

**DECENT & AFFORDABLE HOMES PDG
1 DECEMBER 2015**

LEASEHOLD MANAGEMENT POLICY

Cabinet Member Cllr Ray Stanley
Responsible Officer Housing Services Manager

Reason for Report: To review the Leasehold Management Policy.

RECOMMENDATION(S): The Cabinet approves the revised Leasehold Management Policy.

Relationship to Corporate Plan: None directly arising.

Financial Implications: Income from service charges is accounted for within the Housing Revenue Account and contributes income to support expenditure.

Legal Implications: The contractual relationship with leaseholders is based on their lease.

Risk Assessment: Failure to provide policies for appropriate arrangements with leaseholders would result in financial loss and unintended liability falling to the Council.

1.0 Introduction

- 1.1 The review of this policy reflects changes in good practice and current legislation. The revised policy provides a framework which sets out how to respond to and manage queries relating to leasehold management and service charges.
- 1.2 The Leasehold Management Policy was adopted at the meeting of the Decent and Affordable Homes Policy Development Group in August 2011. The policy was due to be reviewed by September 2015 but was delayed due to conflicting priorities.
- 1.3 Tenants Together approved the draft Leasehold Management Policy at their meeting on 12 November 2015.

2.0 Proposed policy changes

- 2.1 The reviewed policy has been updated to reflect changes in good practice and identifies our approach to meeting our obligations to leaseholders in accordance with the terms of their lease and the relevant legislative requirements.
- 2.2 It clarifies the procedure to be used when leaseholders are dissatisfied with a service or the charges levied for that service to resolve matters. They are advised that they can approach the Leaseholder Valuation Tribunal when they are in dispute.

- 2.3 The section on subletting has been extended to take into account the leaseholder's responsibilities if they decide to sublet their home. For example, they would remain responsible for paying their service charges, obtaining consent from their mortgage provider to sublet (if applicable) and servicing the gas supply and appliances at the property annually.
- 2.4 The policy sets out the circumstances where the leaseholder has the right to extend a lease or vary the lease. Extending the lease gives leaseholders the opportunity to purchase a new one, adding up to 90 years to the time left on their old lease. This allows them and any future leaseholders to hold a lease for longer.
- 2.5 The policy makes it clear that leaseholders are encouraged to participate in neighbourhood and communal walkabouts as this provides them with the opportunity to meet staff, residents and councillors. These activities also enable them to discuss specific issues including estate improvements.
- 2.6 The policy shows that breaches of the lease will be taken seriously and that the Council will take appropriate action. Such breaches may include: unapproved alterations or improvement works, improper use of the property such as illegal activities or causing antisocial behaviour.
- 2.7 The policy has introduced new clauses relating to enfranchisement and the Right to Manage. Subject to certain conditions, a group of leaseholders of flats may have the right to buy the freehold of their building, if they meet certain qualifying conditions. The Council has a duty to comply with the Commonhold and Leasehold Reform Act 2002 when we receive such requests.
- 2.8 The same Act provides a right to leaseholders of flats to force the transfer of the landlord's management functions to a special company set up by them as long as they meet certain qualifying conditions. The policy states we will provide a management service that is to a good standard and provides value for money.
- 2.9 Finally, the policy has been amended so that leaseholders are made aware that they have a statutory right to seek a summary of the service charge account from their landlord under section 21 of the Landlord and Tenant Act 1985. This means they can request a summary of the relevant cost in relation to the service charges payable in respect of the last accounting year or where accounts are not kept by accounting years, the past twelve months preceding the request.

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Circulation of the Report: Councillor Ray Stanley, Management Team

List of Background Papers: A copy of such papers to be made available for public inspection and included on Website