Leasehold Management Policy

Policy Owner	Service Charge Manager
Version	V1
Frequency of Review	3 Yearly
Date Document Last Reviewed	July 2025
Date of Next Review	July 2028
Equality Impact Assessment Required / Completed	n/a
Data Impact Assessment Required / Completed	Not required as the policy does not involve any notable changes to the way in which Cottsway process personal data.
Reviewed By	Customers/ Head of Service / Service Charge Manager/
Approved By	Deputy Chief Executive – 15/09/2025

1. Policy Statement

1.1 This Policy sets out our approach to Leasehold Management and how we meet our responsibilities to leaseholders under the terms of their leases.

1.2 This Policy is predominantly intended for Shared Owners and Leaseholders, but where we provide some services to Freeholders, relevant parts will apply.

1.3 For the purposes of this policy the lease will take precedent in all matters.

2. Definitions

- Leaseholder includes leaseholders, lessees and shared owners
- Freeholder includes freeholders and lessors.
- Shared Ownership – Is a low-cost home ownership scheme which allows purchasers to buy a share of a property and rent the remainder subject to a lease.

3. Policy Scope and Objectives

3.1. This document outlines our approach to leasehold management. It applies to all properties occupied under a leasehold agreement but also to freeholders where services are provided. The main objectives of this policy are:

- To enable Cottsway to comply within the law and, in particular, to leasehold covenant and lease obligations in delivering professional services
- To consult effectively with leaseholders on matters that affect their properties and the communal services provided to them under the terms of their lease, including the provision of information and advice within reasonable or legally required timescales

- To ensure that leaseholders are aware of and comply with the terms and conditions of their individual leases
- To deliver services and improvements which represent value for money

3.2. The policy applies to customers with long leases (21 years or more at commencement) and who are leaseholders in the following circumstances:

- Customers who have exercised the Right to Buy or Right to Acquire their home
- Customers who have purchased a home that was previously acquired through the Right to Buy or Right to Acquire process
- Customers who have purchased a home on a shared ownership basis including those who have stair-cased out to full ownership where the Freeholders have an obligation to pay for services we provide
- Customers who have purchased a leasehold property outright
- Freehold Owners who have an obligation to pay for services we provide

4. Regulatory and Legal Considerations

4.1 Leasehold Management is guided by a legal framework including case law, regulations, and sources of good practice.

- Landlord & Tenant Act 1985 and 1987
- The Commonhold and Leasehold Reform Act 2002
- Building Safety Act 2022
- Leasehold and Reform Act 2024
- Limitation Act 1980
- Law of Property Act 1925
- NHF Service Charges and Rent Charges: a guide for social housing landlords

5. Stakeholder Consultation

5.1 This policy was developed in consultation with customers who receive services through this policy and key internal stakeholders at Cottsway including Housing Management and Assets Teams.

6. Policy Details

Leaseholder Consultation

6.1. We will consult with leaseholders where their liability for payment exceeds that prescribed in law. We will comply with Legislation in consulting with leaseholders about their liability for the cost of repairs and improvements and in accordance with the terms of individual leases.

6.2. Works which fall within the relevant sections of the Landlord and Tenant Act 1985 as amended by the Commonhold and Leasehold Reform Act 2002. As follows:-

- Carry out work which will cost any one leaseholder more than £250. This includes repairs, maintenance and improvements to the building and estate.
- Enter into a long-term agreement (for more than 12 months) with outside contractors for work, supplies or services which will cost any one leaseholder more than £100 a year. Examples include cleaning, grounds maintenance and surveying.
- Carry out work under a long-term agreement where the work will cost any one leaseholder more than £250.

Cost of Major Works (including Structural Works)

6.3 We will aim to ensure that the costs of any major works which may be required represent value for money and comply with relevant legislation.

6.4 We will recover from leaseholders all monies due from them towards costs of major works in accordance with lease terms and legislation.

6.5 We will, but not obliged to, explore with the leaseholder alternative repayment mechanisms for meeting the costs of major works for which they are liable.

Service Charges

6.6 Leaseholders will be provided with an estimated annual service charge statement detailing the estimated charges for the forthcoming financial year.

6.7 Independently audited statements will be sent to leaseholders within six months of the billing-period year end.

6.8 Service Charges will be billed and are payable in accordance with the terms set out in the lease.

Buildings Insurance

6.9 We will Insure the premises to their full reinstatement value and provide to leaseholders' details of the sums insured, perils covered and premiums.

6.10 Leaseholders will be billed annually for the costs of the buildings insurance is payable in accordance of the terms of the lease.

Sinking Funds

6.11 We will hold all funds in a separately analysed reserve record and any Sinking Funds will earn interest for the time held. The sinking fund will be included within the annual statements, which will confirm any accrued amount.

Ground Rent

6.12 Where ground rent may be payable, it is payable in accordance with the terms of the lease.

Breaches of the lease

6.13 Where we become aware of a possible breach in lease covenants, we will investigate. We will ask the leaseholder, as the responsible person, to remedy the breach. If this fails legal action may be considered in the form of:

- obtaining a County Court Judgement, which will affect a leaseholder's credit rating,
- an Attachment of Earnings,
- a Charging Order on the property, which will affect the leaseholders credit rating
- Contact to their mortgage company to request payment of the outstanding charges, which could then be added onto the active mortgage account.

6.14 Such breaches may include, but are not limited to:

- Unapproved works;
- Unauthorised subletting;
- Failure to maintain, or damage caused to, premises;
- Refusal of access to Cottsway staff;
- Harassment or other neighbour nuisance;
- Unpaid ground rent, rent or service charges.

7 Home Improvements

7.1. We are supportive of leaseholders who wish to improve their homes. Leaseholders are required to seek permission from Cottsway for alterations or home improvements that affect the building. If permission is not granted, we will explain why.

7.2. All landlord permissions are subject to an administration fee. If the lease does not prescribe a mechanism for a charge, our standard leasehold administration fees will apply.

8 Equality, Diversity and Inclusion

8.1. In applying this policy, we will ensure that no person or group of persons will be treated less favourably than another person or group of persons because of race, colour, ethnic or national origin, religion, sex, gender, gender identity, gender presentation, physical disability, or sexual preference

8.2. We do adapt our services to accommodate individual requests for information e.g Language Line, documents in a larger print format, offer in person meetings.

8.3. Our website meets accessibility standards for all published documents

9. Review

9.1. The review period for this policy is every 3 years, subject to any changes in legislation or regulation and/or recommendations by the Audit and Risk Committee and the business which may trigger an earlier review.

10. Associated Documents Policies and Procedures

- Estate Management Policy
- Feedback and Complaints Policy
- Income Recovery Policy
- Anti-social Behaviour Policy
- Service Charge Policy
- Customer Charter
- Equality, Diversity and Inclusion Policy
- Lease Agreements

List of changes

Date	Change
July 2025	Implementation of new policy template.
July 2025	Policy statement refreshed to make clear who the policy applies to
July 2025	Policy objectives and policy detail updated to better reflect what the policy is aiming to achieve