

Housing Services - Leasehold Management Policy

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| Purpose | To set out Ipswich Borough Council's approach to the management of its residential leasehold properties |
| Owner | Head of Tenancy Services |
| Related documents | Lease Agreement |
| Approved by | Executive |
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| Author | Taylor O'Brien – Leasehold Manager |

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1. Policy Statement

Ipswich Borough Council's Corporate Strategy, Proud of Ipswich, recognises the importance of meeting the housing needs of our community and providing good quality services. We aim to be an excellent Landlord and deliver efficient and cost-effective services to our leaseholders.

This policy outlines the principles, goals, and guidelines that the Council will follow in meeting its obligations to leaseholders in the management of the Leasehold Service. This policy is not a substitute for legal advice about the specific terms and covenants within each lease.

The purpose of this policy is to provide a framework for decision-making and to establish a consistent approach to specific issues. It helps stakeholders understand the expectations and standards that should be upheld.

2. Scope

This policy applies to any leaseholder the Council has established a contractual residential lease agreement with. For the purposes of this document, a leaseholder has ownership of a long-term lease of a residential flat in a Council owned residential building.

3. Principles

This policy will clarify the management of the Council's leasehold properties. This information is generalised and does not supersede an individual's lease agreement. Leaseholders and landlords are bound by the terms and obligations in each leaseholder's individual lease agreement which should be referred to with this Policy.

Leasehold law and accompanying regulations and codes of practice are complex and subject to frequent change. The Council will comply with all relevant legislation and the terms of individual leases whilst recognising that legislation can take precedence over individual leases.



4. Aims and Outcomes

- Explain clearly how leaseholds will be managed,
- To provide high quality services which represent value for money,
- Provide a consistent and responsive service that meets the needs of our leaseholders,
- To comply with all relevant legislation, regulatory guidance, and Codes of Practice, and to learn from good practice,
- Be transparent,
- The full recovery of service costs,
- Communicate effectively with our leaseholders,
- Involve and Engage leaseholders in the development of services,
- Ensure security of tenure,
- Work together with our leaseholders to manage and sustain their lease,
- Address breaches of lease with both reasonable and proportionate enforcement action,
- Deter and tackle incidents of Fraud.

5. Rights and Responsibilities

The rights and responsibilities of a leaseholder and a landlord are outlined in the lease agreement.

Leaseholders should carefully read and understand the Lease Agreement to ensure they are aware of the specific rights and responsibilities and consult with legal professionals for guidance if issues or disputes arise.



6. Leasehold Management

The Council appoints a designated leasehold management team responsible for overseeing property management, handling service charge administration, and liaising with leaseholders in compliance with all relevant legislation.

Leaseholders will be provided a copy of their lease agreement by the solicitor acting on their behalf during the purchase of the property. Further copies of the lease agreement can be obtained from the Land Registry or the Council following payment of an administrative charge.

The Leasehold Team will remain impartial and do not provide legal or financial advice. Leaseholders experiencing financial hardship or querying legal practices should consult independent professionals for further advice and assistance.

A copy of the leaseholder handbook, which contains key information and advice, will be made available to all leaseholders.

The Council may communicate with its leaseholders in a variety of ways to facilitate transparency and engagement. This may include emails, newsletters, online portals, and meetings.

The Council reserves the right to recover the costs incurred from managing its leasehold portfolio. The management fee is a set charge applied within each leaseholder's service charge.

Services not covered by the management service are known as administrative services and are available to all leaseholders. These services will incur an administrative charge that will vary depending on the service provided.

7. Service Charge and Ground Rent

The Council will operate in accordance with the relevant terms of the individual lease agreement and regulations when issuing service charge and ground rent



invoices. The Council will only charge for works or services where these costs have been reasonably incurred and where any required consultation process has been carried out in line with legislation. These charges will be shown on the invoice broken down by service item. Where consultation was required, these repair works will be shown as Planned Maintenance Works on issued service charge invoices to differentiate from responsive repairs.

Service charges will be issued in accordance with the lease. The contribution for each year will be estimated by the Council as soon as practical before the beginning of the year commencing on the 1st of April. The payment terms, including leaseholders Rights and Obligations, will be stated on the invoice. Within 6 months of the close of the financial year the Council will ascertain the actual expenditure for the year and raise adjustments for any differences. This will occur in September.

Where leaseholders exercise their statutory right for the Council to provide a summary of their service charge account under Section 21 of the Landlord and Tenant Act 1985, the Council will provide the summary within one month.

The Council does not operate a sinking or reserve fund however reserves the right to review this where required.

The Leasehold Team will respond to leaseholder service charge queries and will seek to find a resolution. Querying an outstanding service charge invoice does not stop that invoice from being payable unless the Leasehold Team have notified the leaseholder otherwise. Where resolution is not possible and payment remains outstanding, the Council will take enforcement action to recover the debt.

8. Statutory Consultation

The Council will ensure that leaseholders are fully consulted in compliance with section 20 of the Landlord and Tenant Act 1985 (amended by section 151 of the Commonhold and Leasehold Reform Act 2002). Where compliance cannot be satisfied, the Council may apply to the First Tier Tribunal to seek dispensation from the statutory consultation process.



This requirement to consult occurs when the Council propose works that will require any single leaseholder to contribute more than £250 or propose to enter into an agreement for works or external services which will last for more than 12 months and will cost the leaseholder more than £100 in any 12-month accounting period.

9. Income Recovery and Service Charge Debt

The Council expects all leaseholders to settle all invoices issued in accordance with the payment terms on the invoice and covenants of their individual lease agreement.

The Council will operate a fair and transparent approach to the collection of arrears and will to take legal action to recover outstanding debt.

Where a debt remains outstanding, enforcement mechanisms against the leaseholder will be considered which includes the right to seek forfeiture of the lease.

The Council has approved options for extending payment for leaseholders affected by housing related programmes of works.

Where leaseholders are unable to pay their charges in full, they will be supported and signposted to the appropriate debt advice and given an opportunity to act upon this advice prior to any enforcement action being instigated.

10. Home Improvements:

Leaseholders are responsible for the repair and maintenance of the property in accordance with the terms of the lease agreement. Landlord consent may be required, as per the terms of the lease, to make any alteration or improvements to the property. Work should not begin until permission is obtained. Where permission is refused the Council will state the reasons for the decision.

The Council will not consider providing written consent until the leaseholder has provided full and accurate details of the proposed works. Depending on the scope of the works the leaseholder may be required to seek permission from the Council's



Planning and Building Control service areas, which is separate to the consent from the Council given in its capacity as landlord of the leasehold property. If the proposed alterations are approved by the Leasehold Team but are in breach of Planning and or Building Control, these works will need to be made compliant or reverted to their original condition. Permission will not be granted for any alteration or works affecting or on any area owned and maintained by the Council or where the alteration adversely affects another resident.

Leaseholders who fail to get authorisation for works which subsequently would not be authorised will be required to put things right within a reasonable timescale at their own expense. Failure to do so is a breach of the lease obligations. The Council reserve the right to put things right using legal redress where appropriate.

Leaseholders will be responsible for reasonable administrative charges in addition to the Council's legal costs, whether the matter proceeds or not and the improvement or alteration takes place.

11. Subletting:

The Council has no objections to leaseholders sub-letting their flat and becoming a landlord, providing that the Council has been informed with all relevant information and forwarding address. There will be an administration fee charged.

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.

Leaseholders who sublet are responsible for ensuring their tenant keeps to the terms of the lease; the leaseholder is accountable for the actions of the tenant which can affect their lease agreement if breaches in the agreements occur.

Leaseholders will remain responsible for paying the service charges and all other obligations detailed under the lease agreement as these will not transfer to their tenant. The Council's obligations and main point of contact will remain with the legal owner of the property.



12. Anti-social Behaviour

The Council will work to address and prevent anti-social behaviour within our managed residential areas. Should a leaseholder have issues with a neighbouring Council Tenant, they are advised to report these matters directly to the Council. This will be dealt with in accordance with our Anti-social behaviour policies and procedures.

Leaseholders are bound by their lease agreement, the covenants of which prohibit leaseholders as a lessee or their visitors and tenants (if subletting), from causing a nuisance to neighbours and using the property in any illegal or immoral way.

In the event the leaseholder has already reported ongoing anti-social behaviour to the Council and feel that no effective action has been taken to resolve it, leaseholders may be able to activate a case review and ask us to request a review of the case.

The Council will make use of Powers granted in the Anti-Social Behaviour Crime and Policing Act 2014 to tackle Anti-Social Behaviour. See Ipswich Borough Councils "Anti-Social Behaviour Housing Policy" for further information.

13. Breaches of the Lease and Forfeiture:

The Council will work with our leaseholders to ensure the covenants in the lease are upheld and will take appropriate steps, which may include legal action whenever we become aware that a leaseholder is in breach of the terms in their lease.

If the leaseholder does not remedy the breach in their lease and an agreement between the Council and leaseholder is not reached, the Council may apply for forfeiture of the lease. The Leasehold Team will attempt to work with our leaseholders to facilitate a reasonable plan of action before forfeiture is considered.



14. Insurance

The Council is required under the terms of its leases to provide a buildings insurance policy for its leasehold properties, the cost of which is recovered through the service charge. The Council will ensure value for money when obtaining buildings insurance so that leaseholders benefit from any cost savings.

The buildings insurance policy statement will be made available to all leaseholders.

The Council will administer claims relating to any Council owned, shared or communal areas made under the building's insurance. Leaseholders can deal directly with the insurance provider for claims relating to their own demise if covered by the insurance policy.

Leaseholders may consider taking out separate insurance cover arrangements for their contents and any items not included under the building insurance policy.

15. Lease Variations, Extensions and Enfranchisement

The Council will consider and process requests for variations to an existing lease agreement or where an order has been issued by the First-Tier Tribunal. The Council will review the request and assess its feasibility, compliance with regulations, and potential impact on the property and other residents. The decision will be communicated to the leaseholder within a reasonable timeframe. Approval may be subject to conditions.

The Council will consider and process requests for a lease extension. Leaseholders wishing to extend their lease must submit a formal notice of their intention to extend and an application to the Council.

The leaseholder will be responsible for any associated costs including legal and administrative fees.

Where conditions are met, leaseholders have the right to collective enfranchisement if they and the building qualify. Should leaseholders seek to



acquire the freehold of a block of flats, the Council will comply as required by the Commonhold and leasehold reform act 2002.

16. Selling the Property

When a leaseholder is in the process of selling their property, the Council will furnish upon request, information on service charges and planned major works to the current and/or prospective leaseholder and their advisors. A reasonable administration fee will be charged for this service.

In compliance with legal obligations, a leaseholder selling their property must inform the prospective purchaser of any notices served on them or the property.

Leaseholders are not obligated to seek permission from the Council for selling their property however, if the property was acquired under the Right to Buy scheme, they must offer the Council the first right of refusal within ten years of the original conveyance. If the property is being sold within the discount repayment period, the Council will pursue repayment of a proportion of the discount.

Within one month of completion, the Council must be formally notified of the sale through a Notice of Assignment served by the purchaser's solicitors. There is a fee for administering this Notice. Failure to provide this notice will result in the original leaseholder remaining liable for property charges and retaining the leaseholder status on Council records.

The Council will consider buying back properties on a case by case basis, subject to the Council having an operational Buyback Policy..

For granting of consent from the Council for any resales, mortgages, transfer of titles or compliance with covenants an administrative fee will be charged. Leaseholders will be informed of these rates at the point of request.



17. Dispute Resolution

Any leaseholder who wishes to raise a dispute may do so by contacting the Leasehold Management Team. The Council will handle any complaint in accordance with its complaints procedure which is made available to all leaseholders.

In the event that a leaseholder disputes a service charge, the Council will provide dispute resolution mechanisms through the Leasehold Management Team and the Council's published complaints procedure. The aim of these processes will be to try and resolve the matter without the need for any legal action either by the Council or the leaseholder. The Council may also seek expert advice to assist decision making about charges.

Any leaseholder who are dissatisfied with a service, the charge levied for a service, or a decision made by the Leasehold Team and are unable to resolve it to the leaseholder's satisfaction may consider making an application to the First-Tier Tribunal. Before any such action you are advised to seek independent legal advice.

18. Getting Involved

The Council is committed to the consultation and involvement of leaseholders with housing issues and feedback will be used to develop our policies and improve services. Further information can be found on the Council's website or by contacting the Leasehold Team.

19. Health and Safety

The Council is committed to adhering to health and safety regulations, conducting risk assessments, and ensuring the safety of residents and visitors. The Council will take action to resolve instances where compliance is not met.

Fire Safety: The Council will ensure the adequate provision of fire exits, escape routes, signage and the regular testing and maintenance of any fire alarm systems. The Council and leaseholders need to adhere to proper storage and disposal of flammable materials. Landlord and leaseholders must ensure compliance with the



Regulatory Reform (Fire Safety) Order 2005, which includes full compliance of the properties individual entrance when opening into a communal area.

Gas Safety. Leaseholders should ensure regular gas safety checks are carried out by a qualified engineer. Where the property is sublet, the leaseholder would be responsible for ensuring annual gas safety checks are carried out in accordance with the Gas Safety (Installation and Use) Regulations 1998.

Electrical Safety. Leaseholders should ensure regular electrical inspections are carried out by a qualified electrician.

Asbestos Management. The Council will identify and manage asbestos-containing materials in the building and communal areas in line with an asbestos management plan. Leaseholders will be responsible for any asbestos-containing materials within the property.

Door Entry and Access Control. The Council will carry out regular maintenance of door entry systems.

Safeguarding. Where it is believed that a child or a vulnerable adult is at risk, the Leasehold team will make a referral to the appropriate service and will follow Ipswich Borough Council's safeguarding procedures. Ipswich Borough Council will share information with other agencies, when necessary, to ensure compliance.

Building Maintenance. The Council will keep in good and substantial repair and condition and whenever necessary rebuild reinstate renew and replace all worn and damaged parts the main structure and exterior of the building, property, and communal parts that form the Councils responsibility.

Waste Management. The Council will provide proper disposal and recycling facilities where required.

Adequate Lighting. The Council will provide well-lit common areas and stairwells and ensure regular maintenance of outdoor lighting, addressing any concerns related to dark or poorly lit spaces.



20. Equality and Diversity

The Council recognises that leaseholders have diverse needs, beliefs and cultures that may face inequality or prejudice. The Council will respect and consider these many differences when making reasoned decisions to ensure that this policy is applied fairly and consistently.

The Council will not directly or indirectly discriminate against any person, tenant or leaseholder or groups or people. When applying this policy, the Council will act sensitively towards the diverse needs of individuals and communities.

An Equality Impact Assessment screening concluded that this Policy is not Discriminatory but positively clarifies the rights and statuses of leaseholders of all protected characteristics.

The Council will make reasonable adjustments for leaseholders who may find communication in writing difficult.

The Council will adjust our communications to ensure that every leaseholder understands the rights and obligations of their lease agreement and has information on appropriate support services.

The Council will undertake an Equality Impact Assessment prior to seeking forfeiture.

The Council will engage with a nominated Next of Kin, Support Agency, Power of Attorney or any other Appropriate Adult on the leaseholder's behalf. This is subject to the provision of consent from the leaseholder and in the absence of Safeguarding concerns in lieu of: the Safeguarding Vulnerable Groups Act 2006, Health and Social Care Act 2012, Mental Capacity Act 2005, Equality Act 2010, Human Rights Act 1998 and the Data Protection Act 2018.



21. Record-Keeping and Transparency

Any data held or collated within the scope of this policy will be handled in accordance with the Data Protection Act 1998 and Ipswich Borough Councils Data Protection Policy.

22. Legal Framework and related documents:

The Council will operate in compliance with the following.

- Landlord and Tenant Act 1985 and 1987,
- Commonhold and Leasehold Reform Act 2002,
- Leasehold Reform, Urban Development Act 1993,
- Housing Act 1980, Housing Act 1985, Housing & Planning Act 1986, Housing Act 1996, Housing Act 2004,
- Housing (Service Charge Loans) Regulations 1992,
- Service Charges (Consultation Requirements) (England) Regulations 2003,
- Equality Act 2010,
- Regulatory Reform Fire Safety Order 2005,
- Building Safety Act 2022,
- Leasehold Reform (Ground Rent) Act 2022,
- Gas Safety (Installation and Use) Regulations 1998,
- Environmental Protection Act 1990,
- ASB (Anti-Social Behaviour), Crime and Policing Act 2014,
- General Data Protection Regulations 2018,
- Ipswich Borough Councils Reasonable Adjustments Policy,
- Ipswich Borough Councils Complaints Policy,
- Ipswich Borough Councils Anti-Social Behaviour Housing Policy.
- Individual Lease Agreements,
- Leaseholders Handbook,
- Relevant Management policies and procedures.