our Diversity and Inclusion policy and the Equality Act 2010.

## **9 List of Related Internal Documents (including procedures relating to the Policy)**

P020 – Leasehold Management Procedure

P023 - Shared Ownership Procedure

HS001 - Complaints Policy and procedure

HS007 - Income Collection and Debt Recovery