

HALTON HOUSING TRUST

LEASEHOLD MANAGEMENT POLICY

Date due for Review :

Introduction

Halton Housing Trust (the Trust) is aware that it needs to have a comprehensive policy regarding leasehold management which fully covers such areas as :-

- service charges;
- legislative requirements;
- procedures for improvements;
- procedures for repairs;
- consultation arrangements;
- breaches of covenants.

This policy will apply to those properties bought under the leasehold provisions of the preserved Right to Buy and Right to Acquire legislation as well as to leasehold properties originally bought under such legislation but have now been sold on privately and the original first time purchasers have moved on.

In implementing this policy the Trust will always have due regard to the Housing Corporation's Regulatory Code and guidance, especially the relevant parts of Section 3.

Policy Statement

The Trust is committed to meeting its responsibilities to leaseholders under the terms of their leases and to provide them with high quality services in the management and maintenance of their homes. The Trust will ensure that its leaseholders are offered the same standards of customer care and the same performance standards as it offers to its tenants.

The Trust will set up a Leasehold Management Service to provide clear accountability for this function. The role of this service will include the co-ordination of information for leaseholder accounts and consultation with leaseholders.

The Trust will provide its leaseholders with accurate and timely information about the services they receive, the cost of those services and the amount due in service charge payments.

Leaseholders will be consulted in accordance with the requirements of legislation and in accordance with the Trust's Tenant Participation and Consultation Policy, and on any other proposed changes to policy or practice that will affect the Trust's Leasehold Management Service of their homes. Leaseholder consultation will be an integral part of the Trust's major works planning process. The Trust will work with leaseholder representative groups to consider issues such as their satisfaction with the level and quality of services provided and the way in which charges are determined, in addition to consulting individual leaseholders.

The Trust aims to ensure that leaseholders uphold the covenants in their leases in particular with regard to harassment, neighbour nuisance and other actions taken by them likely to affect other residents.

The Trust will make available to all prospective leaseholders who are Trust tenants full and factual information regarding their rights and obligations as leaseholders before they purchase their property.

The Trust will collect from leaseholders all monies due from them under the terms of their leases.

Implementation

Terms of the lease

The Trust will be bound by the terms of any leases issued to leaseholders by Halton Borough Council (Halton BC). All leases issued by the Trust will include information about :-

- the service charge to be paid, how it has been determined and when payment is due. Where it is a variable service charge the arrangements for collecting contributions towards additional costs and for refunding overpayments will be specified;
- the procedures for the leaseholders to assign the lease;
- the grounds for the landlord ending the lease by forfeiture or re-entry (taking account of statutory requirements.)
- the details of the respective responsibilities of the leaseholders and of the Trust as landlord for repairs and maintenance to the property, the structure and the common parts;

The Trust will provide a summary of its lease for prospective leaseholders (which will be available in translation as required) whilst emphasising the need for them to seek independent legal advice before committing themselves to purchasing the lease.

The Trust will work with any leaseholder groups established in the area. It will provide any such group with the necessary advice, support and assistance. The Trust will consult such groups of leaseholders affected and with individual leaseholders as appropriate.

Service Charges

The Trust will prepare detailed reports about the cost of services for which service charges are due. Leaseholders will be provided with a copy of the audited annual accounts for management services within the statutory six months of the end of the accounting period. Leaseholders will be provided with an estimate of the following years charges once the budget for that year's expenditure has been agreed and in accordance with the requirements of their leases.

Service charges will be set to reflect actual costs for each block as far as possible. Where a surplus has accrued over a particular financial year the Trust will carry forward to the following year's account. This could arise, for example, where a contractor has failed to provide a service and has been financially penalised. Where there is a deficit the Trust will add it to the following year's service charge.

Service Charge Collection

Leaseholders will be offered a variety of methods for the payment of their service charges. These will include:

by cash or cheque at any of the Trust's Area Offices or any of Halton BC's Direct Link offices.

- by cheque posted to any Trust office.
- by Direct Debit or Standing Order arranged with a Bank or Building Society.

- direct from salaries for Trust employees.
- via telephone using a debit card.
- via 'Paypoint', 'All Pay', Post Office outlets, when available.

Service Charge Arrears

The Trust will have detailed procedures for recovering service charge arrears. Leaseholders will be sent information about their service charge accounts at

regular intervals throughout the year. Any leaseholder falling behind with payments will be advised accordingly. Vigorous action for arrears recovery will be taken. This will include seeking an immediate payment to clear the arrears or reaching an arrangement with the leaseholder for repayment of the debt over a defined period.

All service charge accounts will be reviewed at the end of the financial year. If arrears remain the leaseholder will be contacted again and encouraged to make satisfactory arrangements for clearing the outstanding debt. Cases of severe financial hardship will be treated sympathetically.

Leaseholders will be offered benefit advice which may assist them in maximising their income and/or meeting their service charge liabilities.

The Trust will consider contacting the leaseholder's lender in circumstance where a leaseholder :-

- fails to respond to letters informing them that their Service Charge payments are in arrears;
- breaks the terms of an agreement to repay the arrears ;
- refuses to make Service Charge payments.

In consultation with the lender, and where the leaseholder is not able to make sufficient payments to meet the terms of a repayment agreement, consideration will be given to appropriate courses of action including rescheduling the debt.

When recovery action has failed consideration will be given to instituting legal proceedings. Such action will include money judgement orders or in exceptional cases action for forfeiture taking account of the appropriate legislation.

Cost of Capital Works

The Trust will ensure that it limits the proportion of the costs of capital works that it passes on to leaseholders to that which is a fair and equitable proportion of the costs wherever possible and as required by legislation. Leaseholders will be able to apply for renovation grants where these are available.

The Trust will look to recover from leaseholders all monies due from them for the cost of capital works. Leaseholders will be expected to meet the charge in full. Payment arrangements however will be offered to allow leaseholders to spread the cost where required.

The Trust will consult with leaseholders on the possibility of establishing a loan scheme to assist them with the cost of any capital works. Leaseholders will also

be consulted on the possibility of establishing a separate fund that could be used for future investment needs in the property (a 'sinking fund.')

Leaseholder Improvements

Any leaseholder wishing to carry out improvement works to their home will first be expected to submit full details of the proposed works including proof of planning permission where this is required.

The Trust's decision whether or not to grant permission to carry out such work will depend on whether the proposed improvement will:

- make the property or part of the property inherently dangerous or unstable;
- encroach upon land not defined in the lease;
- block out light for other residents;
- be aesthetically undesirable;
- reduce the value of the property; and
- any other relevant considerations.

If permission is refused the decision letter to the leaseholder will include the reasons for refusal.

Breach of Terms of the Lease

The Trust will take appropriate action whenever it becomes aware that a leaseholder is acting in breach of the terms and conditions of their lease. Such breaches may include :-

- unapproved works;
- improper use;
- failure to maintain, or damage to, premises;
- refusal of reasonable access to Trust officers under the terms of the lease;
- harassment or any other form of anti-social behaviour/neighbour nuisance.

In all such cases the Trust will first serve the leaseholder with the appropriate Notice requiring them to remedy the breach. If the breach continues further action will be taken which may include seeking an injunction or taking action against the leaseholder for the forfeiture of their lease.

Leaseholder Enfranchisement.

Where leaseholders occupy properties comprising not less than two thirds of the total number of flats in a block or (in certain circumstances) part of a block, the Trust will allow them to acquire the freehold of the block if they so choose as required by legislation.

Information regarding the right to collective enfranchisement will be made available to any leaseholder(s) requesting it.

Redress.

Any leaseholder dissatisfied with any aspect of the services provided by the Trust will have the opportunity to seek redress. Such a request should be made formally in writing setting out clearly the reasons why redress is sought and will be dealt with under the Trust's Complaints Policy .

Responsibility

The Deputy Chief Executive is responsible for the effective implementation of this Policy.

The Deputy Chief Executive is also responsible for ensuring that all staff involved in the Leasehold Management Service are fully trained in the Trust's Policy and Procedures.

Consultation

The Trust will consult on this Policy every 3 years in accordance with its Review Schedule.

In particular the Trust will consult with :-

- Individual Leaseholders and Leaseholder Groups;
- Tenants and Residents Panel;
- Halton Housing Community Voice.

The Trust will consult leaseholders about;

- repair work which will incur costs above the prescribed amount which will have to be recovered in service charges as required by statute. The Trust will provide leaseholders with a statement of the work required and alternative estimates of the costs before entering into a contract for the work;
- the extent and cost of services and works which are optional;
- proposed changes to arrangements for maintenance, management or service provision which could have a substantial effect on them;

The Trust will work with any leaseholder groups established in an area. Such groups will be provided with advice, support or assistance as necessary. The Trust will consult with such leaseholder groups and with individual leaseholders affected by proposals as appropriate.

Review & Monitoring

The Trust's officers will provide the Board with annual reports giving details of :-

- arrears outstanding from leaseholders
- actions being taken for recovery of debt
- any other appropriate information.

Associated Documents

Leasehold Consultation Policy
Equality and Diversity in Service Delivery Policy
Tenant and Resident Involvement Policy
Leasehold Management Procedures
Leaseholders Handbook