



Leaseholder Policy

Date Policy Effective From:	8 November 2024
Date of Last Revision:	23 June 2020
Approved by:	Finance and Investment Committee
Date Approved:	7 November 2024
Equality and Vulnerability Impact Assessed:	25 October 2024
Date of Next Review:	8 November 2027

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1.0 Introduction

1.1 The Leaseholder Policy sets out the service provision we offer to leaseholders.

2.0 Purpose

2.1 This policy is intended to outline the commitments we make to our leaseholders.

3.0 Principles

3.1 The principles underpinning this policy are aligned to our values of trust, respect, innovate and working together.

- **Trust** –
We build trust by treating leaseholders with fairness and consistency and take their views into account.
- **Respect** –
We listen to leaseholders, treat them as individuals and respond to their needs in a fair, respectful and caring way.
- **Innovate** –
We will use our data to adapt our services to meet leaseholder needs.
- **Work together** –
We will work well and collaborate with teams and our partners to understand leaseholder needs to deliver services in a joined-up way.

3.2 We are committed to meeting our responsibilities to leaseholders under the terms of their leases.

3.3 We will comply at all times with legislation, regulation and continue to monitor and scrutinise our services.

4.0 Definitions

4.1 The key terms used in this policy are defined below.

Leaseholder	A customer who has bought the right to live in a property for a fixed number of years. Although the term is fixed at the start, it decreases every year until it expires, and the ownership of the property returns to us.
Lease	Contract between the landlord and the leaseholder. It sets out the respective rights and responsibilities of each party. The lease is a legally binding contract and enforceable by law. Current legislation may override parts of the lease.
Service Charge	Payment made by leaseholder towards the cost of providing and maintaining additional services and benefits provided for them beyond the benefit of enjoying occupation of their home. These charges are not included in the normal rent charge.
Variable service charge	<p>Method whereby charges can be changed annually with the estimated cost being set at the beginning of the financial year.</p> <p>The main effect of variable service charges is that any surpluses or deficits can be carried forward when determining the following year's charges. Any over / under recovery of costs will be either recouped or offset against future year's charges.</p>

5.0 Scope

5.1 This policy is relevant to all leaseholders.

6.0 Contribution to Plan A

6.1 Our Plan A 2022-25 business strategy has six complementary, joined-up delivery strategies focussing sustainable delivery actions within our communities and places.

6.2 The charging of service charges and consideration of leaseholders under S20 notices for capital works supports our strategy of Providing Quality Sustainable Homes especially in relation to maintaining high levels of compliance and building safety and delivering investment programmes.

6.3 Engagement on this policy supports the key strategic objective of delivering an effective framework for tenants to engage and influence that is meaningful, open and honest to continuously improve services.

7.0 Legislative and regulatory framework

7.1 Relevant legislation:

- Landlord and Tenant Act 1985 (as amended by the Commonhold & Leasehold Reform Act 2002)
- Regulator of Social Housing: Consumer Standards 2024
 - Safety and Quality Standard
 - Transparency, Influence and Accountability
- Housing and Planning act 2014
- Regulatory Reform (fire Safety) Order 2005 as amended
- Building Safety Act 2022

8.0 Policy statements

8.1 We commit to:

- Meet the responsibilities to leaseholders under the terms of their lease.
- Ensure service charges reflect the actual costs of providing services and are calculated and charged in accordance with the terms of individual leases and in accordance with legislation.
- Ensure major works charges reflect the actual costs of carrying out the work.
- Seek to involve leaseholders, where appropriate, in the development of and review of policies and service standards which affect the management of their homes.
- Comply with legal requirement to consult with leaseholders on any major works programmes where they are required to make a contribution.
- Comply with statutory responsibility to consult with leaseholders when entering into long term contracts, or when implementing new services, that attract a service charge that exceeds £100 per leaseholder in any one year.

- Collect from leaseholders all monies due from them under the terms of their leases; offer support, advice and information to anyone having difficulty in making payment; and repay all monies and refunds due to leaseholders (using the annual adjustment to variable service charges method where appropriate).
- Make records including supplier invoices, statements and demands for service charge payments available to leaseholders for inspection upon request.
- Provide a summary of rights and obligations of leaseholders relating to service charges when sending demands for payment in line with statutory requirements.
- Allow leaseholders to pay their annual charge either in advance, or monthly in equal instalments.

Breaches of the lease

8.2 We will take appropriate action whenever we become aware that a leaseholder is acting in breach of the terms of their lease, which may include:

- Unapproved works to the home or building
- Improper use of the home or building
- Failure to maintain, or damage to the premises
- Refusal of access to our staff and/or their agents
- Anti-social behaviour including harassment or neighbour nuisance
- Non-payment of rent and or service charge

8.3 We will work with the leaseholder to resolve the issue, however, if the breach continues legal action could be taken which may include seeking an injunction, or action for the forfeiture of their lease.

Service Charges

8.4. A service charge is an additional charge payable towards providing and maintaining additional services and benefits provided beyond the benefit of enjoying occupation of their home. These charges are stated in the lease agreement or introduced following S20 notices. They generally cover services to communal areas such as, but not limited to, communal cleaning, maintenance of door entry systems, communal heating and lighting, replacement of communal fixtures and fitting, provision of communal laundry equipment, repair and maintenance of the fabric of the building and common areas.

Variable service charges method

- 8.5. We adopt a variable service charge method, amending the charges each year for forecast costs. This also includes an adjustment for previous years actual costs incurred (once they are known) compared to the forecast costs we charged.
- 8.6. We will estimate an annual increase in variable service charges provided based on current costs, level of service and estimated or, if known, actual price increases applied by suppliers.
- 8.7. Variable service charges are adjusted over a three year period as follows:
- Year 1 costs - invoice based on estimated costs
 - Year 2 costs - invoice based on estimated costs
 - Year 3 costs - invoice based on estimated costs for Year 3, plus or minus adjustment for actual Year 1 costs.
- 8.8. We will inform leaseholders of any increase or decrease to their service charge in their annual service charge statement.
- 8.9. We will only adjust service charges once in any financial year (1st April), unless any of the following circumstances apply;
- a customer was incorrectly charged for a service charge they do not have access to;
 - a new service is introduced; or
 - an existing service is permanently withdrawn.
- 8.10. Any changes in the service charge mid-year due to suppliers costs, level/scope of service or actual price increases will be corrected in future years adopting the variable service charge method.
- 8.11. When a service is permanently withdrawn we will adjust the charge in year from the date the service ceases.
- 8.12. When a service is only temporarily suspended, we will not adjust the service charge during the year as any under/over charge will be adjusted in future years' under the variable service charges method.
- 8.13. We will spread the replacement cost of communal fixtures and fittings across the 'life expectancy' of the products and will be charged as 'Provision of equipment' on the service charge statement. The aim is to recover the cost of the fixture or fitting evenly over the expected life and not as a one-off service charge in the year of purchase. There will be no refunds for this charge if a leaseholder assigns their lease before the communal fixture or fitting is replaced.

- 8.14. We will charge an administration fee of 10% of the service charges payable for that individual property.
- 8.15. We will charge leaseholder's service charges in accordance with their individual lease and access to services whether they choose to use them or not.
- 8.16. We will not hold service charge income in designated separate client accounts, under the exemption allowed to registered providers of social housing.

Service Charge statements and demands

- 8.17. We will send leaseholders their service charges statement annually and produced in accordance with their lease agreement or other legal requirements. This will be at least one month before the start of the financial year; so that leaseholders are aware of any proposed changes in service or service charge levels, and can plan their finances accordingly.
- 8.18. We will ensure that leaseholders are sent a Notice of Ground Rent demand no less than thirty days before and no more than sixty days after the day the ground rent is due to be paid.
- 8.19. We will provide a breakdown of how the annual service charge is calculated and any under and/or over-spend on the previous year will be transferred to the current year's charge in accordance with the variable service charges method.

Service charge arrears

- 8.20. We will send leaseholders details of their service charge accounts annually. Any leaseholder who falls behind with payments will be contacted promptly and appropriate action for arrears recovery will be taken in accordance with income recovery procedures.
- 8.21. We will be responsible in taking debt collection action and where appropriate support customers by referring to partnering organisations that provide debt advice including welfare benefits and debt counselling.
- 8.22. Where we are satisfied that appropriate courses of recovery action have been taken and service charges remain unpaid, legal proceedings will be considered. A number of legal measures would be considered for persistent failure to pay service charges including forfeiture (possession) in accordance with the lease.

Major works costs

- 8.23. We will involve leaseholders in all major work programmes that affect them in accordance with our statutory responsibility to consult when letting certain contracts. Leaseholders may be consulted in the choosing of contractors, materials, colours and finishes, where it is appropriate for them to do so, and will always be consulted where required under section 20 of the Landlord and Tenant Act 1985 (as amended by the Commonhold & Leasehold Reform Act 2002).
- 8.24. We are responsible for maintenance of the communal and structural parts of the building and communal parts of estates.
- 8.25. Leaseholders will be required under the terms of their lease to pay a proportion of the costs of the upkeep and repair of the communal areas. This will include relevant and reasonable project management charges.
- 8.26. Leaseholders will not be able to opt out of structural works unless we are satisfied that the works have already been done to a satisfactory standard. If we deem the work a necessary improvement to the buildings fire protective measures, then appropriate remediation works must take place.
- 8.27. We will provide leaseholders with full details of the proposed works in accordance with statutory requirements, including estimates for the total cost of the works and estimates for the individual leasehold contributions before the works commence.
- 8.28. Following initial consultation, if additional works are identified when the contractor is on site, it will be our responsibility to ensure that all leaseholders are advised/consulted. Any additional charges will be discussed prior to the invoice being issued.
- 8.29. We will aim to recover from leaseholders all the money due from them towards the cost of major works in accordance with the terms of the lease agreement and relevant legislation.
- 8.30. Major works repayment options are available for actual bills which contain large costs for repairs and maintenance or major works/ improvements.
- 8.31. In accordance with the Accounts Receivable policy, major works invoices that exceed £1,200 can be repaid as follows:
- Within 30 days
 - With minimum monthly payments of £100
 - Over a period of 60 months (but not less than £100 per month).

Alterations or improvements

- 8.32 The nature of permitted alterations and improvements to leasehold properties will be set out in the lease.
- 8.33 Any leaseholder wishing to carry out improvements to their home must submit full details of the proposed works. Each request will be looked at on its own merit and we will formally respond to the request.
- 8.34 Planning and Building control regulations will need to be obtained and paid for by the leaseholder where applicable if the alteration is approved.

Overpayments

- 8.35 All overpayments of service charges by leaseholders will be automatically transferred to the next financial year in accordance with our variable service charges method.
- 8.36 Any overpayment for Major works will first be offset against any other debt owed to us by the leaseholder, with any remaining overpayment being refunded.
- 8.37 If leaseholders sell their interest in their leasehold property before the end of the financial year then a refund of any appropriate balance will be provided, after taking into account any possible underpayment of current year's actual costs once they are known.

Buildings insurance

- 8.38 Under the terms of their lease agreement with us, leaseholders should take out buildings insurance.
- 8.39 Where a leaseholder takes out their own buildings insurance they must forward a copy of the policy to accountsreceivable@livin.co.uk. If proof is not provided two months after the renewal date, the leaseholder will be included on our insurance policy cover and charged an insurance premium.
- 8.40 We will send to leaseholders who pay us a buildings insurance service charge:
- The name of the insurer
 - A copy of the policy
 - Details of any other quotes received
 - The annual premium and sum insured

- Details of who arranged the insurance and any fees they received (these details are required as part of the Financial Conduct Authority's multi-occupancy building insurance policy statement - PS23/14)

Subletting

- 8.41 Under the terms of the lease, leaseholders can sub-let their property without landlord permission. However, if the leaseholder has a mortgage it may be a requirement of the lender that the property is not rented out.
- 8.42 Breaches of the lease between the landlord and the leaseholder whether caused by the leaseholder, by their sub-tenant or by any visitors to the property will result in legal action being taken against the leaseholder not the sub-letting tenants.
- 8.43 Leaseholders must ensure they update us of their relevant current information (including correspondence address) when they sub-let their leasehold property.

Customer Data and voice

- 8.44 We commit to make the best use of data and to engage leaseholders in the ongoing development, implementation and monitoring of the policy and its associated interventions.
- 8.45 We will respect leaseholders privacy and any information we hold will be in accordance with our Customer Privacy Notice.

Accessing Services

- 8.28. To ensure leaseholders can access services we will:
- Monitor and use service access data, including service access by protected characteristic, to ensure leaseholders can access and receive services in a fair and equitable way
 - Work with leaseholders to find and agree the most suitable way to ensure equal access to services. This might include the leaseholder appointing a trusted representative or advocate, providing information in alternative formats, or using our translation and interpretation services.

Service Standards and Performance

- 8.46 We will always be polite and treat customers with fairness and respect and we will maintain high performance standards in relation to tenant satisfaction in this area.

- 8.47 We will maintain high levels of customer data integrity, safely keep accurate records on protected characteristics and vulnerabilities, and use these to make reasonable adjustments to meet your needs.
- 8.48 We will monitor the condition of our communal areas on a quarterly basis to ensure and safety and quality standards are upheld.
- 8.49 We will carry out fire risk assessments on internal communal areas annually.
- 8.50 We will test smoke alarms located in internal communal areas quarterly.
- 8.51 We will provide leaseholders with accurate and timely information about the services they receive, the cost and the amount due in service charge payments.
- 8.52 We will report our performance against service standards to customers on our website and provide accessible options to customers can use this information

Diverse Needs

- 8.53 Where there is an identified need or vulnerability, we will work with the leaseholder to understand how this affects their access to services, then find and agree reasonable and practical ways of adapting our services to meet their needs.
- 8.54 This policy will have an accompanying Equality and Vulnerability Impact Assessment prior to approval every 3 years. Any known relevant vulnerabilities will be identified, and we will set out how services can be adapted.

Communication

- 8.55 We are committed to the provision of seamless, responsive and convenient services and as such are a digital first organisation. We advocate encourage and support our leaseholders to engage with us via the most efficient and effective method, suitable to their needs, and will assist tenants or their advocates to engage with us digitally. Digital copies of this policy and related guidance are available on our website and hardcopies are available to any leaseholders who may not be able to access services digitally, on request.
- 8.56 We will send leaseholders details of their service charges annually and produced in accordance with their lease agreement and/or other legal requirements.

Complaints and feedback

- 8.57 In line with the Customer Complaints, Compliments and Feedback Policy, we will work with customers who have specific needs and vulnerabilities to make sure they can access the service, have their views listened to and receive their complaint response in a way that meets their needs.
- 8.58 Customers can provide feedback about the services they have received in respect of this policy. If a customer is dissatisfied with the service they have received from us, they can make a complaint to us in line with our Complaints, Compliments and Feedback Policy.

We define a complaint as:

'Any expression of dissatisfaction, however made, about the standard of service, actions or lack of action by the organisation, our own employees, or those acting on our behalf, affecting a resident or group of residents.'

- 8.59 Initial queries relating to the allocation and calculation of charges will be investigated by us to ensure lease agreement and policies have been followed.
- 8.60 If a leaseholder is not satisfied with the response they have the right to appeal to the First-Tier Tribunal (Property Chamber) if they believe that the allocation or calculation of these services are unreasonable or not relevant.
- 8.61 Complaints relating to the quality of service a leaseholder has received will be dealt with under our Complaints, Compliments and Feedback Policy.

9.0 Roles and responsibilities

9.1 Roles and responsibilities under this policy are outlined below.

Finance and Investment Committee	Review and approval of policy.
Executive Director of Finance and Investment	<p>Has overall responsibility for maintenance of this policy.</p> <p>Will ensure suitably qualified professionals (either as employees or as consultants) are employed to comply with UK and relevant international tax law.</p>
Strategic Head of Finance	Has operational responsibility for this policy.
Finance team	<p>Provide day to day support to leaseholders with their queries.</p> <p>Annually calculate the service charges for the year along with any under/over charge for the previous year. Produce annual statements and invoices for leaseholders.</p> <p>Monitor outstanding balances on leaseholders accounts and take necessary action.</p>

10.0 Related policies and procedures

10.1 This policy should be read in conjunction with the following documents:

Type of assurance	Key source	Frequency
Management assurance	Budget control review (internal)	Monthly
	Leaseholder / Service charge calculations	Annually
	Performance Metrics: Agreement that the landlord treats tenants with fairness and respect (internal customer satisfaction surveys)	Quarterly
	Agreement that the landlord treats tenants with fairness and respect (TSM)	Annually
Corporate Oversight	Management Accounts (Finance and Investment Committee)	Quarterly
Independent assurance	Internal Audit	Periodic