



Leasehold Policy

Version 2

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1. Purpose

- 1.1 This policy sets out our approach to the management of our leasehold homes, including flats sold under the Right to Buy, Right to Acquire, Homebuy, market sale, shared ownership and Leasehold Schemes for the Elderly.

2. References

- 2.1 The policy has been drafted in line with our [vision and values](#), relevant legislation and best practice.

3. Responsibilities

- 3.1 The Commercial Manager is responsible for ensuring this policy is adhered to through the development and application of robust procedures and auditable documentation.

4. Legal framework

- 4.1 The lease is a contractual agreement between the leaseholder and the freeholder. The lease sets out the rights and obligations of both parties so everyone is clear on the responsibilities they have. This policy does not amend or alter the contractual rights.

- 4.2 There are a number of pieces of legislation and regulations affecting leaseholders including

- The Landlord and Tenant Act 1985 (as amended)
- The Commonhold and Leasehold Reform Act 2002
- The Leasehold Reform, Housing and Urban Development Act 1993
- Housing Acts 1985, 1986 and 1996
- The Service Charges (Consultation Requirements) Regulations 2003.
- Property Misdescriptions Act 1991,
- Consumer Protection Act 1987,
- Law of Property Act 1925
- Unfair Terms in Contracts Regulations 1999

5. Definitions

- 5.1 A lease is a legal agreement which sets out the rights and responsibilities of both the 'tenant' and the landlord.
- 5.2 The landlord is the owner of the building which is divided into flats. We are the landlord.
- 5.3 The 'tenant' described in the lease and legislation is more commonly referred to as a leaseholder.
- 5.4 A leaseholder is someone who has bought the right to occupy a flat from us, or previously Wycombe District Council, for a specified number of years.

- 5.5 A resident leaseholder is a leaseholder who lives at the leasehold premises and uses it as their main home.
- 5.6 A non-resident leaseholder is a leaseholder who does not live at the leasehold premises and does not use it as their main home. Often, but not exclusively, a non-resident leaseholder will sub-let the premises on a commercial arrangement.
- 5.7 A service charge is an amount payable under the terms of the lease as a contribution towards the landlord's cost of maintaining the building and common areas.

6. Policy statement

- 6.1 We will treat leaseholders as valued customers, offering high quality services which represent value for money. We recognise that we share long term interests with our leaseholders for the upkeep of properties and the surrounding environment.
- 6.2 We will comply with all relevant legislation, regulatory standards, and Codes of Practice, and learn from examples of good practice.
- 6.3 We will communicate clearly with leaseholders by providing accurate, timely and understandable information.
- 6.4 We will comply with the lease conditions at all times. We expect each leaseholder to be familiar with the terms of their lease and comply with the conditions at all times.

6.5 Leasehold consultation

- 6.5.1 We will meet the statutory requirement to consult leaseholders about rechargeable contracts and works as described in Section 20 of the Landlord and Tenant Act 1985 (as amended).

6.6 Leaseholder involvement

- 6.6.1 In addition to the statutory requirement to consult we will provide resident leaseholders with the same opportunities to [get involved](#) as those offered to other customers. We will encourage and support the involvement of all leaseholders in decisions that affect the services we deliver on our estates and the services we provide specifically to leaseholders.
- 6.6.2 When we need to consult with our leaseholders on specific issues we will facilitate a consultative group that will take the form of a virtual or physical group depending on the desire of leaseholders and the type of issue under discussion.

6.7 **Service charges**

- 6.7.1 We will recover service charges from leaseholders by using the apportionment methodology set out in the lease. It is our intention that leaseholders pay their share of the costs we incur as described in the lease. It would be unfair to ask social housing tenants to provide any subsidy to leaseholders.
- 6.7.2 We wish to work with individual leaseholders and will follow our homeowner arrears procedure when dealing with service charge arrears. Non-payment of service charges may result in County Court action and persistent non-payment could result in forfeiture of the lease.

6.8 **Administration Fees**

- 6.8.1 We will charge an administration fee when we are investigating if we will grant approval under the lease or we are providing information that has been requested by a leaseholder. This is to ensure that we cover the administrative cost of carrying out the task. These administration fees are separate to any fees paid for us to deliver communal services.
- 6.8.2 We will ensure that we comply with all statutory requirements relating to administration fees and we'll publish our list of fees on our website.

6.9 **Lease extensions**

- 6.9.1 We will consider applications for a lease extension through the statutory and negotiated routes with the intention of making the best use of our assets.
- 6.9.2 We will require the applicant to meet our full legal and professional costs as well as their own costs.

6.10 **Sale of freehold**

- 6.10.1 Where all properties in a block have been sold on long leases we will work with the leaseholders so that they can purchase the freehold from us.

6.11.1 **Sub-letting**

- 6.11.2 In accordance with the lease we will allow leaseholders to sub-let their property providing each sub-tenant enters into a Deed of Covenant and the appropriate administration fee is paid for consent.

6.12.1 **Leaseholder alterations**

- 6.12.2 Any leaseholder wishing to carry out alterations or works to their home must apply for our consent under the terms of their lease and provide us with details of the proposed works. We may give consent with conditions, such as getting planning permission where this is required.

6.12.3 We will not withhold consent unreasonably. If we refuse permission, we will write to the leaseholder explaining the reason for the refusal. This will usually be because the alterations would have a detrimental effect on our property or somebody else's. The leaseholder will be required to pay administrative charges before we consider the proposal and whether or not the matter proceeds or improvements take place.

6.13.1 Breaches of the lease

6.13.2 We will take appropriate action whenever we become aware that a leaseholder is acting in breach of the terms of their lease. Examples of breaches include:

- 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 our staff and/or their agents
- Anti social behaviour including harassment, or neighbour nuisance

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

6.13.4 In accordance with our recharge policy and administration fees procedure we will seek to recover the cost of any damage to our property and the administrative cost of dealing with the breach.

7. Related Policies & Strategies

7.1 The following policies and strategies are related:

- Asset Management Strategy
- Right to Buy Sales
- Major works payment policy
- Homeownership arrears procedure

8. Policy Review

8.1 This policy will be reviewed every two years by the Commercial Manager unless there are material changes in legislation relating to management of leasehold premises.

8.2 Parties to be consulted on reviews of this policy include the following teams:

- Leasehold Interest Group
- Commercial Team
- Asset Management Team
- Finance Team
- Policy Group