



# **LEASEHOLD MANAGEMENT POLICY**

**2023 - 2026**

## LEASEHOLD MANAGEMENT POLICY

<b>Adopted / Date Reviewed:</b>	15 June 2023
<b>Review Period:</b>	3 Years
<b>Next Review:</b>	June 2026 If regulations are amended, then changes need to be made immediately)
<b>Contact Officer:</b>	John O’Hanrahan Corporate Head of Customers
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<b>Policy Links:</b>	Rent & Service Charge Policy Disposal Policy ASB Policy Complaints Policy Income Management Policy Equality and Diversity Policy Repairs and Maintenance Policy

### **Brief Policy Summary:**

The Policy sets out the mutual rights, responsibilities and obligations between Lincolnshire Housing Partnership as freehold owner and landlord and those on long leases such as leaseholders under RTB/RTA and Shared Ownership.

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## Introduction and Purpose

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1. Lincolnshire Housing Partnership is committed to meeting its responsibilities to leaseholders under the terms of their leases, and to providing them with high quality services in the management and maintenance of their homes.
2. We are committed to provide the same standards of customer care and performance standards to leaseholders as we do to tenants.
3. This Policy sets out how we will exercise the responsibilities and obligations in respect of long leases generally but particularly granted under the (Preserved) Right to Buy and Right to Acquire and under Shared Ownership arrangements.
4. The Policy also covers relevant legislation under the Housing Acts 1985-1996, The Landlord and Tenant Acts 1985-1987, The Leasehold Reform, Housing and Urban Development Act 1993, the Commonhold and Leasehold Reform Act 2002, the Leasehold Reform Ground Rent Act 2022, and subsequent and associated Acts and Regulations.

## Scope

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5. The scope of this policy includes all domestic dwellings sold under leasehold arrangement where Lincolnshire Housing Partnership retains the freehold and fulfils the role of the Landlord.
6. Commercial leases and leases where Lincolnshire Housing Partnership are the lease fall outside the scope of this policy.

## Policy Statement

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### The Lease

7. Lincolnshire Housing Partnership accepts it is bound by the terms of the leases granted to leaseholders by both Great Grimsby Borough Council, Cleethorpes Borough Council, North East Lincolnshire Council and Boston Borough Council prior to the transfer of ownership of properties to it through each historic Large Scale Voluntary Transfer (LSVT), and Shoreline Housing Partnership and Boston Mayflower prior to merger as well as new leases entered into directly with Lincolnshire Housing Partnership since then.
8. Prospective leaseholders will be given an introductory guide outlining the main points in the lease which will also emphasise the need for them to seek independent legal advice before committing themselves to purchasing the lease.

9. We will provide all leaseholders with a “Leaseholders Handbook” that sets out the rights and obligations of both the leaseholder and Lincolnshire Housing Partnership and gives information about services provided by us. A lease is a contractually binding document and particularly deals with respective obligations for both the Leaseholder, and LHP as to statutory plant and equipment servicing, inspections, repairs and maintenance of said plant and equipment, along with the general maintenance of the building.
10. New leases issued by Lincolnshire Housing Partnership will require leaseholders, where this is a requirement of the individual lease, to demonstrate that they comply with legislative obligations in relation to health and safety. This should include all statutory required services, inspections and remedial works following said services, inspections (if any) with evidence of all required certifications supplied to LHP upon request.
11. We will provide inductions for leaseholder customers coming into our Sheltered Schemes or Extra Care units where there are a range of communal facilities being provided.

## **Services to Leaseholders**

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12. We are responsible for providing the following services (for which we will charge each leaseholder their share under relevant terms of their lease) to leaseholders: -
  - Repairs and maintenance for those items under the lease which are stated to be landlord responsibilities. For flats this mainly relates to the structure of the building and to communal areas.
  - Planned improvements to the communal areas of the block or the estate in question
  - Maintenance and safety checks to open spaces and communal areas
  - In some cases, cleaning and grounds maintenance
  - Receiving and dealing with complaints concerning anti-social behavior from other leaseholders, customers or visitors
  - Calculating and providing clear information about service charges
  - Preparing clear accounts for leaseholders relating to their service charge account
  - Preparing an informed costed plan for major works

- Obtaining estimates for major works and consulting with leaseholders on these planned works
  - Providing a clear consultation and participation structure for leaseholders
  - Consulting with leaseholders on the standards of service to be provided
  - Providing support to Leaseholder representatives and Residents' Associations to enable them to carry out their role and participate in policy making
  - Maintain building insurance for the structure of the building, where required by the lease.
  - Administering extensions to lease terms.
  - Administering leasehold assignments including updating our records accordingly.
13. A description of an item as a landlord responsibility does not mean it may not be charged back to the leaseholder under the terms of each individual lease (as a service charge)

### **Service charges**

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14. Leaseholders will receive an annual statement detailing a reconciliation of payments received from the leaseholder and the actual expenditure for service charges for the previous year ending 31<sup>st</sup> March. Also prior to the commencement of each year on 1<sup>st</sup> April each leaseholder will be advised in writing of the estimated service charge for that coming year.
15. Leaseholders will be offered a range of payment mechanisms for the payment of their service charges. At present Leaseholders are invoiced at varying intervals depending on the lease and the location of the property. Lincolnshire Housing Partnership will work towards introducing a single service standard for invoicing as part of the implementation of the new Housing Management System and through consultation with leasehold customers.
16. We will ensure that where a leaseholder is entitled to a Service Charge loan under the Housing (Service Charge Loans) Regulations 1992, any demand for a service charge will advise the leaseholder of their right to a loan.
17. We will provide leaseholders with prescribed information to accompany any service charge statement.

18. In accordance with Section 20 of the Landlord and Tenant Act 1985 we will consult with leaseholders where any works or services contracts are planned where we intend to recover contributions from leaseholders as service charges and those amounts exceed prescribed levels under the 1985 Act as amended by the Commonhold and Leasehold Reform Act 2002. Currently such thresholds are £250 per property for Qualifying Works and £100 per property within a 12-month period where the contracts are longer than 12 months. These are classed as Qualifying Long-Term Agreements.
19. We will set out estimates of likely service charges expenditure for the first five years following the grant of a lease under the Preserved Right to Buy and Acquire provisions.
20. All new leases issued by Lincolnshire Housing Partnership shall include the provision of applying service charges for any cleaning and maintenance work to communal parts.

### **Other Charges**

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21. Lincolnshire Housing Partnership is entitled to charge for providing services to leaseholders as part of their lease sale or extension. Appendix 1 details the standard list of charges that LHP will apply.

### **Service charge arrears**

22. Lincolnshire Housing Partnership will adopt a firm but fair approach to recovering service charge arrears.
23. If the leaseholders' account falls into arrears they will be formally advised.
24. Where other courses of assistance and recovery action have failed, consideration will be given to legal proceedings for recovery of amounts due which may include county court action and forfeiture of the lease.

### **Cost of capital works**

25. In carrying out capital works we will seek competitive quotes wherever possible to obtain best value for money and minimise leaseholders' contributions
26. Leaseholders will be able to apply for renovation grants where these are available.
27. We will only recover from leaseholders the monies due from them towards the cost of capital works where the terms of the lease allow this.
28. Leaseholders will be encouraged to meet any charge in full by making a lump sum payment.

29. LHP may consider Forbearance where the amount payable exceeds £2,000. The full payment is invoiced and is due forthwith (or in accordance with the timescales set out in the lease) but if the leaseholder makes payments within a reasonable timeframe, the landlord will forbear on recovering the debt in accordance with its debt policy and procedures.
30. We will consult leaseholders about intended works and arrangements for assisting them in planning for longer-term financial liabilities.

## **Leaseholder improvements**

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31. Any leaseholder wishing to carry out improvement works to their home must first obtain our consent as landlord.
32. The leaseholder will be required to submit full details of the proposed work, including plans, and proof of planning permission and building control consent where this is applicable. In addition, leaseholders will be required to provide copies of certificates or guarantees where the work affects part of the building for which Lincolnshire Housing Partnership is responsible.
33. The decision to grant or refuse consent will be provided to the leaseholder in writing detailing the reasons for the decision. Consent may be conditional on a final inspection of the works to ensure they are to a satisfactory standard and as applied for and provision of certification. We may impose reasonable conditions on any consent to protect our interests or those of neighbouring residents.
34. Subject to the terms of the individual lease, permission will be refused where the proposed improvement or alteration: -
  - Adversely affects the structure of the building for which Lincolnshire Housing Partnership is responsible and, therefore, Lincolnshire Housing Partnership's future maintenance liabilities
  - Makes the property dangerous or creates a health and safety risk
  - Involves a loft conversion to a flat
  - Would involve changes to rights of way or communal areas or other residents' legal rights
  - Would reduce the value of the building or creates an aesthetically undesirable appearance.



## Sub-Letting

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35. We will allow leaseholders to sub-let their property subject to this being a condition in their lease, and provided they obtain written permission from us beforehand.
36. We will ensure that leaseholders fully understand that they are responsible, under the terms of their lease, for the actions of their tenant. LHP can request a copy of the tenancy agreement they use for sub-letting to ensure it includes these terms.
37. Leaseholders will be required to provide us with full details of all occupiers of their property and provide emergency contact details for themselves if access is required in the case of an emergency. All changes of occupancy must be notified to Lincolnshire Housing Partnership.
38. Shared ownership leaseholders do not have this right if as a result of subletting the property is no longer their only or principal home.

## Breaches of the lease

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39. Appropriate action will be taken whenever Lincolnshire Housing Partnership becomes aware that a leaseholder is acting in breach of the terms of their lease. Such breaches include but are not limited to:
  - Unapproved works to the leased property;
  - Improper use of the leased property or common parts;
  - Failure to maintain, or damage to, the leased property or common parts;
  - Storage of personal belongings in the communal parts leading to an increased risk of fire or the escape being impeded;
  - Refusal of access to our employees or agents and contractors where reasonable notice for access to inspect or carry out works was given;
  - Harassment, anti-Social behaviour or neighbour nuisance.
  - Unauthorised subletting by shared owners
40. In all such cases, we will
  - review the evidence to confirm whether there is a breach
  - consider the most appropriate way of resolving the breach depending on its nature and seriousness
  - contact the leaseholder requiring them to remedy the breach.

41. If the breach continues, further action will be taken, which may include seeking an injunction, advising the leaseholder's funder, or taking action against the leaseholder for the forfeiture of their lease.

## **Leaseholder Collective Enfranchisement and Right to Manage**

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42. Where leaseholders approach us under these schemes we will act in accordance with the relevant legislation at that time.

## **Complaints**

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43. All leaseholders will be given details in the Leaseholders' Guide for Lincolnshire Housing Partnership's formal complaints procedure and the right to refer complaints to the Independent Housing Ombudsman and in certain matters the First Tier Tribunal.

## **Implementation**

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44. Lincolnshire Housing Partnership will delegate to the Chief Executive responsibility for ensuring that this policy is communicated and implemented.
45. We will develop procedures, which ensure effective implementation of this policy.
46. We will provide training for colleagues to ensure they fully understand the wider issues surrounding leaseholders, our approach and policy, the legislative framework and procedures.
47. The ongoing adherence and development of this policy will be subject to a separate action plan.

## **Equality Diversity and Inclusion**

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48. We give priority to ensure equality and diversity is met in all aspects of our business, including our dealings with leaseholders. We aim to ensure all our customers regardless of race, colour, gender, religious beliefs, age, disability, sexual orientation, marital status or appearance have the right to be treated fairly and equally and enjoy their homes.
49. An Equality Impact Assessment has been completed for this policy and is attached as Appendix 3. No equality, diversity and inclusion data is currently being collected for leaseholders. During the lifetime of this policy we will start to collect this information and use it to monitor service provision, to ensure our commitments are being met and undertake a thorough Equality Impact Assessment when the policy is next reviewed.

## Responsibility

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50. All teams delivering front line services shall do so in consideration of this policy. Lincolnshire Housing Partnership consider leaseholders to be another form of customer and therefore departments delivering services shall enable and actively promote leaseholders to buy into services.

## Consultation

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51. In line with our values , we will support and encourage our leasehold cc customers to work with us to review, develop and improve our services. We will create a dedicated online portal for leaseholders and shared owners to contribute to and help us develop:

- Separate Leaseholder and Shared Ownership Introductory Guides
- Our approach and documentation dealing with Section 20 Consultation
- Content for a leaseholder portal
- Understanding of levels of customer satisfaction and feedback.

## Leaseholder Officer Role

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52. LHP will have a Leasehold Officer who will liaise with leaseholders and also advise the business on how to act in accordance with this policy, the legislation and individual lease requirements. The expectation is that individual service areas will undertake their roles as normal with a requirement to adhere to this policy and the requirements of the individual leases.

## Review

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53. We will review this policy, procedures and colleague training needs on a three-year basis to ensure that it continues to operate best practice, achieve measurable results, and aim for continuous service improvement. In addition, the policy and procedures will be automatically reviewed following policy or legislation change, or as required by the Regulator or Government.

## Appendix 1: Leaseholder Charges

Service	Charge Net VAT
Notice of Transfer	£33
Notice of Charge	£33
Notice of Transfer and Charge	£55
Certificate of Compliance	£33
Deed of Covenant	£33
Licence to Assign	£33
Deed of Postponement	Fee to be advised on enquiry
Lease Copy – Obtained from own archives	£22
Leasehold Management Pack – Standard	£66
New Lease Plan	Fee to be advised on enquiry
Remortgage – Consent for Shared Owners	£33
Remortgage – Consent for Shared Owners and solicitors enquiries	£55
Remortgage – solicitors enquiries for leaseholders	£55
Lease Extension – Standard Admin Charge Note: This is accompanied with a valuation fee plus legal costs which is subject to the 'market value' valuation fee and our separate agreed legal costs at the time this is processed.	£55
Alterations Minor – Request to carry out Home Improvements minor	£35
Alterations Major – Request to carry out works for Home Improvement	£66
Alteration – Retrospective Consent	Fee to be advised once application has been fully received

## Appendix 2: Leasehold Management Policy Action Plan

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Policy Objective	Responsibility	Date
Publish and distribute an LHP Leaseholder Guide and a Shared Owner Guide developed in consultation with the Service Improvement Panel. (completed)	Leasehold Officer	Draft 30/09/20 Publish 31/12/20
Develop and provide a Leaseholder portal that provides all compliance and future planned investment requirements for the block developed in consultation with the Service Improvement Panel.	Leasehold Officer	31/12/2021
Commence leaseholder inductions for complex buildings (Sheltered and Extra Care).	Leasehold Officer	Inductions have commenced, currently working on individual guides for each building. 31/12/20
Consult with leaseholders and introduce a single invoicing process and timescale for all leasehold customers.	Rent & Service Charge Manager	31/12/2021
Review individual leases to determine if any compliance requirements on the leaseholder. Provides details and addresses to the Compliance Team.	Leasehold Officer	
Add components in QL for all leasehold properties where there is compliance requirement. Begin monitoring and undertake enforcement action where lease requirement not being met.	Compliance Manager	
Consultation to be undertaken with the Compliance team where a variation of the lease occurs to ensure compliance requirements are included.	Leasehold Officer Compliance Manager	
Include a section on Compliance and its importance in the Leaseholders Handbook.	Leasehold Officer Compliance Manager	
Review whether the Repairs team comply with Section 20 requirements to ensure our legal requirements are being followed.	Leasehold Officer Repairs Manager	
Review current process where leaseholders report repairs to ensure it is considering the lease requirements and following our Customer First objectives.	Leasehold Officer Repairs Manager	

Policy Objective	Responsibility	Date
Start sending 'Introductory guide' to prospective leaseholders outlining the main points in the lease which will also emphasise the need for them to seek independent legal advice before committing themselves to purchasing the lease	Leasehold Officer	
Review induction process for leaseholder customers coming into our Sheltered Schemes or Extra Care units where there are a range of communal facilities being provided.	Leasehold Officer Integrated Living and Support Service Manager.	
Establish system to review and update QL with full details of all occupiers of properties, including emergency contact details for the Leaseholder if access is required in the case of an emergency, and Equality, Diversity and Inclusion information.	Leasehold Officer	
Ensure details of 'how to make a complaint' and the First-Tier tribunal service in the Leaseholders Handbook.	Leasehold Officer	
Create Leaseholder / Shared Ownership area of the 'Get Involved' hub.	Leasehold Officer Customer Engagement and Development Manager	
Add Leaseholder Charges into QL and start adding these to the account as part of the respective process.	Leaseholder Officer	
Continue to explore options to support leaseholders paying for capital works, including the potential introduction of 'slush funds'.	Leasehold Manager Investment Manager	
Provide more information for shared owners for purchasing additional shares through staircasing.	Sales Manager	
Provide clarity on service charges and transparency on costs.	Rent & Service Charge Manager	
Review the way we can improve two-way communication with leaseholders, including briefing colleagues on how to respond to leasehold enquiries.	Leasehold Manager	

## Appendix 3: Equality Impact Assessment

LEASEHOLD MANAGEMENT POLICY			
Provide a brief summary of the aims and main activities of the initiative (bullet points):			
The Leasehold Policy sets out the mutual rights, responsibilities and obligations between Lincolnshire Housing Partnership as freehold owner and landlord and those on long leases such as leaseholders under Right to Buy, Right to Acquire and Shared Ownership.			
<b>Completed By:</b>	John O'Hanrahan Corporate Head of Customers	<b>Date:</b>	15 June 2023

### Guidelines: Things to consider

- Where a negative (i.e. adverse) impact is identified, it may be appropriate to make a full EIA (see Stage 2), or, as important, take early action to redress this – e.g. by abandoning or modifying the initiative. NB If the initiative contravenes equality legislation, it must be abandoned or modified.
- Where an initiative has a positive impact on groups/community relations, the EIA should make this explicit, to enable the outcomes to be monitored over its lifespan.
- Where there is a positive impact on particular groups, does this mean there could be an adverse impact on others, and if so can this be justified? - e.g. Are there other existing or planned initiatives which redress this?
- It may not be possible to provide detailed answers to some of these questions at the start of the initiative. The EIA may identify a lack of relevant data, and that data-gathering is a specific action required to inform the initiative as it develops, and also to form part of a continuing evaluation and review process.
- It is envisaged that it will be rare for full impact assessments to be required. Usually, where there are particular problems identified in the screening stage, it is envisaged that changing the approach at this stage, and/or setting up a monitoring/evaluation system to review a policy's impact over time will tackle the problem.

## STAGE 1: SCREENING

This stage establishes whether a proposed initiative will have an impact from an equality perspective on any particular group of people or community – i.e. on the grounds of race, religion/faith/belief, gender (including transgender), sexual orientation, age, disability, or whether it is “equality neutral” (i.e. have no effect either positive or negative).

**Q 1. Who will benefit from this initiative?** Is there likely to be a positive impact on specific groups/communities (whether or not they are the intended beneficiaries), and if so, how? Or is it clear at this stage that it will be equality ‘neutral’ i.e. will have no particular effect on any group? *Please consider all aspects of Diversity including as a minimum: Age, Disability, Gender/Transgender, Race/Ethnicity, Religion/Faith/Belief, Sexuality*

The Leasehold Management Policy sets out how LHP will deliver services to and engage with leasehold customers. The leasehold acquisition of LHP flats through RTB and RTA which is a national government regulated scheme open to all.

**Q 2. Is there likely to be an adverse impact on one or more minority/under-represented or community group as a result of this initiative?** If so, who may be affected and why? Or is it clear at this stage that it will be equality ‘neutral’? *Please consider all aspects of Diversity including as a minimum: Age, Disability, Gender/Transgender, Race/Ethnicity, Religion/Faith/Belief, Sexuality*

There is not likely to be an adverse effect on any particular group, the policy seeks to ensure that all customers receive the same standard of service irrespective of ethnicity, religion, sexual orientation, etc.

**Q 3. Is there sufficient data on the target beneficiary groups/communities?** Are any of these groups under or over represented? Do they have access to the same resources? What are your sources of data and are there any gaps? *Please consider all aspects of Diversity including as a minimum: Age, Disability, Gender/Transgender, Race/Ethnicity, Religion/Faith/Belief, Sexuality*

There is currently no data available on equality, data and inclusion to establish under or over representation. This data will be collected in the lifetime of this policy and used to determine any concerns.

**Q 4. Outsourced services – if the initiative is partly or wholly provided by external organisations / agencies, please list any arrangements you plan to ensure that they promote equality and diversity.** *Please consider all aspects of Diversity including as a minimum: Age, Disability, Gender/Transgender, Race/Ethnicity, Religion/Faith/Belief, Sexuality*

The appraisal process will be delivered internally in accordance with the regulator guidelines and the organisation’s Equality, Diversity and Inclusion Policy and be subject to internal audit.



**Q 5. Is the impact of the initiative (whether positive or negative) significant enough to warrant a full impact assessment – see guidance? If not, will there be monitoring and review to assess the level of impact over a period of time? Please consider all aspects of Diversity including as a minimum: Age, Disability, Gender/Transgender, Race/Ethnicity, Religion/Faith/Belief, Sexuality**

The impact of the policy is not considered to be significant enough to warrant a full impact assessment as the policy is focused on assets rather than services to customers.

**Q 6. To be completed at six monthly review Detail actions taken to assess the level of impact over a period of time, or to address any gaps in data. Please consider all aspect of Diversity including as a minimum: Age, Disability, Gender/Transgender, Race/Ethnicity, Religion/Faith/Belief, Sexuality**

N/A