

LEASEHOLD MANAGEMENT POLICY

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Reviewed By	R Malhan	Approval By	Director of Operations
Equality Impact Assessment	-	Responsible Officer	Head of Customer Relations
Distribution	Website/Extranet/Teams/Schemes	Version No.	03

1. Purpose

Black Country Housing Group provides services for leaseholders of flats and apartments sold under the Right to Buy (RTB) scheme and the purchasers of shared ownership apartments. This Policy sets out the framework for a customer focused service which offers value for money and consults service users.

2. Objectives

The key objectives of the Leasehold Management Policy are:

- To make sure we communicate with leaseholders with accurate, timely and clear information and advice.
- To consult leaseholders over the provision of services and in advance of any improvement or major repairs programmes.
- To comply with all relevant legislation, regulatory guidance, and Codes of Practice, and to learn from good practice.

3. Definitions

'Leasehold Management' covers the range of services provided by us to those who occupy property on a leasehold basis, where we are the freeholder i.e. flats sold under the RTB and shared ownership apartments.

4. Legal and Regulatory Framework

The legislation relevant to the Leasehold Management Policy includes:

- The Landlord and Tenant Acts of 1985 and 1987
- The Housing Act 1996
- The Common Hold and Leasehold Reform Act 2002

Other relevant legislation includes:

- The Property Misdescriptions Act 1991
- The Consumer Protection Act 1987
- The Law of Property Act 1925
- The Unfair Terms in Contracts Regulations 1999

5. Related Policy/Procedures

This policy should be read in conjunction with the following:

- **Estate Management Policy**
- **Shared Ownership Policy**
- **Right To Buy Procedure**

6. Responsibilities

The Head of Customer Relations is responsible for the overall implementation of this Policy. Customer Relations Managers will be the main point of contact for leaseholders and will work in close co-operation

with other teams to make sure we deliver a prompt and efficient service.

7. Policy Context

Our leaseholders pay a 'variable service charge', therefore the requirement of Section 18-30 of the Landlord and Tenant Act 1985, as amended by the Commonhold and Leasehold Reform Act 2002 to consult will apply, unless the lease specifically states it does not. Therefore we will comply with all relevant legislation and the terms of individual leases, whilst recognising that legislation takes precedence over individual leases.

We will provide our leaseholders with all relevant and necessary information, by way of example this will include:

- A copy of their lease
- An annual service charge invoice with a summary breakdown of service charge costs
- Summary of rights and obligations under Section 153 of the Commonhold and Leasehold Reform Act 2002 with a payment demand
- An annual notice under section 166 of the Commonhold and Leasehold Reform Act 2002 that is required to notify of ground rent
- Within 6 months from the end of the financial year provide finalised statement of any under or over payment
- Online access to their statement of payments made to us

We will on request provide:

- A copy of the building insurance
- A copy of the communal services specification

7.1. Consultation

We will fully comply with Section.20 of the Landlord and Tenant Act 1985, as amended by the Common Hold and Leasehold Reform Act 2002. This requires us to consult leaseholders on:

- Works that will incur costs above £250.00 for anyone leaseholder. We will provide a statement of the work required and estimates of the cost before entering into a contract for the work
- Qualifying long term contracts (more than 12 months) such as by way of example gardening, and cleaning and where costs exceed £100 per leaseholder in anyone year
- The extent and cost of services and works which are estate specific and whether leaseholders are required, under their lease conditions, to contribute towards them
- Proposed changes to arrangements for maintenance, management or service provision which could have a substantial effect on leaseholders

The consultation procedure will comply fully with the regulations and will give Leaseholders the opportunity to comment on choices of contractor and the proposed works, we will follow the requirements set out in section 153 of the Commonhold and Leasehold Reform Act 2002.

7.2. Charges

We will make reasonable management and administration charges as allowed in the lease. We aim to charge actual costs wherever possible and to give Leaseholders information on what this covers.

We will be guided by individual leases which pre-determine when services charges are due. We will provide a wide range of payment options which includes Direct Debit, Standing Order, Debit Card, Credit Card, On-line and where appropriate, the use of Allpay payment card.

If there is any disagreement with the charges, Leaseholders have the right to appeal using our complaints procedure. We will also tell them that they have the right to apply to the Leasehold Valuation Tribunal if they are unhappy with our response.

8. Arrears Recovery

The arrears recovery process will follow fixed stages up to legal action in appropriate cases. We follow fully written procedures. Legal action will be taken through the Small Claims Court after an initial financial risk assessment and court costs will be recharged to the Leaseholder.

9. Right to Manage

Leaseholders have the right to manage the practical day to day responsibilities of the building their flats are in from us. This will only apply where the following legal requirements are met:

- At least 2/3rd of the flats in the building are sold on long term leases
- More than 50% of those leaseholders agree to this
- Commercial activities must not exceed 25% of the floor space

Requests for the right to manage will be dealt by the Head of Customer Relations.

10. Monitoring

We will monitor the requirements of this Policy by:

- Frequent site inspections by staff to ensure services are being provided to the agreed standard. Where the standards drop below our expectation, appropriate prompt action will be taken to address the issue.
- Carrying out Leaseholder surveys and the using the results to improve services.

Performance satisfaction levels will be reported to leaseholders through the annual report.

11. Staff Training

The success of this Policy and the quality of services to Leaseholders depend on the knowledge of the staff on leasehold matters. Staff will be well-trained and kept up-to-date with changes in the law. Staff will be encouraged to seek advice as appropriate, especially in understanding the terms of our leases.

12. Appeals

Any leaseholder who has a complaint about the services provided by us will have the right to follow the

Complaints Procedure. If the matter cannot be resolved with us they can go to the Leasehold Valuation Tribunal to govern the “reasonableness” of service charges.

13. Review

We will review the Leasehold Management Policy and accompanying procedure periodically in consultation with Leaseholders. The review will ensure that this Policy takes into account:

- Changes in statutory guidance and developing good practice
- The feedback from leaseholders in surveys and through monitoring of complaints