

## East Devon District Council

### Leasehold Management Policy

Issue details	
Title:	Leasehold Management Policy
Version number	Version 2.0
Officer responsible:	Sophie Davies
Authorisation by:	Graham Baker
Authorisation date:	April 2021

#### 1 Previous Policies/Strategies

Version 1.0

#### 2 Why has the council introduced this policy?

This policy outlines East Devon District Council's (EDDC) approach to meeting its obligations to leaseholders in accordance with the terms of their leases and the relevant legislative requirements.

#### 3 Introduction

This policy statement outlines East Devon District Council's (EDDC) approach to meeting its obligations to leaseholders in accordance with the terms of their leases and the relevant legislative requirements.

#### 4 Scope

This policy explains how the Council will meet its responsibilities to leaseholders under the terms of their lease and to provide them with a good standard of services in the management and maintenance of their homes. In addition it explains the service charges that leaseholders are responsible for as well as ensuring that all leaseholders understand their rights and responsibilities.

This policy covers the following points and should be read in conjunction with the related documents highlighted below:-

- Leasehold management
- Changes to leases
- Selling a property and the right to manage
- Service charges
- Complaints and disputes

#### 5 Related Documents

- Lease Agreements
- Leaseholder's Handbook
- Relevant Tenancy Management policies and procedures

#### 6 Definitions

- **Leasehold Management** covers the range of services provided by the Council to those who own their property on a leasehold basis.
- **A Leaseholder** is a tenant who has purchased a long lease, usually lasting up to 125 years.
- **Service charges** are defined under section 18 of the Landlord and Tenant Act 1985 as "an amount payable by a tenant of a dwelling as part of or in addition to the rent (a) which is payable directly or indirectly for services, repairs, maintenance,

improvements or insurance or the landlord's costs of management (b) and the whole or part of which varies or may vary according to the relevant costs".

- **Major works** are usually cyclical works to the structure or fabric of the building. This may include external painting or re-roofing, where the lease allows a recharge to be made to the leaseholder to recover costs of the work.
- **Lease** is a binding contract between EDDC and the leaseholder which outlines the rights and duties of both parties.

## **7 Leasehold management**

- 7.1 We will comply with legislation relating to leasehold management and service charges.
- 7.2 We expect that leaseholders will be provided with a copy of their lease by the solicitor acting on their behalf when they purchased their home. If, however, the leaseholder requires a copy, this can be obtained in various ways, for example from the Land Registry or from us. A charge will be made for this service.
- 7.3 We will collect from leaseholders all monies due from them under the terms of their lease.
- 7.4 Where a leaseholder is experiencing financial hardship, we will signpost them to appropriate agencies to provide financial advice and guidance.
- 7.5 We will provide new leaseholders with a copy of the Leaseholder's Handbook which contains key information and advice regarding the services they can expect to receive.
- 7.6 Relevant information will be sent to leaseholders to inform them about the work of the Council.

## **8 Leaseholder improvements**

- 8.1 Leaseholders are responsible for maintaining and repairing the internal parts of their home including maintenance of fixtures and fittings.
- 8.2 It is the responsibility of the leaseholder to ensure that adequate smoke alarms and carbon monoxide alarms are installed, working and that these are tested on a regular basis.
- 8.3 We are supportive of leaseholders wishing to improve their homes. Leaseholders are required under the terms of their leases to obtain written consent from us to make any alterations or improvements. Where permission is refused, we will set out the reasons in writing for our decision.
- 8.4 The loft space within a block of flats remains the property of the Council and should not be used by a leaseholder for any purpose including the storage of goods. The Council may require access to the loft space to carry out work or to inspect it, the leaseholder must not refuse access.

## **9 Repairs and maintenance**

- 9.1 We will maintain the external fabric of the building and shared communal areas in accordance with lease obligations. This will include day to day repairs, cyclical maintenance and major works. Under the terms of the lease, we will charge leaseholders for their share of the costs.

## **10 Consultation**

- 10.1 We will ensure that leaseholders are fully consulted in compliance with section 20 Landlord and Tenant Act 1985 (as amended). This requires consultation with leaseholders on proposed major repairs or improvements for which they are required to pay and also proposed changes to contracts for long term maintenance services.

## **11 Subletting**

11.1 Leaseholders may be able to sublet their property, subject to written consent from us. They are advised to refer to their lease for clarification.

11.2 If a leaseholder chooses to sublet their property, they will become a landlord and will be subject to the rules and regulations imposed on landlords.

11.3 The leaseholder will still be responsible for:-

- Paying service charges;
- Providing up to date contact details, details of their tenant and any management company (if applicable) in case of emergencies or problems caused by defects within the property;
- Ensuring that the property does not become overcrowded;
- Obtaining consent from their mortgage company to sublet, (where applicable);
- Servicing the gas supply and appliances in the property annually and providing their tenant with a copy of the safety check certificate;
- Installing carbon monoxide detectors and smoke alarms;
- Providing their tenant with an Energy Performance Certificate;
- Ensuring that the leaseholder's tenant does not breach the conditions of the lease. We will take legal action against any breach of conditions which are not resolved.

## **12 Anti-social behaviour**

12.1 Should a leaseholder have issues with neighbouring Council tenants, such as anti-social behaviour, harassment, noise or nuisance, they are advised to report these problems directly to the Council. This will be dealt with in accordance with our Anti-social behaviour policies and procedures.

## **13 Breaches of the lease**

13.1 We will take appropriate action, which may include taking legal action, whenever we become aware that a leaseholder is in breach of the terms of their lease. Such breaches may include:-

- Unapproved alteration or improvement works;
- Improper use of property including illegal activities;
- Failure to pay service charges;
- Causing anti-social behaviour;
- Failure to maintain the property or damage caused thereto; or
- Failure to allow Council employees, contractors or agents access
- Failure to move into temporary accommodation offered by the Council following the need to carry out health & safety or emergency work to the block.

13.2 If the leaseholder does not remedy the breach of their lease, we may consider, as a last resort, applying for forfeiture of the lease.

## **14 Service charges**

14.1 Leaseholders are responsible for paying their share of the Council's costs for repairing and maintaining the exterior and communal areas relating to their home. Service charges that leaseholders are responsible for include: ground rent, insurance, grounds maintenance, caretaking service, communal gas/electric, repairs on communal areas, repairs before repainting, repainting, management and administration fees.

14.2 The Council will provide service charge estimates in the section 125 Notice (the offer notice detailing the sale) to the prospective leaseholder. Leaseholders may be charged a reasonable proportion of the cost of any relevant works undertaken after the initial five year period of their purchase.

- 14.3 Charges for each financial year are sent to leaseholders on an annual basis. Payment is required within twenty one days of the date of the invoice.
- 14.4 Leaseholders will be offered a variety of different ways to pay their service charges. Methods of payment include: monthly or annual direct debit, automated telephone service, bank transfer, cheque, Post Office, standing order, over the internet, payment kiosk, salary deduction (for employees of EDDC) or by debit or credit card at our offices or over the phone.

## **15 Service charge arrears**

- 15.1 Any leaseholder who falls behind with payments will be notified of this. In addition, they will be advised that appropriate action for debt recovery will be taken.
- 15.2 The leaseholder will be contacted and encouraged to either make an immediate payment to clear the full amount or to make an arrangement to clear the outstanding amount.
- 15.3 If a leaseholder refuses to pay for service charges or where other courses of recovery action have failed, legal proceedings may be considered including: obtaining a County Court Judgement, which will affect a leaseholder's credit rating, an Attachment of Earnings, a Charging Order on the property or an approach to their mortgage company to request payment of the outstanding charges, which would then be added to the mortgage. As a last resort, we may apply for forfeiture of the lease.

## **16 Summary of service charge accounts**

- 16.1 Leaseholders have a statutory right to seek a summary of the service charge account under section 21 of the Landlord and Tenant Act 1985. The request must be in writing and can request a summary of the 'relevant costs in relation to the service charges payable' in respect of the last accounting year, or where accounts are not kept by accounting years, the past twelve months preceding the request.
- 16.2 The Council will provide the summary within one month (or within six months of the end of the twelve month accounting period, whichever is the later).

## **17 Leaseholder Valuation Tribunals (LVT)**

- 17.1 If a leaseholder is dissatisfied with a service or the charge levied for that service, and they cannot resolve the matter, they can go to the LVT. Leaseholders can also seek a determination on works or services that are proposed in the future. There are certain restrictions where a leaseholder cannot make an application to the LVT. Leaseholders are advised to seek further guidance from the government website, [www.gov.uk](http://www.gov.uk)

- 18 Equality impact considerations** – the policy is medium relevance to equality if it has a big impact on residents and users of the service

Medium

## **19 Data protection considerations**

**b) The collection and use of tenant's personal data will not exceed that agreed to in their tenancy agreement**

If selecting option c) – please provide a summary of additional personal data required and how this will be obtained and used below.

Click or tap here to enter text.

The [EDDC Data Protection Policy](#) provides further information on how we store and use personal information.

The following privacy notice(s) provide further information on how we will use tenant's personal data, how it is gathered, and how long we will retain this information, and what rights tenants have in relation to this.

Choose an item.

All our privacy notices can be found on the EDDC website (<https://eastdevon.gov.uk/access-to-information/data-protection/privacy-notices/>)

**20 Appendices and other relevant information**

N/A

**21 Who authorised the policy/strategy and date of authorisation.**

Housing Review Board

**22 Related Policies/Strategies, Procedures and Legislation**

- The Landlord and Tenant Act 1985 - <https://www.legislation.gov.uk/ukpga/1985/70>

**23 Policy date for review and responsible officer**

East Devon District Council will review its policy on a two yearly basis or in light of changes to legislation, regulatory guidance, best practice and customer feedback. The next review is due March 2023