

to be approachable

to keep our promises

to work with others

Leasehold Management Policy

to be caring

to be efficient

to be a
good employer

to make sure
everyone's views
are heard



LEASEHOLD MANAGEMENT

POLICY STATEMENT

Our vision is:

- Provide Homes
- Improve Wellbeing
- Strengthen Communities

Our Core purpose:

Providing homes to be proud of and helping people change their lives for the better.

1. Introduction

The purpose of this document is to present the general policy on leasehold matters, setting out the aims, principles and values that will be followed by Solihull Community Housing (SCH) in its dealings with leaseholders on behalf of Solihull Metropolitan Borough Council ("SMBC" – the freeholder).

The policy has been written having regard to the agreed vision and core purpose and to the relevant legislation surrounding leasehold management. The policy will be underpinned by detailed operational procedures, proposals for specific actions and plans to implement them. These will be formulated and developed in full consultation with both leaseholders and staff as appropriate.

SCH will be bound by the terms of the existing leases, issued to leaseholders by SMBC and by relevant statute.

2. Terms of the lease

The lease is a private contract between SMBC and the leaseholder and sets out the rights and duties of both SMBC and the leaseholder. It will include information about:

- Details of the responsibilities of both the leaseholder and SCH to the property, the structure and the common parts
- The items included in the service charge, how it is calculated and when payment is due
- Who is responsible for insuring the property
- The procedures for assigning the lease
- How the lease can be ended

SCH produce Leaseholder Leaflets summarising service standards and general information relating to rights and responsibilities. A welcome pack is given to all new leaseholders which explains more about owning a leasehold property and includes information that is important to an owner occupier. A Leaseholders summary of the basic rights and obligations of SCH and leaseholders is included with each service charge demand.

3. Consultation

SCH is committed to full consultation with all leaseholders about the development of policies and procedures which affect them.

SCH will comply with the Commonhold and leasehold Reform Act 2002 and the Landlord and Tenant Act 1985 in consulting with leaseholders about their liability for the cost of repairs and improvements to the block and in accordance with the terms of individual leases, if the proposed work will cost over the prescribed amount as set out in legislation.

4. Service Charges

Unless the terms of any existing leases require otherwise (when the terms of the lease will take precedence), at the beginning of the financial year SCH will provide leaseholders with an estimated annual service charge statement detailing the estimated charges for the forthcoming financial year. Examples of such charges are as follows:

- Ground rent
- Buildings insurance
- Grounds maintenance
- Communal lighting
- Communal cleaning
- Fire Protection Servicing
- Lift Servicing
- CCTV
- Management fees

Every effort will be made to ensure that the estimate is reasonably accurate.

Payments are demanded:

- in advance on a quarterly basis (based on the estimate)

Within 18 months of issuing the estimated charges, SCH will work out the leaseholder's share of the "actual costs" and send a summary of the charges showing the actual costs for each service received during the previous financial year. Leaseholders will receive an additional invoice or credit note reflecting any under or over payment of actual costs.

They will also be advised of the outstanding balance on their account when the quarterly service charges are sent out and this is known as the "quarterly statement".

5. Repairs policy on refunds

When repairs/maintenance work is disputed by the leaseholder the matter will be investigated by our maintenance services team. If it is agreed that a refund is required the surveyor will notify Rent Control who will arrange for a credit to be placed on the leaseholders account and the leaseholder will be notified in writing.

If additional work is required to remedy poor workmanship the surveyor will recall the contractor and post inspect the work to ensure that it has been completed satisfactory.

If the leaseholder is not satisfied with the way in which their case has been dealt with they can use the formal SCH complaints procedure to register their concerns and seek redress.

6. Collection of payments

SCH's policy for the recovery of service charge arrears will be firm but fair. SCH aims to recover from leaseholders all money properly due from them. Any leaseholder who falls behind with payments will be notified accordingly and appropriate action taken to recover the arrears.

In the case of bills for major works, SCH recognises that some leaseholders may have difficulty in paying a large sum in one payment. In such cases SCH will arrange to spread the sum owed over more than 12 months. The maximum repayment period will depend upon the cost of the work and will be agreed between SCH and the leaseholder.

In the event that a leaseholder disputes a service charge SCH will provide a dispute resolution mechanism through the complaints process for the charge to be reviewed and the leaseholder's case to be considered. The aim of this process will be to try and resolve the matter without the need for any legal action either by SCH or the leaseholder.

The activities and responsibilities involved for management of accounts in arrears are detailed in the Income Management and Rent Arrears Policy.

7. Breaches of the Lease

SCH will aim to ensure that Leaseholders keep to the covenants within their leases. Breaches could include:

- Failure to grant access
- Improper use or using the property for illegal purposes
- Unapproved work
- Failure to maintain or causing damage to the property
- Anti social behaviour including harassment or neighbour nuisance

In such cases SCH would draw the breach to the Leaseholders attention by writing and requesting that they remedy it. If this fails a notice will be served on the leaseholder requiring them to remedy the breach. If the breach then continues legal action may be taken. Legal action could take the form of an injunction, or taking further action against the leaseholder for the forfeiture of their lease by applying for a court order. The court has wide discretion where forfeiture is concerned, but if forfeiture is approved by a court, this can lead to the landlord repossessing the property.

In the case of nuisance, action could include an Anti Social Behaviour order or an injunction.

8. Home Improvements

SCH is supportive of leaseholders wishing to improve their homes. Leaseholders are required under the terms of their lease to obtain SCH's consent to make alterations or improvements. Permission to do so will be given unless there is a good reason for not doing so.

SCH will offer leaseholders the option of opting into the Decent Homes (DH) scheme subject to appropriate arrangements for payment and the status of the individual leaseholder's account.

9. Repurchase of Sold properties

SMBC's policy on the Right of First refusal under Section 188 of the Housing Act 2004, and an individual's request to buy-back a property previously sold under Right to Buy will be dealt with on a case by case basis. SCH will act on behalf of SMBC in dealing with any requests for buy-back.

10. Leaseholder Enfranchisement

Leaseholders have the statutory right to collective enfranchisement under the Leasehold Reform, Housing and Urban Development Act 1993 providing they meet the qualifying criteria. The building qualifies if not less than two thirds of the flats are held on qualifying leases. Participating leaseholders must between them have not less than one half of the flats in the building. SCH will act on behalf of SMBC in dealing with any requests for enfranchisement.

11. Redress

Any leaseholder who has a complaint about the services provided by SCH will have the right to follow the Complaints Procedure. Further information on the complaints policy can be obtained from the Contact Centre or information is available on the website.

The right to apply to the First-tier Tribunal for a declaration of the “reasonableness” of service charges will also remain.

If leaseholders consider that they should not have to pay for a service charge item, that the quality of work is inadequate, or that a charge is not reasonable, they may have the right to challenge that part of your service charge at a First-tier Tribunal. Leaseholders can also seek a determination on works or services that are proposed in the future. An application can not be made to a First-tier Tribunal if:

- the matter has already been agreed or admitted by the leaseholder;
- the matter has been determined by a court;
- the matter has been or is to be referred to an arbitral tribunal where agreement to go to arbitration has been reached after a particular dispute has arisen;
- the matter has been the subject of determination by an arbitral tribunal where agreement to go to arbitration was reached after a particular dispute has arisen.

However, the leaseholder is not to be taken as having agreed or admitted any matter solely because they have made a payment. Consideration will be given to seeking independent legal advice in cases where payment has been made.

12. Equal Opportunities and Diversity

We are committed to equality and to ensuring that our services are accessible, appropriate and fair.

Diversity agreement – Our commitment is underlined by a concordat (agreement) between a number of partner organisations and SCH. We hope the agreement will promote equality and quality of life within the borough of Solihull.

Equality Impact Assessments – All public bodies are required by law to carry out Equality Impact Assessments (EIA)

An EIA systematically and thoroughly assesses policies and services to see how they affect groups because of their race, disability or gender. Findings are then used to redesign or develop services to meet the needs of each group.

Accessible services – We use phone interpretation services and use Type Talk. These services help to communicate with customers who do not speak English as a first language and who have hearing or speech difficulties.



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