

Cheshire West and Chester Council **Housing Management**

Home Ownership/Leasehold Policy

1 MANAGEMENT INFORMATION

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| Approval Date | 28 July 2022 |
| Next Review Date | 27 July 2024 |
| Responsible Service Area | Strategic Housing and Commissioning |
| Responsible Director | Gemma Davies, Director Economy, Housing & Policy |

Aim of Policy

This policy applies to all housing management services delivered on behalf of Cheshire West and Chester (CW&C) Council.

ForHousing will deliver leasehold services (on behalf of CW&C) that provide equal standards of service and customer care to leaseholders and will meet responsibilities to leaseholders under the terms of each property's lease agreement. ForHousing will also provide excellent quality management and relevant maintenance of leaseholders' homes, administration of service charges and compliance with all relevant legislation, regulation and good practice.

Policy

Definition

Leasehold covers the range of services provided by ForHousing to those who occupy property on a leasehold arrangement with CW&C. Leases granted under the Right to Buy or Preserved Right to Buy.

Lease

The lease is a private contract between CW&C and the leaseholder. It will include the following information:

- Details of both CW&C, and the leaseholders, rights and responsibilities for the property, including the structure and the common/communal parts.
- Information included in the service charge, how it is calculated and when payment is due,
- Responsibility for insuring the property,
- Procedures for assigning the lease; and
- How the lease can be ended and/or extended.

A welcome pack is also given to all new leaseholders which provides general information on service charges, building insurance and information about being a leaseholder.

Service Charges

CW&C will make a charge for a range of services provided to a block. These charges may include; caretaking, communal cleaning, grounds maintenance, communal lighting, maintenance of lift, door entry phone, wherever such services are provided to the block, as well as the day to day repair and maintenance of the fabric of the building and common areas.

ForHousing on behalf of CW&C will provide leaseholders with an estimate of charges before the start of each financial year, so that leaseholders are aware of any proposed changes in service or service charge levels. Leaseholders should plan their finances accordingly.

Leaseholders pay an appropriate proportion, as determined by the lease of the overall amount for services provided to the 'Development' The Development is described in each lease and may cover an area larger than a single block of flats. Leaseholders have the right to appeal to the First Tier Tribunal (Property Chamber) if they believe that the services or the cost of these services are not relevant or reasonable. Leaseholders are required to pay the annual charge upon demand.

ForHousing will send leaseholders details of their service charge accounts annually. ForHousing will provide all leaseholders with a breakdown of how the annual service charge is calculated. Any under-spend on the previous year is refunded and any overspend is added to the following years' charges.

Any leaseholder who falls behind with payments will be contacted promptly by ForHousing and appropriate action for arrears recovery will be taken in accordance with ForHousing's Leaseholder Service Charge Collection and Arrears Procedure.

ForHousing will use discretion to leaseholders in genuine financial difficulties. If leaseholders are unable to pay the cost of the services charges in full within the 28 days, ForHousing will explore alternative payment options available to the leaseholder.

ForHousing will assess each case individually and, depending on the circumstances, may consider a repayment agreement. Where ForHousing is satisfied that appropriate courses of recovery action have been taken by staff and service charges remain unpaid, legal proceedings will be considered. A number of legal measures would be considered for persistent failure to pay service charges including forfeiture (possession) in accordance with the lease.

Management Fees

CW&C reserve the right to recover the costs for managing leasehold properties. Management fees will cover costs for providing general administration and the day to day running of the leasehold services.

Building Insurance

Where ForHousing are a Landlord under the terms of the lease, CW&C have a responsibility to provide buildings insurance. It provides cover for the structure of the building, which will be explained in the policy documents provided with the annual estimated charges.

Ground Rent

CW&C will observe the statutory requirements in respect of ground rent as provided within

the Commonhold and Leasehold Reform Act 2002. A lease for a residential property may specify that a leaseholder is required to pay ground rent to the freeholder. The amount of ground rent payable, the date(s) it is due and any provisions to review the amount will be set out in the lease. This will usually be £10 payable in advance on the 1st April each year. If the lease does not specify the ground rent is payable then CW&C will not charge a leaseholder.

For all properties where ground rent is to be collected, ground rent demands will be sent annually in line with the lease agreement. Our ground rent statements will comply with the requirements of the Commonhold & Leasehold Reform Act 2002.

Consultation

ForHousing will consult leaseholders on any proposed changes to arrangements such as management or service provision which could have an effect on them. ForHousing will provide an e-forum (or similar) for the leaseholders to interact with the Home Ownership Team. The e-forum will also provide the team with an opportunity to provide advice, support and assistance to the leaseholders as necessary.

Breach of Lease

ForHousing will take appropriate action whenever it becomes aware that a leaseholder is acting in breach of the terms of their lease, which may include:

- Non-payment of ground rent, repairs, major works or service charges
- Unapproved works to the home or building
- Improper use of the home or building
- Failure to maintain, or damage to the premises
- Refusal of access to ForHousing staff and/or their agents
- Anti social behaviour including harassment, or neighbour nuisance

In all such cases ForHousing will work with the leaseholder to resolve the issue. However, if the breach continues legal action could be taken which may include seeking an injunction, or action for the forfeiture of their lease.

Lease Extension

Any requests can be directed to ForHousing either by email Hello@forhousing.co.uk or in writing to 7-9 Civic Way Ellesmere Port CH65 0AX.

Rechargeable Repairs

CW&C will meet its contractual requirements as set out in the lease for repairs and maintenance to leasehold properties. This is usually limited to repair the external fabric such as external walls, roofing and guttering for flats. This would also include communal areas in blocks of flats. No such obligation would arise if the leasehold property is a house.

Where a repair has been identified, that is the responsibility of CW&C, this will be charged back to the leaseholder through the annual service charges and leaseholders will receive a statement. The cost will be apportioned in line with the definition of the Development as per the lease, as an example if the Development covers a block of 4 flats, the leaseholder will be charged $\frac{1}{4}$ of the total cost of the repair.

Home Improvements

We understand leaseholders may want to carry out home improvements to their home from time to time. Leaseholders are required under the terms on their lease to obtain consent from ForHousing, ForHousing will request that a Home Improvement Application Form is completed by the Leaseholder to explain their proposals for improvement. ForHousing would where possible allow permission unless there is a good reason to refuse this.

ForHousing would provide a full explanation where consent has not been granted.

Equality and Diversity

ForHousing give leaseholders the opportunity to complete a leaseholder form which includes equality and diversity questions along with general contact information. This will enable ForHousing to take into account any identified equality and diversity needs when delivering a service to an individual leaseholder.

How the Policy will be delivered

The delivery of this policy and associated procedures will be the responsibility of ForHousing. This Policy will be available to all employees through the intranet and regular training will be provided to relevant employees on all policies and procedures.

If staff become aware that there are problems with effective operation of the policy or the associated procedures, they should report this to the policy owner. This feedback will be incorporated into the policy / procedural review process.

Related Documents

This Policy should be read in conjunction with Group member policies and procedures in the following areas:

- CW&C Anti-Social Behaviour Policy
- ForHousing Leasehold Major Works Policy
- ForHousing Leaseholder Service Charge collection and arrears procedure
- ForHousing Section 20 procedure
- Neighbourhood Management Policy

Equality Analysis

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| Date of approved EA | |
| Results of EA / Actions taken forward to mitigate any potential negative impacts | |

Consultation & Business Intelligence

The Policy was reviewed in consultation with tenants and staff representing Cheshire West and Chester Council and ForHousing.

Monitoring Arrangements

Delivery of home ownership services will be measured using existing methods including continued monitoring of:

- Satisfaction with services
- Redress levels and satisfaction with resolution
- Performance and Service Standard levels

If staff become aware that there are problems with effective operation of the Policy or the

associated procedures, they should report this to the Policy Owner. This feedback will be incorporated into the policy / procedural review process.

Control Data & Approval History

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| Policy owner: | CWaC: Alison Amesbury, Strategic Housing & Commissioning Senior Manager |
| Next review date: | 27 July 2024 |

| Issue | Approved by | Date |
|-------------|----------------------------|--------------|
| Approval V1 | Cabinet Member for Housing | 28 July 2022 |
| Approval | | |

Document Revision History

| Date amended | Version number | Key changes |
|--------------|----------------|--|
| | 1 | Original version |
| | 1.2 | Revised version following tenant feedback <ul style="list-style-type: none"> Neighbourhood Management Policy added as a related document. |
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