

LEASEHOLD MANAGEMENT

1.0 Key Strategic Links

South Lakeland District Council Housing Strategy 2002 – 2006

To have an accurate understanding of the condition of the housing stock in the District in order to maintain a high standard where existing and raise standards where required.

2.0 Key Objective

South Lakes Housing (SLH) recognises the importance placed by leaseholders on receiving a cost effective service that meets their expectations. SLH is committed to providing an efficient and customer orientated service to all leaseholders, based on quality and value for money.

3.0 Key Policy Standards

Leaseholders will include:-

- Tenants who have purchased their flat under the Right to Buy (RTB) scheme.
- Leaseholders who have purchased their lease from a previous leaseholder.
- Leaseholders who have purchased a shared ownership lease.

SLH will ensure that all statutory requirements and regulatory guidance relating to providing services to leaseholders is followed.

- SLH recognises the importance of seeking the views of leaseholders on the services which it provides. SLH will seek to work with leaseholder representatives, and Residents' Associations where they exist, to promote effective and positive consultation and participation in the policy making process and to agree performance standards.
- SLH will provide all leaseholders with an information leaflet that sets out the rights and obligations of both the leaseholder and SLH.
- SLH will provide each leaseholder with an annual summary of performance information.

SLH as **managing agent**, is responsible for providing the following services to leaseholders **on behalf of the landlord** ,SLDC:-

- Repairs and maintenance for those items for which SLH has responsibility. For flats this mainly relates to the structure of the building and to communal areas. For shared ownership houses the leaseholder is wholly responsible for repairs and maintenance;
- Planned improvements to the communal areas of the block or the estate;
- Maintenance of open and communal areas;

- In some cases, cleaning and grounds maintenance;
- Receiving and dealing with complaints concerning anti-social behaviour from other leaseholders, tenants or visitors;
- Calculating and providing clear information about service charges;
- Preparing clear accounts for leaseholders relating to their service charge account;
- Preparing an informed cost plan for major works;
- Providing a clear consultation and participation structure for leaseholders;
- Consulting with leaseholders on the standards of service to be provided;
- Consulting with leaseholders on planned major works;
- Maintain building insurance for the structure of the building;
- Provide information to, and deal with requests from, leaseholders in relation to enfranchisement;
- Providing an annual report for leaseholders on the performance of SLH;
- SLH will ensure that tenants who exercise their RTB, or who purchase a shared ownership lease, fully understand the terms of the lease, their responsibilities and obligations under the lease and those of SLH before they complete the purchase. This will ensure that leaseholders fully understand what is expected of them and what they can expect from SLH from the very start of the legal relationship between the two parties.

Provision of Information and Consultation with Leaseholders

- Consultation and Participation Structure for Leaseholders

SLH believes that leaseholder participation is integral to the design and delivery of effective services and has a central role in the development of Best Value and the continuous improvement of service delivery;

SLH is committed to promoting the active involvement of leaseholders in the delivery of services that they receive and in policy making;

SLH will facilitate the recruitment of leaseholder representatives to act on behalf of other leaseholders through a Leaseholders' Forum;

A person will be eligible to become a leaseholder representative provided they are at least 18 years of age and they are a sole or joint leaseholder of SLH. They must be resident in the property as their only or principal home;

The role of giving feedback to SLH on services provided to leaseholders is fundamental to monitoring service delivery and to informing proposed improvements to service delivery;

SLH will support Residents' Associations, where they are recognised, by providing advice and assistance from Officers and also by way of financial support to cover relevant costs such as hiring meeting facilities or the printing and distribution of newsletters.

- Services Provided

Responsive Repairs

- SLH is responsible for repairs which relate to the structure and communal areas of flats or blocks of flats. In relation to shared ownership leases for houses the leaseholder is responsible for all repairs and maintenance.
- SLH will provide a responsive repairs service to leaseholders for those repairs which are the responsibility of SLH. This will include a 24-hour, 365 day emergency callout service for emergency repairs only.

Planned Improvements

- SLH is responsible for planned and cyclical works to the structure and communal parts of blocks of flats such as external painting, roofs, communal windows, door entry systems and to estates in general.
- The cost of carrying out planned and cyclical improvements to the structure and communal areas of blocks of flats and to estates in general can be reflected in service charges to leaseholders under the terms of the lease.
- If the relevant costs incurred under a qualifying long-term agreement exceeds an amount which results in the relevant contribution of any tenant, in respect of that accounting period being more than £100, Section 20 of the Landlord and Tenant Act 1985 as amended by The Service Charges (Consultation Requirements) (England) Regulations 2003 applies. Consultation with all affected leaseholders and recognised Residents' Associations will be carried out in accordance with Schedules 1-3 of these regulations.
- If the cost of the major works or improvements exceeds £250 per leaseholder, Section 20 of the Landlord and Tenant Act 1985 as amended by The Service Charges (Consultation Requirements) (England) Regulations 2003 applies. Consultation with all affected leaseholders and recognised Residents' Associations will be carried out in accordance with Schedule 3 of these regulations
- SLH will ensure that where disruption is expected to leaseholders whilst major works or improvements take place, this will be discussed with leaseholders beforehand and appropriate arrangements put into place to minimise disruption.

Request for Improvements

Requests for permission from leaseholders to make alterations or to improve their property will not be unreasonably refused by SLH. However, in the following circumstances, permission will be refused where the proposed improvement or alteration:-

- affects the structure of the building for which SLH is responsible and, therefore, SLH's future maintenance liabilities;
- would involve changes to rights-of-way or communal areas and other residents object to the changes;
- would reduce the value of the building.

Sub-letting

SLH will allow leaseholders to sub-let their property provided they obtain written permission beforehand. SLH will ensure that leaseholders fully understand that they are responsible, under the terms of their lease, for the actions of their tenant.

Anti Social Behaviour by Leaseholders

SLH will aim to ensure that all leaseholders fully understand the terms of their lease so they are fully aware of their responsibilities and obligations and the sanctions available to SLH should the terms of the lease be broken. This will minimise the conditions in which breaches of the lease occur and aims to prevent breaches taking place.

SLH will follow the principles set out in its Anti-Social Behaviour policy.

Where formal action has to be taken, SLH will, where necessary:-

- take injunctive action against the leaseholder to comply with the terms of their lease;
- work with the local authority to enable action to be taken under the Environmental Protection Act 1990;
- work with the Police to enable action to be taken under the Protection from Harassment Act;
- work with the Police and local authority to obtain an Anti-Social Behaviour Order against the perpetrator(s) of the anti-social behaviour.

As a final resort, and only for serious anti-social behaviour, SLH will consider taking forfeiture proceedings against leaseholders. The written approval of the Board will be required before forfeiture proceedings for anti-social behaviour can be started.

Complaints

All leaseholders will be given details of SLH's formal complaints procedure and the right to refer complaints to the Independent Housing Ombudsman.

Service Charges

SLH will charge leaseholders service charges that are based on service costs incurred during the previous financial year, estimates of future costs of major works and a contribution to any accumulation fund set up to pay for these works.

All demands for service charges will clearly set out:-

- the items for which the service charge is being made;
- the relevant portion of the cost payable by the individual leaseholder for each item
- the amount of any payment to any accumulation fund and the previous year balance of the accumulation fund;

The apportionment of service charges will be set out in individual leases.

SLH may set up and administer an 'accumulation fund' that will be used to build up a reserve of funds to cover future large items of expenditure.

SLH 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.

Where the leaseholder is not entitled to a loan under the Housing (Service Charge Loans) Regulations 1992, but the leaseholder has service charge arrears greater than £1,000, the Head of Finance has delegated authority to consider, on an individual basis, advancing a loan at an agreed interest rate to clear the service charge arrears. Such loans may be secured on the property.

Where a leaseholder has arrears of service charges SLH will follow an agreed procedure for the recovery of arrears which aims to negotiate with leaseholders (and if necessary the lessee's mortgage lender) a reasonable payment pattern for the repayment of the arrears rather than taking enforcement action. However, where necessary, SLH will commence proceedings for a money judgement order against leaseholders who fail to clear service charge arrears and, as a final resort will commence forfeiture proceedings.

Forfeiture proceedings will not be started unless SLH is satisfied that all other options, to ensure the arrears are paid, have been attempted and failed, and discussions have been held with the lessee's mortgage lender where there is an outstanding mortgage charge. Written approval of the Chairman of the Board will be required before forfeiture proceedings can be commenced for failure to pay service charges.

4.0 Key Performance Targets and Indicators

SLH will work with Leaseholders to agree performance standards on services that are provided by SLH. Where performance standards are agreed that exceed the standards agreed with tenant representatives then all residents in a block will need to agree to the enhanced standards and agree to an increase in the service charge to pay for the enhanced element of the service.

5.0 Monitoring, Review and Consultation Process

Regular reports will be made to the Board detailing SLH's position with regard to the agreed key targets and performance indicators.

Annual reports to all leaseholders showing the performance achieved against the targets set.

6.0 Service Development and Review Priority

Further service change will be dictated by the outcome of the Best Value Review currently being undertaken and by significant changes in the law.

Policy Review Priority - High.