

## Leasehold Management Policy

### 1.0 Purpose of policy

- 1.1 Karbon Homes' Leasehold Management Policy sets out a framework for an efficient, customer-focussed service which offers value for money. This service will comply with the law and with standards of good practice as they apply to the management of leasehold properties in the social housing sector.
- 1.2 Karbon Homes provides services for several types of leasehold property, including:
- Shared Ownership (assured)
  - Shared Ownership (secure)
  - Do it Yourself Shared Ownership
  - Leasehold for the Elderly
  - Subsidised Ownership for the Elderly
  - Shared Ownership for the Elderly
  - Subsidised Ownership
  - Improvement for Sale
  - The Right to Buy
  - The Right to Acquire
  - HOLD.
  - Agency Management (e.g. Alexandra Way).
  - Commercial Units

### 2.0 Objectives

- 2.1 This policy ensures that Karbon Homes:
- 2.2 To treat leaseholders as customers, offering high quality services which represent value for money. Karbon Homes recognises that it shares long term interests with its leaseholders for the upkeep of properties and the surrounding environment. We will offer opportunities for leaseholder involvement and feedback for services provided to them by Karbon Homes.
- 2.3 To comply with all relevant legislation, regulatory guidance, and Codes of Practice, and to learn from examples of good practice.
- 2.4 To communicate clearly with leaseholders by providing accurate, timely information and advice.

- 2.5 To comply with requirements to consult with leaseholders over the provision of services and in advance of any improvement or major repairs programmes.
- 2.6 To take an association-wide approach to leasehold management.

### **3.0 Policy detail**

- 3.1 Leasehold law and accompanying regulations and codes of practice are complex and subject to frequent change. Karbon Homes will engage legal advisers with the appropriate expertise to ensure that Karbon Homes complies fully with the legislation and is able to advise leaseholders accordingly.
- 3.2 Karbon Homes will comply with all relevant legislation and the terms of individual leases, whilst recognising that legislation takes precedence over individual leases.
- 3.3 Where leases permit advance payments of service charges to fund future major repairs, these will be held in trust in a separate sinking fund. The technical and finance teams within Karbon Homes will work closely together to ensure proper management of these funds.
- 3.4 Karbon Homes will make reasonable management and administration charges in accordance with the provisions of leases in an Administration Fee. We aim to recoup actual costs wherever possible, and will give leaseholders information on what the costs cover. A summary of services covered by the Administration Fee will be made available to all leaseholders.
- 3.5 Section 20 of the Landlord and Tenant Act 1985 imposes a requirement on Karbon Homes to consult with Leaseholders in respect of qualifying works (e.g. where leaseholder's contribution is in excess of £250 p.a.) or a qualifying long term agreements (ones entered into by the landlord for a period in excess of 12 months which result in a contribution of a leaseholder in a year is in excess of £100).
- 3.6 We will only charge for any works set out in a consultation notice, plus inflation. Leaseholders will not be required to pay for the works until work is completed and we have sent an invoice.
- 3.7 Karbon Homes aims to provide its leaseholders with value for money from all its services. Karbon Homes will make every effort to ensure that charges for works are reasonable and the works are to a good standard.
- 3.8 Leaseholders will be informed that they have the right to appeal using the Karbon Homes' complaints procedures if they are not satisfied with the 'reasonableness' of the works or charges. If a complaint is received, Leaseholders will also be informed that they have the right to apply to the First Tier Tribunal if they are not satisfied with Karbon Homes' response.
- 3.9 Karbon Homes will offer leaseholders the opportunity to get involved in decisions about how services are run and the standards of those services.

## 4.0 Arrears management

4.1 Karbon Homes aims to minimise the amount of arrears owed by leaseholders, and ensure leaseholders have the information and support they need to maximise their income and prevent or minimise their debt.

4.2 To achieve these aims Karbon Homes will:

- keep the level of arrears to a minimum in order to maximise income in the interest of both Karbon Homes and its tenants and leaseholders.
- ensure that all service charges are calculated correctly in accordance with the law and all leaseholders are provided with the Management Statement.
- make it easy for leaseholders to pay their charges by having a wide variety of payment methods.
- offer leaseholders affordable payment plans to enable them to pay arrears (in addition to their service charge payable) in stages over a period of time.
- prevent arrears by giving good advice on debt management and by promoting the take up of available benefits.
- treat all leaseholders fairly, and to act lawfully.
- expect leaseholders to meet their obligation to pay the current service charge and to work with others to assist them to pay their charges or obtain welfare benefits.
- make early personal contact with every leaseholder in arrears and make regular personal contact if arrears persist.
- work in partnership with organisations that can assist with financial advice where genuine difficulties exist.
- ensure that leaseholders disputes are resolved speedily and that the leaseholder agrees the charges due.
- start legal action, or action in the First Tribunal, promptly when appropriate to protect the landlord against further debt and seek to minimise individual debt.
- approach mortgage lenders as appropriate when arrears persist.

### 4.3 Commercial Rent Arrears Recovery

Commercial properties are rented under lease and the tenancies are primarily managed by the Specialist Housing Team. We aim to prevent arrears arising on commercial accounts and to reduce the level of any existing arrears. We will make it clear to all commercial tenants that non-payment of rent and/or charges is unacceptable and that recovery action will be taken if their obligations are not met.

We will ensure that all reasonable attempts to recover debts are made and will encourage regular payments.

We will ask customers for payment in full to clear outstanding balances. However, customers will be given an opportunity to negotiate an agreed repayment plan before action is taken where full payment cannot be made.

## **5.0 Monitoring and Review**

This policy will be reviewed every 3 years unless there are significant changes to legislation or regulatory requirements.

## **6.0 Equality and Diversity**

6.1 This policy is implemented in line with Karbon Homes Equality and Diversity Policy and associated legislation. Consideration will be given to all protected characteristics under the Equality Act 2010 to eliminate discrimination, advance equality of opportunity and foster good relations.

6.2 This policy and associated documents are available in different languages and alternative formats where necessary.

## **7.0 Data Protection and Privacy**

7.1 Karbon Homes has a clear policy on data protection and sharing data with other partners/outside agencies under the requirements of the Data Protection Act 1998. This is clearly set out in Karbon Homes Data Management Policy which, along with the supporting Data Management Guidelines, must be followed throughout the operation of this policy.