

Leasehold Management Policy

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1.0 Introduction

- 1.1 This policy sets out the protocol of the company with regard to the ongoing management of leasehold properties. Beyond Housing is committed to providing all leaseholders with a high quality service in the management and maintenance of their homes in accordance with both individual leases and all applicable legislation.

2.0 Objective

- 2.1 This policy has been developed to outline Beyond Housing's approach to managing leasehold properties and defines our commitment to ensuring that Beyond Housing meets its responsibilities to all leaseholders under the terms of their lease in providing high quality management and maintenance services.

3.0 Definitions

- 3.1 A 'Leasehold Property' is any property (flat with a building) sold on a long term lease (99 or 120 years) under the provisions of the Right to Buy or Right to Acquire schemes either by Beyond Housing or legacy organisations. The service charges for the following 12 months is notified to tenants (insurance costs, ground rent all tenants then management fees, communal area costs (cleaning, grass cutting) if applicable per annum). We bill tenants on actual last year's costs for the current year.
- 3.2 Beyond Housing also own a small number of 'shops' in which the lease agreement can vary in duration from 1 to 10 years. The terms of the agreement are set out in the individual leases which can vary depending on the nature of business.

4.0 Responsibilities

4.1 General management arrangements

- 4.1.1 Leaseholders are customers of Beyond Housing and will be treated in accordance with the company's Customer and Engagement Policy and Complaints Policy.

BH provides leaseholders with an annual fee invoice, a ground rent statement, a summary of leaseholder rights and insurance policy regarding the services they receive. Debts are covered by our financial procedures and debt management procedures particularly with regard to the sale of properties and outstanding lease debt being paid prior to sale.

Tenants cannot carry out holiday lets on properties a tightening 'requirement with some properties being located on the NE coast.

- 4.1.2 Both the leaseholder and Beyond Housing will be bound by the terms of the individual lease relating to the leaseholder's property.

- 4.1.3 The leaseholder procedures and handbook support the policy.

4.2 Granting new leases

- 4.2.1 All new leases are granted they include the following information:

- Details of service charges payable, including how these are calculated, when payment is due and the arrangements for collection
- The procedure for assigning the lease to a new owner
- Legal grounds for BH's ability to end the lease by forfeiture or re-entry
- Details of the respective responsibilities of the leaseholder and BH for the repair and maintenance of the property, including to the structure of the building the property forms part of and any common parts
- Covenants regarding the behaviour of the occupants of any leasehold property.

4.3 Service charge setting and provisioning

- 4.3.1 Beyond Housing prepares information about the cost of services for which service charges are due in accordance with the Rent Setting and Service Charge Policy.

- 4.3.2 Service charges are set to reflect the actual costs incurred by Beyond Housing in the management and maintenance of each leasehold property and/or block, in accordance with the terms of the lease, legislation and best practice.

4.3.3 Where a surplus has been paid in any particular financial year, Beyond Housing will carry it forward to the following year's account. Where there is a deficit, the outstanding amount will be added to the following years' service charge. Beyond Housing however, will consider in certain circumstances, on request, the reimbursement of any surplus to a leaseholder. Similarly, BH retains the right to invoice leaseholders for the payment of any deficit amounts.

4.3.4 In terms of Shops, Beyond Housing will invoice only for the collection of buildings insurance which will be reviewed and issued annually.

4.4 **Service charge payments**

4.4.1 Leaseholders are offered several ways to pay for their service charges. These will include:

- Direct Debit mandate
- Debit or credit card over the telephone

4.4.2 Beyond Housing will consider, in conjunction with leaseholders and their representatives, ways of planning for long term financial liabilities, for example the setting up of a depreciation/sinking fund for example current lift repair funds. We currently hold a lift repair sinking fund.

4.5 **Service charge arrears**

4.5.1 All leaseholder service charge accounts monitored and reviewed regularly with a procedure established to define how Beyond Housing will deal with service charge arrears.

4.5.2 The procedure gives consideration to any leaseholder who is behind with their payments including reaching an agreement for repayment of arrears before taking any legal action.

4.5.3 Leaseholders will be offered advice about financial benefits for which they may be eligible, to enable them to maximise their income and/or assist leaseholders in meeting their service charge liabilities.

4.5.4 If a leaseholder fails to co-operate in paying off the arrears, if they fail to respond to letters or break agreements, or if they do not make payments against their arrears, then BH may seek to involve the leaseholder's mortgage lender where applicable.

4.5.5 Where all other courses of recovery action have failed, consideration may be given, in line with the Debt Recovery Procedure, the instigation of legal proceedings. Legal action may ultimately result in action for forfeiture in accordance with the law.

4.6 Breaches of covenant

4.6.1 Beyond Housing will take action to ensure that leaseholders uphold their covenants as stated in their lease, such breaches may include:

- Unauthorised alteration or improvement works
- Improper use of the dwelling
- Failure to maintain the property or cause wilful damage
- Refusing access to Beyond Housing's employees or appointed representatives under the terms of the lease
- Harassment or neighbour nuisance.

4.6.2 Beyond Housing will take appropriate action whenever it is found that a leaseholder is acting in breach of the terms of their lease. We will, when appropriate, serve notice on a leaseholder requiring them to remedy the breach. If the breach continues then an injunction on the leaseholder for the forfeiture of their lease may be served, which may result in the loss of their home.

4.7 Landlord repairs and improvements

4.7.1 In accordance with the Commonhold and Leasehold Reform Act 2002, leaseholders will be consulted on any proposals for major repair or improvement to the building which their property forms part of where the leaseholder is required to contribute towards the

cost of such works under the term of their lease.

4.7.2 Recovery of the cost of works will be by either an invoice which can be settled immediately in full, an invoice with an agreed 12 month payment plan only, or if the leaseholder cannot afford to settle the invoice in either of these two ways then a legal charge will be placed on the property where any proceeds from the sale of the leasehold will be used to settle the debt and any interest that may have accrued. The collection of a service charge and creation of a sinking fund as a means of covering the cost of future major improvement works is being considered as another alternative.

4.7.3 Leaseholders will not be able to opt out of structural and other works affecting the block their property forms part of or the estate in which it stands.

4.7.4 Cyclical 5 - year stock (internal or external surveyors) surveys will form part of the assets, repairs and maintenance plans for leaseholder stock.

4.8 Leaseholder improvements and alterations

4.8.1 Leaseholders may carry out improvements and/or alterations to their homes, any leaseholder wishing to carry out such works should submit a request in writing to BH which will be considered in accordance with the leaseholder's individual lease.

4.8.2 Beyond Housing will not grant consent to any improvement or alteration work which would affect the structure of the building the leaseholder's property forms part of in any way.

4.9 Right to extend a lease

When the term of a lease expires, Beyond Housing may give consideration to allowing the leaseholder to revert back to being a Secure Tenant. However, the leaseholder also has the right to buy an extension to the term of their lease providing certain conditions are

met. We will consider all such requests in accordance with the Commonhold & Leasehold Reform Act 2002 and leaseholders should seek independent advice on this matter.

4.10 Enfranchisement

4.10.1 Subject to certain conditions, leaseholders may have the right to collective enfranchisement if they and the building in which they live qualifies. Collective enfranchisement allows the freehold of the property to be transferred to the leaseholders.

4.10.2 Should leaseholders seek to acquire the freehold of a block of flats, the company will comply as required by the Commonhold & Leasehold Reform Act 2002. Leaseholders should seek independent advice on options for enfranchisement.

4.11 Complaints and disputes

4.11.1 Leaseholders who are dissatisfied with any aspect of the services provided by the company will have the opportunity to seek redress through the Complaints Procedure.

5.0 Sustainability

5.1 Not applicable to this policy.

6.0 Ownership

6.1 The overall responsibility for the effective implementation of this policy is that of the Chief Finance Officer (CFO).

6.2 The Head of Asset Management is responsible operationally for ensuring compliance with this policy.

7.0 Reporting

- 7.1 An update on leaseholder and Service Charge activity will reviewed by management each year and reported to Board if required due to significant changes or at appropriate intervals by the CFO.

8.0 Consultation

- 8.1 Consultation carried out with Asset Management and Senior Leadership Teams.

9.0 Revision

- 9.1 This policy will be subject to review after three years or in response to changes in legislation or good practice, whichever is the sooner.

Version No	Revision Date	Reason for Revision
01	14/09/2020	Initial draft
1.1	18/09/2020	Inclusion of provisions for leaseholder enfranchisement
1.2	02/10/2020	Inclusion of provision for sinking fund
1.3	05/11/2020	Ops & performance meeting review
1.4	10/01/2021	Addition of shops leases drafting