

Leasehold Management Policy

PRE-AMBLE - WHAT ARE WE TRYING TO DO?

EastendHomes is responsible for the management, administration and disposal of leasehold properties bought under the preserved Right to Buy, the Right to Acquire, or through the property market.

This policy covers:

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

EastendHomes aims to provide services which are accountable, and responsive to the needs of all leaseholders.

POLICY: LEASEHOLD MANAGEMENT

STATEMENT OF INTENT

EastendHomes is committed to meeting its responsibilities to leaseholders under the terms of their leases, and to providing them with good quality services in the management and maintenance of their homes. The same standards of customer care and performance will be offered to leaseholders as to tenants.

EeH will provide leaseholders with accurate and timely information about the services they receive and are entitled to access, 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 on any other proposed changes to policy or practice which will affect the management of their homes. EeH will ensure that leaseholders are represented on the Estate Management Boards (EMB), the Service Review Committee and the main Board of EeH to ensure that leaseholder issues are effectively addressed in the context of EeH governance arrangements.

EeH will seek the views of Homeownership Forum on policy and service delivery issues affecting leaseholders.

EeH will ensure that leaseholders uphold the covenants in their leases, with regard to anti-social behaviour, health and safety and other actions taken by them, their family members or visitors, likely to affect other residents.

EeH will make available to all prospective leaseholders information about their rights, responsibilities, and obligations as homeowners before they purchase their property.

EeH will collect from leaseholders all monies due under the terms of their lease.

EeH will review all processes and ensure that the Homeowners' Handbook and all relevant documents are accessible and can be easily understood.

EeH will provide on request information in a range of formats and appropriate community languages in accordance with the EeH Interpretation, Translation and Communication Needs Policy

EeH will ensure that Leaseholder issues are covered in residents' newsletters and other publications and on the EeH website.

All leases issued by the EeH will include information about:

- the service charges to be paid, how they have been assessed and when payment is due;
- the arrangements for collecting contributions towards additional costs and for refunding overpayments;
- the procedures for the leaseholder to assign the lease;
- the grounds for the landlord ending the lease by forfeiture or re-entry;
- details of the respective responsibilities of the leaseholder and of the landlord for repairs and maintenance to the property, the structure and the common parts.

EeH will provide a summary of its lease for prospective leaseholders, whilst emphasising the need for them to seek independent legal advice before committing themselves to purchasing the property.

CONSULTATION

EeH will formally consult leaseholders and recognised Tenants and Residents Associations about:

- repair work which will incur costs above the prescribed amount which will have to be recovered in service charges, as required by the Landlord and Tenant Act 1985 (as amended). A statement of the work required, and alternative estimates of the costs will be provided to leaseholders before entering into a contract for the work.
- the extent and cost of services and works which are optional;

EeH will also consult leaseholders about proposed changes to arrangements for maintenance, management, or service provision which could have a substantial effect on them.

EeH will undertake consultation with leaseholders by means of:

- Meetings, surgeries and other ad hoc consultative mechanisms.
- Consultation focus groups in the development of estate improvement schemes.

- Individual leaseholder consultation.
- Drop-in sessions

Leaseholders will be informed of these by a range of methods, including letters, newsletters, EeH web-site and surveys.

INVOLVEMENT

EeH will ensure that leaseholders are represented on all EeH boards under its governance arrangements and will consult through the EMBs and with individual leaseholders regarding service provision, regeneration and improvements. Leaseholders will be encouraged to take an active role in monitoring the standards of service provided.

SERVICE CHARGES

EeH will prepare timely and accurate information about the cost of services provided.

Leaseholders will be provided in March with an estimate of the service charges for the forthcoming year and in accordance with the notice period specified in the leases.

Leaseholders will be provided with a final account and bill for service charges within six months of the end of the accounting period.

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

- direct debits;
- cash payments at local post offices and PayPoint locations;
- payment by cheque to EeH Head Office and local housing centres;
- debit card payments
- Standing Order
- Internet or mobile phone 'app' payment via our payment processing partner

SERVICE CHARGE COLLECTION AND ARREARS

EeH will publish Service Standards for the collection of service charges, the resolution of queries and the recovery of arrears.

Leaseholders will be sent four service charge account statements each year. Any leaseholder falling behind with payments will be advised accordingly.

EeH operates a two-stage service charge dispute resolution procedure for any leaseholder who is dissatisfied with their service charges.

EeH will use a written procedure approved by Finance and Audit Committee for the effective collection of service charge arrears. This includes seeking an immediate payment to clear the arrears or reaching an arrangement with the leaseholder for repayment of the debt over a period of months.

All leaseholder service charge accounts will be reviewed at the end of each financial year.

EeH will support leaseholders who require debt counselling and benefit advice by signposting to specialist advisory services (including Citizen Advice Bureau and Bromley by Bow Centre) to assist them in planning for their financial liabilities.

Consideration will be given to contacting the leaseholder's lender in circumstances where a leaseholder:

- fails to respond to letters informing them that the service charge accounts is in arrears; or
- breaks the terms of an agreement to repay the arrears; or
- refusing to make service charge payments.

If the leaseholder is unable to make sufficient payments to meet the terms of a repayment agreement, consideration may be given, with the lender, to rescheduling the debt or other appropriate courses of action.

Where other courses of recovery action have failed, consideration will be given to commencing legal proceedings. Legal action may include money judgement orders, or, following persistent failure to pay service charges, action for forfeiture, subject to the provisions of the Housing Act 1996.

COST OF MAJOR WORKS

EeH will pass on the appropriate proportion of the cost of major works to leaseholders, as required by legislation and leases.

When awarding appropriate contracts, EeH will negotiate with the contractor to make some improvements available directly to leaseholders for the same unit cost charged to the Association.

It is not the policy of EeH to allow leaseholders to opt out of major works where the lease permits recovery of works cost;

EeH will demand payment for major works based on estimated costs. EeH aims to recover from leaseholders all the monies due from them towards the cost of major works. EeH will offer leaseholders a range of repayment methods for meeting the costs of major works for which they are liable. These will include:

Payment in full - Some leaseholders may choose to pay for the cost of the works in full within 28 days of demand. Leaseholders who pay the cost of works in this way will be given a 5% discount.

Interest free Payment by Direct Debit - Leaseholders may repay the cost of works by direct debit over 12 months interest-free installments. This period may be extended at the discretion of EastendHomes in cases of hardship.

Voluntary Charge - This is at the discretion of EeH and is a method of last resort. The charge will be registered at the Land Registry. A Land Registry fee for the registration of the charge will be payable by the leaseholder before the mortgage starts.

Discretionary Capping - Some leaseholders will be eligible to have the cost of their works capped at no more than £10,000 provided that they fulfil all the following criteria:

- the property must be the leaseholder's only or principal home and the leaseholder must occupy the property full time.
- the leaseholder must be the original Right to Buy purchaser and works were not specified on their S125 notice.
- the leaseholder must not have any service charge arrears.
- the leaseholder must be in receipt of state pension or other state benefit or prove exceptional financial hardship.

LEASEHOLDER IMPROVEMENTS

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

A decision on whether or not to grant permission to carry out such work will be made taking account of whether the proposed improvement will:

- make the property or part of the property structurally unsound or pose a Health and Safety concern;

- encroach upon land not defined in the lease;
- prevent light or air reaching other residents;
- be aesthetically undesirable;
- and any other relevant considerations.

If permission is refused, the reasons for the refusal will be put in writing to the leaseholder. The Leaseholder may ask, in writing, for a review of the decision by a Head of Service within 21 days of being notified of that decision. Such a request must include the reason/s why the leaseholder believes the decision to be incorrect.

BREACHES OF THE LEASE

EeH will take appropriate action whenever it becomes aware that a leaseholder or any tenant of a leaseholder is acting in breach of the terms of the lease. Such breaches may include:

- unapproved building or environmental works;
- improper use;
- failure to maintain, or damage caused to, premises;
- refusal of access to EeH officers;
- anti-social behaviour and harassment

In all such cases EeH will first serve notice on the leaseholder requiring them to remedy the breach. If the breach continues, further action will be taken in line with the provisions of EeH Anti-Social Behaviour and Harassment Policy and the Leasehold Management Policy. This may include seeking an injunction or taking action against the leaseholder for the forfeiture of their lease.

LEASEHOLDER ENFRANCHISEMENT

EeH will make available information relating to the right to collective enfranchisement to any leaseholder requesting it.

LEASE EXTENSIONS

EeH will not unreasonably refuse requests to extend leases as set out in Leasehold Reform, Housing and Urban Development Act 1993 (as amended).

RIGHT OF FIRST REFUSAL TO PURCHASE

All written requests for EeH to buyback or exercise the first right of purchase on assignment will be considered by the Director of Special Projects as per the provisions of the Housing Act 2004. The final decision to purchase will be taken by Senior Management Team within the required timescales.

AUDITS

EeH will conduct an inspection of residential leasehold properties on a seven-year cycle. The purpose of the inspection is to ensure that the property is maintained in a good condition, meets health and safety and fire regulation standards and is compliant with the covenants of the Lease. This is an opportunity to confirm any subletting and ensure that a covenant is signed if necessary.

COMPLAINTS

Any leaseholder who is dissatisfied with any aspect of the services with the exception of service charges provided by EeH will have the opportunity to seek redress through the corporate Complaints and Compliments Policy.

EQUALITY AND DIVERSITY

EeH will give all leaseholders the opportunity to complete a profiling form. This will enable EeH to take into account identified specific equality and diversity needs when delivering a service to individual leaseholders and when considering future service provision to all leaseholders.

REVIEW

This policy will be reviewed every 3 years or sooner if legislation, regulation or best practice requires it.

Approved by Service Review Committee

Date ...15 March 2016.....