



Leasehold management policy

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Version 2.0
June 2016

Glossary

Section 20	A formal written notification sent to the leaseholder of proposed works or services affecting their property
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Contents

Glossary	2
1. Introduction & purpose	3
2. Housing management	4
2.1 Summary of the services that may be provided	4
2.2 Consultation with leaseholders	4
2.3 Administration	4
2.4 Service charges	5
3. Maintenance services	5
3.1 Day-to-day repairs	5
3.2 Gas servicing	5
3.3 Improvements	6
4. Ground rent	6
5. Future services	6
6. Changes to leases	6
7. Consultation	7
8. References	7
9. Related documents	8
Document control sheet	9

1. Introduction & purpose

At Colchester Borough Homes (CBH) we manage leasehold properties on behalf of Colchester Borough Council (CBC), which have been sold as leases under the national 'Right to Buy' scheme. We currently manages over 1,000 leasehold properties, with this figure increasing each year.

We are committed to meeting our responsibilities towards leaseholders under the terms of their leases and providing them with high quality management and maintenance services whilst demonstrating value for money. We therefore recognise the importance of producing a general Leasehold Management Policy to set out the aims, responsibilities and values relating to management of leasehold properties.

There are a number of specific legal duties and responsibilities towards leaseholders that must also be followed. Further details are set out within this policy.

We are committed to providing the same consistent standard of customer care and service delivery to leaseholders as we provide to our tenants. The policy therefore considers how leasehold management contributes towards the CBH core values:

- Building Trust
- Delivering Tenant Led Services that also include leaseholders
- Commitment to our Communities
- Delivering Professional Services
- Providing Value for Money

The objectives of this policy area are as follows:

- To enable us to comply with the law and, in particular, to leasehold covenant and lease obligations in delivering professional services
- To communicate effectively with leaseholders on matters that affect their properties and the communal services provided, including the provision of information and advice within agreed timescales and to build and maintain trust.
- To consult and work with individual leaseholders and leaseholder groups to consider management and maintenance issues, policies and practices and to monitor, review and improve the services provided.
- To ensure that leaseholders comply with the terms and conditions of their individual leases including the recovery of service and other charges.
- To deliver value for money services and improvements.

This policy provides information for leaseholders and staff who are involved in delivering services to leaseholders. This includes housing management, maintenance and administration teams within CBH and support staff from

CBC delivering services such as changes to leases and grounds maintenance.

2. Housing management

2.1 Summary of the services that may be provided

We aim to provide published service standards for key services such as communal cleaning, communal repairs and grounds maintenance. dependent on the design, facilities and location of the block).

Communal cleaning (including any bin chutes and refuse facilities)

- window cleaning (communal areas)
- grounds maintenance
- buildings insurance cover
- community caretaker services (previously neighbourhood wardens)
- communal digital aerials
- communal heating and electricity
- communal repairs
- estate management services (e.g. bulky refuse disposal, litter picking)

2.2 Consultation with leaseholders

We will consult with leaseholders on changes to any contracts and on any services that will have a financial implication of £100 or more per annum to a leaseholder (Whilst agreements entered into before 31 October 2003 are exempt from this requirement, we will still consult all leaseholders) and £250 for individual items such as major works. We will follow the Section 20 consultation requirements (as set out in the Commonhold and Leasehold Reform Act 2002 S151).

We will also consult with the Leasehold Focus Group, and individual leaseholders as appropriate regarding issues that will affect their homes and communal areas.

We will also participate in the STAR satisfaction survey giving all leaseholders the opportunity to indicate satisfaction with the services we provide.

2.3 Administration

We will recover the costs for managing the leaseholder service through an annual management charge, which is incorporated within the service charge calculations. These costs should reflect the 'actual' costs of management and administration and may therefore vary from year to year. We will review these charges on an annual basis and benchmark our costs against other landlords providing similar leasehold services.

2.4 Service charges

We will produce timely and accurate service charge information including a breakdown of the relevant costs.

Service charges will reflect the actual costs of delivering a particular service. Deficits or credits from previous years will be carried forward into subsequent years for calculation of service charges on an annual basis. We will notify all leaseholders of their actual charges once a year.

Our management fee will be based on the actual costs of delivering the leaseholder service including officers and their overhead costs.

We will provide a range of payment options and allow Leaseholders to pay their annual service charge and ground rent by direct debit to spread the cost over 10 months.

3. Maintenance services

3.1 Day-to-day repairs

Arrangements will be in place to deliver a cost effective and quality repairs service to maintain the landlord's repairing obligations.

Leaseholders can report relevant communal repairs through the Customer Service Centre and the Council's out of hour's helpline 365 days a year.

We will recover the costs of communal repairs on a pro rata basis according to the number of flats in a block. This will be calculated on an annual basis six months after the financial year end. Leaseholders will be sent a breakdown of relevant communal repairs and details of how these costs have been calculated.

3.2 Gas servicing

All leaseholders with a gas supply must supply an annual gas safety certificate from a 'gas safe' approved contractor in accordance with the terms of their lease. Leaseholders who choose to sublet their properties must submit a copy of their Landlord's gas safety certificate (known as a CP12). We will provide annual reminders to all leaseholders (with a gas supply) at the start of each year.

3.3 Improvements

We will consult on planned/cyclical maintenance and improvement programmes and ensure that these programmes are in place to effectively manage the fabric of the buildings and communal areas following the correct administration of the Section 20 notification process.

We will ensure that the appropriate legal processes are followed before any works that will result in costs of over £250 per individual leaseholder are started.

We will recover the costs of improvements and programmed maintenance on a pro rata basis according to the number of flats in a block. We will send leaseholders an invoice notification identifying the works that have been carried out and their costs. This invoice will be sent out not more than 18 months after the final costs of the work are paid to the contractor who carried out the works.

We will provide a range of methods of payment depending on the total cost of the work and the ability to repay.

Leaseholders must obtain our consent before carrying out any improvements and if necessary obtain any planning permissions and building control consent. The leaseholder must not remove any structural walls or change the outside appearance of the building or any communal areas. We reserve the right to override any planning permission that has been granted to the leaseholder.

We will not allow extensions to blocks of flats.

We may consider the introduction of a sinking fund following consultation with leaseholders with the aim of reducing the impact of the costs of future improvement works.

4. Ground rent

All leaseholders will be required to pay ground rent in line with the terms of their lease

5. Future services

In consultation with leaseholders and Colchester Borough Council, we will consider the potential for offering increased maintenance and improvement services as and when opportunities allow.

6. Changes to leases

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.

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)

7. Consultation

We will actively promote involvement opportunities including the Leaseholder Focus Group, Tenant and Leaseholder Consultative Committee and QAAs (Quality Assurance Advisors) to allow leaseholders access to training programmes and other involvement activities on the same basis as tenants.

We will provide leaseholders with an annual dedicated newsletter which will provide information on our leaseholder performance and results of the regular STAR satisfaction survey. We will also provide information on our website and train our Customer Service Officers on general leasehold enquiries in order to deal with as many queries as possible at the first point of contact.

8. References

In managing leasehold responsibilities, we will follow and comply with the relevant legislation and regulation as outlined in the following legal acts:

- Law of Property Act 1925 (includes forfeiture provisions)
- Housing Act 1980
- Housing Act 1985 (Includes right to loans)
- Landlord and Tenant Act 1985 (includes definition of service charges, reasonableness and consultation on repairs)
- Landlord and Tenant Act 1987 (includes variation on leases)
- Consumer Protection Act 1987
- Leasehold Reform, Housing and Urban Development Act 1993 (includes leaseholder rights to carry out management audits, collective enfranchisement, with increased role for Leaseholder Valuation tribunals)
- Housing Act 1996
- Arbitration Act 1996
- Commonhold and Leasehold Reform Act 2002 (definition of service charges including improvement works, revised procedures and financial limits for consulting on qualifying works, requirement to consult on service contracts over 12 months (qualifying long term agreements) regular statement of service charge accounts within 6 months of the accounting end date)
- Housing Act 2004

Guidance

- Leasehold Management Good Practice Guide – Chartered Institute of Housing
- Key Lines of Enquiry – Audit Commission – Management of Leaseholder and Shared Ownership Housing 2006

9. Related documents

We will deliver services in line with our [Equality Strategy](#).

Document control sheet

Title:	Leasehold management policy
Electronic File Name & location:	T:\Common Files\Policies, strategies and corporate documents\Word versions of current corporate documents\CBH Leasehold Management Policy - June 2016.docx
Consultation with stakeholders:	Leaseholder Focus Group Jan 2016 March 2016
Approved:	CBH Operations Committee,
Next Review date:	June 2019
Circulation method:	
Equality Impact Assessment:	N/A.

Document amendment history

Version	Type	Date	Notes
1.0	New	2013	New policy approved by Operations Committee
2.0	Major revision	March 2016	Three-year policy update and review – various sections updated and amended due to service changes