

Title	Leasehold Management Policy
Document Owner	Director of Housing
Next Review Date	June 2018
Corporate Aim	Take every opportunity to delight our customers

1. **POLICY PURPOSE AND AIMS**

- 1.1 As whg is committed to 'Taking every opportunity to delight our customers' we must consider the growing number of leasehold customers who have purchased their homes under shared ownership arrangements, or through the Right to Buy and Right to Acquire schemes.
- 1.2 whg is focused on meeting our responsibilities to leaseholders under the terms of their lease whilst ensuring that they receive the same standard of customer care that we provide to our tenants.
- 1.3 This Policy outlines the way in which whg deals with income, service charges and day to day management. It sets out the approach to delivering this service and the collection of associated charges and relates to all Leaseholders who are contracted to pay service charges to whg.
- 1.4 There are currently two versions of lease – those that were issued by Walsall Council and those issued subsequently by whg after stock transfer. Both include provision for variable service charges. Amounts charged will vary between properties and depend upon the property specification and the services provided to and within them. All service charges are billed annually in September. This Policy takes into account legislation and wider whg policies.

2. **OUR POLICY**

2.1 **Leasehold Customers**

- 2.1.1 whg tenants become leasehold customers when they have successfully exercised their right to purchase their flat or apartment. Qualification and discounts are outlined in the Right to Buy and Right to Acquire Policy. They could be purchasing the property to become either a resident leaseholder or a leasehold landlord.

- 2.1.2 Customers will also be leaseholders where they have purchased a property through one of our shared ownership schemes. Eligibility and allocation is detailed within the Shared Ownership Policy.
- 2.1.3 Some customers may have no previous relationship with whg as they have purchased one of our former properties on the open market. Again, they could be purchasing the property to become a resident leaseholder or a leasehold landlord.
- 2.1.4 This Policy, together with the Leaseholder Handbook, will ensure that all leaseholders understand their obligations and what they can expect from whg.

2.2 Annual Service Charges

- 2.2.1 Leaseholder service charges will be raised in accordance with the terms of the lease and will be charged on a variable service charge basis.

Appropriate notice will be given to leaseholders in the prescribed form. Where there are changes to services provided, or to how they are charged, leaseholders will be consulted prior to their introduction.

2.3 Ground Rent

- 2.3.1 Ground Rent is collected annually alongside the service charge.

2.4 Insurance

- 2.4.1 whg is required under the terms of its leases to provide a buildings insurance policy for its leaseholder properties.
- 2.4.2 whg will ensure value for money when obtaining buildings insurance so that leaseholders benefit from any cost savings.

Where leaseholders choose to sublet the property they must provide a copy of a formal tenancy agreement for their tenant. Failure to do so will result in a 30% increase in the premium to reflect the increased risk.

2.4 Improvements & Repairs

- 2.4.1 whg is committed to maintaining its stock and has a cyclical programme of repairs and improvements. When scoping works, decisions are based upon the long term value for money in block maintenance regardless of the proportion of tenanted or leasehold properties.

All works undertaken will be in accordance with the terms of the lease and works which necessitate Section 20 consultation will be dealt with in line with legislation

2.5 Consultation

2.5.1 There is a statutory requirement under Section 20 Landlord and Tenant Act 1985 (as amended), to consult with leaseholders where proposed works will cost in excess of £250.00 per leaseholder. whg will observe the statutory requirement for consultation.

2.5.2 In addition, where possible, we will actively consult and work with residents to understand their needs and preferences, and to provide services that reflect this.

2.6 Payment Terms

2.6.1 Payment of leaseholder charges is due annually in advance, under the terms of the lease. However, whg recognises that there are occasions when customers find it difficult to make payment and we will consider where requested, whether it is appropriate to accept payment of annual service charges in instalments over 12 months.

2.6.2 Where substantial charges are due for repairs or improvements whg will consider accepting payments over a longer period. All instalment arrangements will be based upon the customer's individual circumstances and will be subject to disclosure of income, expenditure and savings.

2.7 Lease extension & Enfranchisement / Right to manage

2.7.1 Because whg has charitable status, its leaseholders of flats do not have the right of collective enfranchisement or the right to individual lease extension. These were previously Statutory Rights.

The Leaseholder Extension of Lease and Collective Purchase of Freehold Policy details how whg has chosen to voluntarily give the leaseholders the rights they had previously enjoyed under statute.

2.8 Disputed Service Charges

2.8.1 In the event that a leaseholder disputes a service charge, they can refer the matter to whg's complaints procedure so that the dispute can be reviewed in order to try and avoid any legal recourse.

2.8.2 Where a matter cannot be resolved, either party may consider referring the dispute to the Residential Property Tribunal for their guidance. Details of this are available in the Leaseholders Handbook.

3. PERFORMANCE MEASURES AND TARGETS

3.1 whg is a member of the Leasehold Excellence Network, a benchmarking group which is part of HQN. The group meets bi-annually to share best practice and benchmark our services and customer satisfaction against each other

3.2 Service standards for each service provision are published on our website and

hard copies are available upon request.

- 3.3 Performance will be measured by:
- level of service charge arrears
 - level of repairs & improvement charge arrears
 - percentage collected as percentage of debt owing
 - number of complaints and number upheld
 - bi-Annual satisfaction survey results benchmarked against our peers

4. MONITORING AND REVIEW

- 4.1 whg will undertake a review of this Policy whenever there are any relevant changes to legislation, case law or associated whg policies. In the absence of such a trigger for review, the Policy will be reviewed every three years.

5. ASSOCIATED DOCUMENTS, POLICIES AND LEGISLATION

Leaseholder Handbook
Leaseholder Extension of Lease and Collective Purchase of Freehold Policy
Rent and Service Charge Policy
Right to Buy and Right to Acquire Policy
Shared Ownership Policy
Housing Act 1985
Landlord and Tenant Acts 1985 & 1987
Housing Planning Act 1986
Leasehold Reform, Urban Development Act 1993
Housing Act 1996
Common hold and Leasehold Reform Act 2002