

West Lancashire Borough Council

Leasehold Housing Management Policy 2022

Introduction

This policy outlines West Lancashire Borough Council's (WLBC) approach to managing housing leaseholder properties, and the services we provide, including how we collect and raise service charges and how we ensure we offer quality and value for money

The principle aim of the policy is to ensure that leaseholders receive good quality, value for money services taking account of the terms of their leases. We will ensure that leaseholders receive timely and appropriate advice and information both generally and on request.

This Policy outlines the way we deal with day- to- day management of leasehold homes, including the collection of ground rent, service charges and other associated charges.

This Policy ensures that all leaseholders understand their obligations and what they can expect from WLBC.

It provides an overview of our landlord obligations, and how we will ensure that our leaseholders meet their obligation and ensure that where services are delivered that costs are recovered appropriately mitigating any financial loss to the Council.

We will use our discretion, with management approval, in the implementation of this policy and may at times take a decision outside, but within the spirit of the policy

1 Key Aims

- To provide high quality services which represent value for money
- To comply with all relevant legislation, regulatory guidance, and Codes of Practice, and to learn from good practice.
- To ensure that all leaseholders understand their rights and responsibilities.

2 Policy Statement

We will achieve our aims by:

- Treating leaseholders as valued customers by providing opportunities for leaseholder involvement, feedback and having an efficient complaints procedure.
- Communicating clearly with leaseholders by providing accurate, timely and understandable information and advice.
- Complying with requirements to consult leaseholders over the provision of services and in advance of any improvement or major repairs programs.
- Consulting with leaseholders over the development, monitoring and review of this policy and supporting policies.
- Taking a one team, one Council approach to leasehold management. Our property services and corporate services staff will take responsibility alongside the Income and Financial

Inclusion Team for the quality of services to leaseholders.

3 Lease Agreements

The rights and responsibilities of landlord and leaseholder are determined primarily by the terms of the lease and legislation, and in particular the Commonhold and Leasehold Reform Act 2002.

The lease is a binding contract that sets out the terms on which the Council allow the leaseholder to occupy the property. It sets out the respective rights and obligations of ourselves and the leaseholder. The lease is the main determining factor in relation to the way a property is managed and maintained.

We will ensure that any lease that is used is current and meets standard legal requirements and any requirements of Homes England. The lease will be reviewed every 3 years to take account of any changes required by Homes England and other case law particularly the First Tier Tribunal determinations.

3.1 Varying the Lease

We may consider varying a lease and consider requests from lessees to vary the terms of the lease for specific reasons. Variations are likely to be agreed where they are considered necessary and in the interest of both parties.

3.2 Breaches of Lease Conditions

Where a lessee breaches a condition(s) of their lease, we will request the leaseholder to remedy the breach. If the breach is not remedied, we may take enforcement action to ensure the breach is remedied, in most cases firstly via informal action, and if not successful, through formal action including legal remedies such as injunctions, possession action or forfeiture proceedings.

3.3 Assigning the lease

We will respond promptly to requests to assign a lease and will ensure any costs incurred are appropriate and reasonable.

3.4 Seeking landlord's permission

If a leaseholder requires our permission for something: typically to carry out an improvement, take in a lodger or sublet the property, we will respond promptly and ensure that any costs recharged are appropriate and reasonable.

4 Legal and regulatory frameworks

Leasehold Management is guided by a legal framework including case law, regulations, and sources of good practice. The primary legislation is the Commonhold and Leasehold Reform Act 2002. We will achieve our aims by working to the relevant legislation and guidance. We will ensure we follow best practice, and keep updated with any regulation and legislative guidance

The legislation relevant to the Leasehold Management Policy is complex and has been subject to change during the past years. The current key legislation includes:

The Landlord and Tenant Acts of 1985 and 1987
The Housing Act 1988
The Leasehold Reform, Housing and Urban Development Act 1993
The Housing Act 1996
The Commonhold and Leasehold Reform Act 2002.
The Housing Act 2004.

Other relevant legislation includes:

The Housing Act 1985 (as it affects the RTB, Preserved RTB and Right to Acquire)
The Property Misdescriptions Act 1991
The Consumer Protection Act 1987
The Law of Property Act 1925
The Unfair Terms in Contracts Regulations 1999.

The main documents and procedures associated with this policy are:

- leaseholder handbook
- right to buy procedures
- leaseholder arrears procedure
- S20 procedures (process for the right to consult on major works)

5 Key delivery of leaseholder policy and services

- The Income and Financial Inclusion Manager (IFM) has overall responsibility for the implementation of the Policy.
- Leaseholders will be directed to the service/team who have direct responsibility for the issue that is raised by leaseholders.
- For management issues the Leasehold Services Manager (LSM) will act as the main point of contact, providing support and training and ensuring all services work in close co-operation with each other to ensure a prompt and efficient service.
- Leasehold law and accompanying regulations and codes of practice are complex and subject to frequent change. The legal department of WLBC will provide the appropriate expertise to ensure that the policy and teams comply fully with legislation and are able to advise leaseholders accordingly.
- We will comply with all relevant legislation and the terms of individual leases whilst recognizing that legislation can take precedence over individual leases.

6 Information and Consultation

We will provide leaseholders with all relevant and necessary information including:

- A dedicated webpage
- An annual update which will include overall performance by WLBC and information about its activities in the communities where it works available on the website
- A Leaseholders' Handbook:

Every leaseholder will receive an individual service charge statement and we will make reasonable management and administration charges in accordance with the provisions of leases. We will aim to recoup actual costs wherever possible and will give leaseholders information on what the costs cover.

We will ensure that leaseholders are fully consulted in compliance with the Landlord and Tenant Act 1985 (s20) as amended by the Commonhold and Leasehold Reform Act 2002. This requires us to consult leaseholders on:

- Proposed major repairs or improvements for which they will be required to pay
- Proposed changes to contracts for long term services.

The consultation procedure will comply with the regulations and will give leaseholders the opportunity to comment on choices of contractor and the proposed works.

We shall make every effort to ensure that charges for works are reasonable and that the works are to a good standard.

In addition to the statutory requirement to consult, where possible, WLBC will consult and work with leaseholders to understand their needs and preferences, and to provide services that reflect this.

7 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.

8 Improvements & Repairs

WLBC is committed to maintaining its stock and has day to day, planned and cyclical programmes of repairs and improvements. When scoping works, decisions are based upon the long-term value for money in block maintenance regardless of the proportion of tenanted or leasehold properties.

All works undertaken will be in accordance with the terms of the lease and works which require Section 20 consultation will be dealt with in line with legislation.

9 Subletting

Leaseholders of properties bought under the Right to Buy can sub-let their property.

It is important that where leaseholders sub-let their property, the Council manage the arrangement to ensure that it gives due regard to other leaseholders/tenants in the building and that in the case of emergencies means the leaseholder can be contacted.

- This allows us to protect the interests of neighbours and other residents.
- Ensures that leaseholders know their responsibility as a landlord when they sub-let.
- Provides officers and leaseholders with a clear understanding of what is required so that the property can be properly managed for the benefit of the sub-letting leaseholder and their neighbours.

9.1 Sub-Letting information requirements

- Leaseholders will be required to supply details of their forwarding address and the details of their letting agent. This is to allow for contact in the case of emergencies for example leaks to neighbouring properties. This information will be stored and used when required.
- For leaseholders who sub-let we will advise about their responsibilities as landlord for meeting landlord and building compliance requirements eg gas servicing, energy performance certificate and any relevant statutory regulatory requirements for a landlord at the time.

9.2 Fees and charges

The Council will not charge a fee to those leaseholders who sub-let. By not charging a fee we believe that leaseholders will be encouraged to tell us they are sub-letting for the benefit of the Council and the residents of the area.

9.3 Uses of property

The property must not be used for short term lettings such as an Airbnb type arrangement as we may take legal action and re-charge the costs to the leaseholder. This is because our leases state that the property should only be used as a 'single private dwelling house'.

9.4 Storing of information

We will securely store details of leaseholders who are known to be sub-letting on the Council's relevant data system. The forwarding address and contact details will be used for all future correspondence. A review will be in place to ensure that we regularly contact all those sub-letting to ensure we have up-date details. We will also request that the Leaseholder supplies regular updates if there is a change in circumstances

10 Lease Extensions

Any agreement to extend a lease will comply with the relevant legislation, the Leasehold Reform, Housing and Urban Development Act 1993 (as amended), and good practice.

Should the legislation and guidance on extending leases change after the publication of this policy this document will be amended along with the website and handbook.

- a. Leaseholders have the statutory right to a lease extension providing they have owned their property for a minimum of 2 years. Whilst the legislation places restrictions on extending the lease depending on the type of property these restrictions do not apply to leasehold properties in management within WLBC.
- b. We will ensure that all leaseholders understand their rights to extend their lease through information in the handbook and on the website. We will also sign-post leaseholders to the Leasehold Advisory Service web-site www.lease-advice.org for further information on the process for extending a lease and the costs involved in the process.
- c. The statutory right to extending a lease is due to change following consultation. However, at the time of this policy, once the right to extend is exercised, the lease will be extended by a further 90 years with a 'peppercorn' (nil) ground rent.

- d. We will charge a reasonable fee for administering the process of the claim, and will follow the statutory process and adhere to the time scales provided for within the 'Act'.

11 Alterations/Improvements

We are supportive of leaseholders wishing to improve their homes.

Under the terms of the lease, leaseholders are required to obtain written consent from the Council to make any alterations or improvements.

The Council will be mindful of the extent to which any alteration or improvement impacts on other residents, the integrity of the building and the future management or the Council's repairing liabilities. Work should not commence until consent has been granted.

Leaseholders will not be given permission for any alterations or improvements that:-

- Make the property or part of the party dangerous or unstable.
 - Creates risk to the health and safety of others
 - Requires the purchase of land which is not defined within the leaseholder's lease agreement
 - Impacts on the structure or changes the appearance of the building or the shared or communal parts in any way.
 - Prevents light or air reaching other residents
 - Affects the legal right of other residents, for example right of way
 - Reduces access to other neighbouring properties
 - Invalidates the Council's building insurance
 - Makes maintaining the neighbouring properties more difficult or expensive
 - Is beyond the demise of the existing lease
- a. Any written consent given will be on the condition that the leaseholder has provided details of the proposed works and will be subject to meeting conditions, such as obtaining Planning Permission and/or Building Regulations.
- b. All requests to carry out an improvement must be in writing on our application form which is available on our website. The Council will aim to provide a response to the leaseholder within 30 days of receiving a completed application form either providing conditional consent or to refuse the application giving the reasons why.
- c. Retrospective permission for alterations is made where an improvement has been carried out and the leaseholder has failed to obtain consent beforehand. This may occur if a leaseholder wants to sell the property and the solicitor has identified that an alteration has been made to the property.
- d. The leaseholder will be required to make an application for Landlord's Consent (as a condition of the lease). In these circumstances the application will be administered by the same process as above although a higher administrative fee will be applied

When permission is refused

Where permission is refused this will be confirmed in writing with the reasons for the decision

- e. Where an application to carry out alterations or improvements has not been approved, and the development or conversion has already been carried out, the Council will require the leaseholder to re-instate the property or element back to its original condition at no cost to the Council. The Asset Management Team will be commissioned to confirm that the reinstatement has taken place and that it is to a satisfactory standard.

- f. Failure to re-instate the property or element to its original state, once instructed to do so by the Council, could result in a Court Order being sought against the leaseholder to do so and the possible forfeiture of the lease.
- g. A fee is charged for providing consent and where additional administration or inspections are carried out then a further fee may be charged. The fees ensure all costs incurred in issuing a License to Alter, Deed of Variation and solicitors' fees are adequately captured.

Where permission/consent is refused leaseholders will be advised of the Councils complaints process.

12 Service Charges

Service Charges are payable by Leaseholders to cover costs of services and to support the costs of delivering a service.

We aim to:

- develop a consistent approach to setting fair and reasonable service charges that cover the cost of the services delivered and which provide value for money
- ensure that all leaseholders are provided with details of the costs of services prior to purchase, together with details of how the charge is calculated.
- provide as accurate an assessment as possible of the service charge costs
- send individual leaseholders their service charges on time and in a clear format
- seek to procure services that achieve value for money and that are competitive
- provide leaseholders with as much notice as possible when exceptional charges are likely – exceptional charges being due to legislative changes
- operate a life-cycle cost based Advanced Payment Fund (APF) also known as a reserve fund charge to meet the costs of major work such as replacement of windows, roof, etc where the lease terms support this
- raise service charges in accordance with the lease agreement
- adhere to the legislation framework governing the operation of service charges and any good practice guidance
- recover all the reasonable costs of providing a service to leaseholders.

13 What is a Service Charge?

A service charge is a charge made to leaseholders by WLBC to cover the costs incurred in the upkeep of the communal parts of the property, for which all residents have a joint responsibility under the terms of their lease or share that responsibility with the Landlord WLBC.

Section 18 of the Landlord and Tenant Act 1985 defines a service charge as:
'an amount payable by a tenant of a dwelling as part of or in addition to rent (a) which is payable, directly or indirectly, for services, repairs, maintenance, improvements or insurance or the landlord's cost of management, and (b) the whole or part of which varies or may vary according to the relevant costs.'

Service charges are not limited to day-to-day services but can include costs for repairs and maintenance to the building, major works to the building or the communal areas of a block or estate. The following list provides an example of possible services, but is not exhaustive

:

- Caretaking
- Grounds maintenance
- Communal electricity supply
- Communal heating systems
- Door entry maintenance
- Fire risk assessments
- Responsive repairs to communal parts
- Management costs.
- Front doors (to meet fire regulation)
- Insurance

The lease sets out the leaseholder's obligations to pay service charges in addition to any other charges for example other costs, management fee, rent (where ground rent is charged). Service charges will be calculated as variable charges accompanied by statements of actual expenditure.

To ensure that we implement the service charges the Leaseholder Service Manager (LSM) and Income and Financial Manager (IFM) will work closely across teams to ensure that leaseholders pay for services that are of good quality and represent value for money. The LSM works closely with:

- The Finance Department in monitoring the expenditure and setting charges
- The Asset Management Team and Property services to ensure that WLBC's assets are maintained with quality and value for money as key considerations
- The Sundry debt team who bills, and recover the charges
- The Legal team who process enforcement work for non-payment of service charges

We will work closely with our leaseholders to ensure service charges are clearly explained, equitable, and in a format that takes account of individual leaseholders' needs and requirements.

The provision of services will only be considered where the lease allows, or we consider it to be reasonable and proportionate;

The following list provides an example of these services, but is not exhaustive

- Information on rights and responsibilities prior to sale.
- Monitoring service charge payments, offering various ways to pay and signposting to debt and money advice
- Liaising with solicitors and other interested parties, to provide information in relation to service charges and lease obligations
- To carry out estate inspections to monitor estate services and maintenance services
- To provide advice and support to leaseholders who experience Anti-Social Behaviour where they live.

14 Service Charges for Major Works

Where we propose works that will require the 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, we will consult on the proposed works.

This will be in accordance with provisions of the Commonhold and Leasehold Reform Act 2002 (known as a Section 20 consultation).

Sometimes the First Tier Tribunal (Property Chamber) can agree that consultation is not required.

Advanced Payment Funds (APF)/ Reserve Funds

We support the use of APF/reserve funds were confirmed in the lease, this enables provision to be made for high-cost items of anticipated future expenditure. We will aim to review Reserve funds every **5 years**.

15 Calculating, and accounting for service charges

All service charges will be based on either actual or estimated costs of providing the service.

An annual schedule of estimated service charge costs will be drawn up for each block in advance of the start of each financial year, based on the actual costs of the previous full financial year, plus any assumed inflationary costs and any local knowledge.

We will maintain comprehensive accounting records for each leaseholder who receives chargeable services. We will aim to produce an annual summary of accounts for each property by the end of September each year. Where actual costs in any accounting year exceed the income for the same period, the balance will be separately invoiced to the leaseholder.

Where actual costs in any accounting year are less than the income for the same period, the balance is credited to the individuals service charge account. Should a leaseholder request it this may be credited to the reserve fund contribution for that property

16 Apportionment of service charges

The leases set out the obligations in respect of the provision of services, and generally outline how the costs of the services will be apportioned between residents. Where there is no specific apportionment required by the lease, this will normally be applied on a pro-rata basis, based on the number of properties receiving the service (ie an equal split).

17 Placing of service contracts and ordering of supplies

We will aim to ensure that all service contracts, whether provided internally or externally, are cost effective and represent good value for money. New contracts are routinely subjected to competitive tendering, under our contract and procurement guidelines.

Contracts will be reviewed regularly to ensure that standards of service and cost effectiveness is being maintained. When possible, contracts will be procured across the organisation, to obtain potential discounts through economies of scale. Where required by law, the Council will consult with leaseholders over long-term (partnering) contracts that would impact on service charges.

18 Budgetary control

We have transparent and clear processes for monitoring expenditure and budgets are reviewed on a quarterly basis to ensure that expenditure is within the estimated budget and that areas of concern are identified early on.

If there is an anticipated overspend, we will notify leaseholders of the reasons why and the amounts in question. This will support Leaseholder to reassess their personal finances and to plan to increase the amount they will have to pay.

For Leaseholders who may experience financial hardship the Council will provide Money Advice

and can signpost to other relevant agencies for support.

The budget scrutiny process includes a detailed analysis of expenditure to identify emerging trends that require greater consideration, for example repeated expenditure on a particular repair when a replacement of the element might prove more cost effective.

19 Capital financing and depreciation – flats only. (Advance payment fund (APF) or reserve fund

The Council collects a contribution to an APF (reserve fund) . These reserve funds are to assist in meeting the costs of periodic replacement or renewals of major/key facilities, eg window replacement, roof replacement, and for the future redecoration of internal and external common parts including materials and scaffolding.

The amount held in the fund is not returned to the leaseholder when the property is sold. It is held on account for the benefit of the property.

Contributions for the APF are collected as part of the annual service charge but are identified separately. The contributions are based on the estimated life cycle costings for each major element. This is considered a good practice approach.

Where leaseholders are not charged based on life cycle due to previous legacy charging processes, we will continue to work with them so that charges are calculated using this method taking a phased approach. Contributions are accounted for on an individual basis and are calculated at block level.

Leaseholders will be provided with a yearly statement of the reserve funds held in respect of their property. Contributions will be held in a sub account and will be reviewed on an annual basis.

Any major works require the Council to consult with residents prior to commencement of works. Where there are insufficient funds available in the APF (reserve fund) at the time works are due the Council will invoice within the required timescales the difference. We will offer repayment options for the balance

20 Authorisation and approvals

The service charge accounting procedure ensures that payment to contractors in respect of major works and services will be subject to the organisation's financial procedures in terms of authorisation and approval levels.

All blocks paying a service charge receive a service charge account that will be subject to scrutiny and an internal audit by the Council's management accountant to certify that the accounts are correct and in line with the terms of the lease.

21 Legal framework for service charges

We will adhere to statutory requirements in delivering and charging services to our leaseholders and follow the relevant legal and regulatory frameworks. Service charges will comply with the provisions set out in the Landlord and Tenant Acts 1985 and 1987 (as amended)

We will provide leaseholders with a notice of rights with demands for payment as required under the Commonhold and Leasehold Reform Act 2002. Estimated service charges for Right to Buy (RTB) are governed by the Housing Act 1985 as amended and are covered within the Right to Buy process.

22 Major Works repayment options

To support leaseholders where there is a balance owing for major works following the deduction of monies held in the reserve fund (APF advanced payment fund) for the property, we will offer repayment options.

The Council recognises that it can be difficult for some leaseholders to meet the costs of major works bills which are invoiced and so the payment option, is in addition to that specified in the lease.

We want all leaseholders to be aware of their financial and contractual responsibility to contribute to the costs of major works carried out to their property and to have flexible options which provide them with reassurance ahead of any demands for payment.

Providing payment options will ensure maximisation of income towards the cost of the major works and minimises hardship where costs are substantial.

Where leaseholders are unable to pay charges for major works, we will work with them to make sure they can pay over the shortest possible period that is appropriate to their financial circumstances.

23 Limitation on Major Works Charges for new Right to Buy leases

During the first five years of Right to Buy major works are limited to the amounts detailed in the offer notice issued prior to purchase.

- The offer notice would have contained details of possible works and an estimate of the cost.
- The limitation applies to the sum listed plus an allowance for inflation.
- The offer notice details the maximum that can be charged.
- Any major works done outside this five-year period are fully rechargeable

24 Recovery of Monies for Major Works

Standard payment method

The standard and preferred method will be for payment to be made in full in accordance with the lease agreement and within 30 days of invoice, which will be issued within the required timescales and within 18 months of the completion of the works.

Only resident leaseholders who occupy their property as their principal home will be able to enter into extended payment agreements with the Council for major works.

Non-resident landlords who do not occupy the property themselves as their principal home will be required to settle the invoice in full, in line with the terms of the lease.

All leaseholders who pay in full within 30 days of invoice for major works may be entitled to receive a 5% discount.

Repayment Options

Depending on the value of the cost of the works the council will offer occupying leaseholders the option to meet the costs of their major works invoice interest free via an instalment plan. This must be agreed in advance and a Direct Debit payment set up for a monthly payment.

Repayment terms:

- Interest free periods of up to 12 months on major works invoices up to £1,000
- Interest free periods of up to 24 months on major works invoices up to £2,000
- Interest free periods of up to 36 months on major works invoices up to £3,000
- Interest free periods of up to 60 months on major works invoices up to £6,000
- Interest free periods of up to 120 months on major works invoices up to and over £10,000

If payment is not made

Once a payment plan has been agreed leaseholders will be expected to keep to the terms with regular monthly payments until the charge has been cleared in full, within the agreed period.

If the leaseholder does not keep to the payment plan as agreed, the Council will recover the debt in accordance with its arrears procedure including:

- Recovery action through small claims court Money Claims online (MCOL)
- Apply interest on the original invoice
- Seeking mortgagee's capitalisation of the debt
- Seeking a charge on the property via the courts
- Seeking forfeiture of the lease (following a decision of the First Tier Tribunal)

25 Financial hardship

- a. Where a leaseholder claims financial hardship, during the consultation, at issue of the invoice or during a standard payment plan, the Council will undertake an assessment of financial circumstances, including the ability to pay based on the options outlined above or to obtain and sustainably repay a private loan.
- b. Where the assessment demonstrates that the leaseholder is financially unable to undertake one of the standard payment methods, the Council may consider offering payment over an additional 24 months extended term depending on the amount repayable. This will be dependent on the financial circumstances of individuals, based on a review of income and expenditure. We may signpost leaseholders to our partners to provide this advice.
- c. The Council may also consider offering payment over an extended term in the form of interest-bearing loans, depending on the amount repayable. This may be considered and will require the Leaseholder to meet the criteria as set out in the Housing (Service Charge

Loans) Regulations 1992. Although this would be less favourable and leaseholders will be encouraged to take up the Council's offer of interest free repayment terms.

Discretionary Service Charge Loan

The Council may consider the offer of a discretionary loan, to help spread the cost of the repair work for more than the 12 years. However, this would require the Council putting a charge on the property as a security against the loan and the ability to charge fees to the leaseholder for setting up the loan which would be added to the loan.

Discretionary Reduction of Charges (England) 2014

'The Social Landlords Discretionary Reduction of Service Charges Directions 2014' give all Councils the discretion to reduce service charge in respect of works of repair, maintenance or improvement in cases of extreme hardship. Under this Direction the Council may waive or reduce service charges by an amount it considers to be reasonable. This also applies to service charges already demanded or already paid to permit a refund.

The Council will follow a formal decision-making process when considering, this is available on request should this discretion be used.

Voluntary Charge on the Property

Where a **resident** leaseholder cannot reasonably undertake the terms of the payment options or council loans, the Council may also consider adding the charge to the title of the property. This will usually apply to older residents or those with disabilities or long-term illness whose income or employment capacity is limited on a long-term basis. This charge would be the full cost of the works, plus rolled up interest and any legal costs and disbursements in administering the charge process. This would mean that the leaseholder would not be required to pay anything for the works until such time as the property is sold. All arrangements will be subject to an administration fee that will be included in the total recharge amount.

Should a property be sold by the leaseholder before major works have been paid for in full, any amount outstanding on the invoice will be payable in full upon sale completion.

We will only consider a voluntary charge for resident leaseholders

The Head of Housing must approve any application for a voluntary charge.

26 Disputes

If a leaseholder disputes the major work invoice (either on the grounds of quality of the works or the reasonableness of the charge) we will respond in accordance with our complaint's procedure.

If this is not resolved to the leaseholder's satisfaction the leaseholder has the right to proceed with action at their own expense to the First Tier Tribunal.

27 Buybacks

Each case will be dealt with on its merits but at this present time generally, the Council will not consider buying back a property.

This decision will be reviewed annually so that if the Council consider it of benefit in the future to have a buy-back policy this can be amended.

Repurchase will be entirely at the discretion of the Council and is not available as an open option to leaseholders.

28 Income recovery and debt management

Maximising the recovery of income to the organisation is a key business priority. This policy sets out the Council's approach for maximising income, preventing, and managing arrears and highlighting the support available to customers through a range of interventions and signposting to the Council's partners.

The key aims to recover income are to:

- deliver an efficient and effective approach to income management and debt recovery.
- provide all staff members involved in income management with the right skills, capacity, and resources to recover monies due.
- deliver a fair and consistent approach that reflects a commitment to creating sustainable ownership and which balances prevention support and recovery.
- continually strive to understand and improve our performance.
- ensure income is collected consistently and effectively from our Leaseholders, through an agreed debt recovery process
- provide an accessible and accountable service to support customers in various ways to pay any money due/owed. This includes direct debit, bank transfer, standing order, card payment via telephone or online via the self-service portal.
- support our customers who may find themselves in hardship, this includes use of the 'Entitled To' toolkit on the website in addition to money advice, budgeting support, Housing Benefit advice and Universal Credit support. This is supplemented, with the provision of the Major Works Repayment Options.
- We will aim for service charge statements to be available in digital format and will aim to provide similar services that are offered to Council tenants in terms of current balance statements with all recovery letters where available

To prevent arrears the Council will focus on new customers, i.e. those who exercise their Right to Buy and purchasers of existing leasehold flats. Formal discussions regarding ongoing financial commitments as a homeowner will be integral to the Right to Buy procedure and the pre-sale enquiry documentation on re-sales will be robust in detailing future service charges.

Prospective purchasers will be fully advised of the Council's requirements that:

- Service charge payments are made consistently and regularly
- Whilst support will be provided, non-payment of service charges is taken very seriously, and could lead to legal action and the loss of the home.

29 Recovering debt

Prior to legal action we will contact customers in a range of ways, by letter, text messaging, email, and telephone.

In addition to the recovery through the Sundry debt team, the Financial Inclusion team will also be available to provide advice and support in cases of exceptional hardship.

If customers fail to engage in payments or a payment plan, we will look take legal action to recover any debt owed.

30 Legal action

- The Council will always seek to assist the leaseholder and will seek legal action only as a last resort. We will seek to agree payment plans, but should all recovery efforts have been exhausted, action will be taken which may ultimately result in forfeiture of the lease.
- The legal team will support the escalation process that includes contacting the leaseholders mortgagee to request payment of the debt to avoid legal action being taken.
- Where there is no mortgagee or in circumstances where the mortgagee does not make payment of the debt the Council may obtain a county court money judgement and this cost will be passed on to the leaseholder.
- The Council may also take alternative action once the money judgement has been obtained for example where the leaseholders are in full time paid employment, and where appropriate we may seek to obtain an attachment of earnings order.

31 Major works debts

Major works charges are for larger repairs and maintenance works to communal areas and the fabric of the building, which might include roof works/replacement, window replacement to the block, brick or concrete repairs, redecoration, stair works and flooring, general works to communal areas, door entry systems and security etc

The Council recognises that it can be difficult for some leaseholders to meet the costs of major works bills and will offer payment options, in addition to those specified in the lease.

We will ensure that via the section 20 Consultation process of the costs of major works by means of a Notice of Proposals, so that these costs can be budgeted for and whilst we will annually increase the reserve fund (advanced payment fund) to meet these costs we recognise that when we invoice for the major works this is an estimate for the cost at that time, and so will provide leaseholders with options for payment as per 6.3 should they have insufficient funds in reserve.

Leaseholders will be provided with advice on how to pay the costs of major works with the invoice demand for payment.

A secondary account will be held for major works debts for reporting and income management purposes.

32 Performance Management

The Council continually strives to understand and improve performance. Leaseholder service charge collection will be monitored and recovery targets will be challenging, subject to regular review and contribute to ongoing improvement.

Leaseholders will be consulted should any changes be required on the following:

- The service charge accounting policy
- Any change in the provision of, or standard of, services
- Introduction of new services
- Removal of existing services
- Any proposed major works.

Where leaseholders have any positive or negative feedback with any aspect concerning the costs, charges or the actual service provided, the Council encourages feedback. This can be in any format, but preferably in writing. It will be acknowledged and responded to within 10 working days or sooner. Should a leaseholder be unhappy with our response, the issue may be progressed using:

WLBC's complaints procedure which is available on the website

The Independent Housing Ombudsman (IHO)– the IHO will not normally consider an issue until WLBC complaints procedure has been exhausted

First Tier Tribunal - Applications to the FTT can be made at any time without reference to WLBC.

Feedback about our service and the income management service, including comments, compliments and complaints, and meaningful satisfaction information is encouraged. Feedback will be used to help review and improve services.

33 Monitoring and Training

Regular monitoring will take place to ensure that we comply with this Policy. Updates will be made to the Management Team to enable it to monitor progress against agreed targets and performance indicators and to agree any remedial action or revisions to the policy or procedures.

Performance reporting will be co-ordinated by the Income and Financial Inclusion Manager who will develop performance indicators specifically for leasehold management in line with good practice.

The Leasehold Service Manager and Income and Financial Inclusion Manager will work closely with the neighbourhood teams/asset management, legal and sundry debt teams to monitor the service provision through agreed key performance indicators.

We will benchmark service quality and provision using benchmarking organisations such as Housemark and Housing Quality Network.

34 Equal opportunities and diversity

This policy takes account of the Council's equality statement

We recognise that people who provide and use our services come from diverse backgrounds and have different experiences and needs. We value this diversity and the ways in which it contributes to the richness of life and character of our community.

A full version of our statement is available on the website.

35 Review

The Leasehold Management Policy and accompanying procedures will be reviewed every 3 years by the Leasehold Service Manager along with the teams delivering the services.

This policy will be updated in response to changes in legislation, regulatory guidance, good practice or changes in other relevant Council policy

Major changes will be implemented after consultation with leaseholders.

Approved by: Fiona Graham Head of Housing
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Effective date: June 2022

Review date: June 2025

Policy developed by: Jane Maguire/Legal services
