karbon group

Providing a strong foundation for life.

LEASEHOLD MANAGEMENT POLICY

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Leasehold Management Policy

Responsible Officer	Executive Director of Customer Services
This policy is applicable to	Karbon Group
Policy version	3
Date this version implemented	June 2026
Date of next review	June 2031

Policy Statement

The Karbon Group is committed to providing excellent standards of service to its customers.

Leasehold management covers the range of services provided by the Group to those who occupy a property on a leasehold basis, where the Group is the freeholder or managing agent.

The Group recognises that it shares long term interests with its leaseholders for the upkeep of properties and the surrounding environment.

Risk the policy is designed to control

Health & Safety - Risk of failure by the Group to take all reasonable health and safety measures leading to serious injury or loss of life

Governance & Compliance – Failure to comply with statutory and regulatory requirements and failure in the arrangements for managing the organisation at the highest level

Key performance measures

None

Definitions

Leasehold Management	Covers the range of services provided by the Group to those who occupy property on a leasehold basis, where the Group is the freeholder or Managing Agent.
Shared Ownership	Is a scheme to help people become home owners who cannot afford to buy a home on the open market. Through Shared Ownership people can buy a share in the property and pay rent on the remaining share.

New Model Shared Ownership	Is the same type of scheme as defined above however only applies to schemes funded by the Affordable Housing Programme from 2021-2026 onwards. A new form of lease applies to these properties and the detailed requirements of managing these leases is detailed in the New Model Shared Ownership Policy.
Do it Yourself Shared Ownership (DIYSO)	Is based on the standard Shared Ownership Scheme, the main difference being that it was available for purchase of properties (within certain financial limits) available on the open market.
Leasehold for the Elderly	Is a Government funded scheme designed for those who are retired or nearing retirement.
Subsidised Ownership for the Elderly	Is based on the standard Leasehold for the Elderly Scheme, the main difference being that the schemes did not receive Government funding.
Shared Ownership for the Elderly	Is based on the standard Leasehold for the Elderly Scheme, the main difference being that the owner can choose the size of the share they purchase.
Subsidised Ownership	Is similar to Shared Ownership, the main difference being that the “owner” can never own the property outright. Briefly, 65% of the full market value of the property is purchased and the remaining 35% is rented from the Group. Though the scheme is designed primarily for first time buyers, others in genuine housing difficulties may also be eligible.
Improvement for Sale	Is a scheme introduced in the 1980s at a time when there was a slowdown in investment in social housing. The scheme has been discontinued.
Right to Buy	Is a right attached to secure tenancies and enables those tenants to buy their homes at a price lower than that of the full market value.
Right to Acquire	Is the right for assured tenants to buy the home that they rent. The Right to Acquire only applies to properties built or purchased with public funds,or transferred

	by a local authority after 1 April 1997. The scheme is subject to certain exemptions.
Agency Management	Leasehold properties managed, but not owned by the Group.
Home Ownership for People with Long Term Disabilities (HOLD)	Is not a separate housing product but a route into shared ownership. Applicants should apply for affordable home ownership assistance in the standard way, through their Local HomeBuy Agent (LHBA), and must meet the Agency's general eligibility criteria (that is, they should be first time buyers (or be defined as being in housing need) with a household income of less than £60,000 per year).

Abbreviations

HOLD	Home Ownership for People with Long Term Disabilities.
DIYSO	Do it Yourself Shared Ownership.

Policy Detail

1.0 Purpose of policy

1.1 The Groups' Leasehold Management Policy sets out a framework for an efficient, customer-focused 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 The Group provides services for several types of leasehold property, including:

- Shared Ownership (assured)
- Do it Yourself Shared Ownership
- Leasehold for the Elderly
- Subsidised Ownership for the Elderly
- Shared Ownership for the Elderly
- Subsidised Ownership
- Improvement for Sale
- Commercial Units

1.3 For New Model Shared Ownership properties, this policy should be read in conjunction with the New Model Shared Ownership Policy.

2.0 Objectives

2.1 This policy ensures that the Group:

2.1.1 Treats leaseholders as customers, offering high quality services which represent value for money. The Group 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 the Group.

2.1.2 Complies with all relevant legislation, regulatory guidance, and Codes of Practice, and learns from examples of good practice.

2.1.3 Communicates clearly with leaseholders by providing accurate, timely information and advice.

2.1.4 Complies with requirements to consult with leaseholders over the provision of services and in advance of any improvement or major repairs programmes.

2.1.5 Takes 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. The Group will engage legal advisers with the appropriate expertise to ensure that the Group complies fully with the legislation and is able to advise leaseholders accordingly.

3.2 The Group will comply with all relevant legislation and the terms of individual leases, noting that that statutory obligations may sometimes take precedence over the terms in individual leases.

3.3 Leaseholders may take in lodgers where their lease allows. The ability to sub-let a property will depend on the terms of the lease. Where the lease requires the Group's permission before sub-letting, leaseholders must obtain consent in advance. Requests will be considered on their individual merits and permission will not be unreasonably withheld. Consent may be refused where sub-letting would breach the lease, grant conditions, or any legal or regulatory requirements.

3.4 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 leasehold and finance teams within the Group will work closely together to ensure proper management of these funds.

3.5 The Group 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.

3.6 Section 20 of the Landlord and Tenant Act 1985 (as amended) imposes a requirement on the Group to consult with Leaseholders in respect of qualifying works or qualifying long term agreements.

3.7 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 the cost including within a service charge or invoice. Further detail on Section 20 can be found in the Section 20 Consultation Policy.

3.8 The Group 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.

3.9 Leaseholders will be informed that if they are not satisfied with the 'reasonableness' of the works or charges, they have the right to complain using the Groups' complaints procedures. Leaseholders will also be informed that they have the right to apply to the First Tier Tribunal Property Chamber at any point during the complaints process (or without having used the complaints process at all).

3.10 The Group will offer leaseholders the opportunity to get involved in decisions about how services are run and the standards of those services.

3.10 Arrears Management

3.10.1 The Group 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.

3.10.2 In addition to the measures outlines in the Groups Income Management Policy, pertaining to Leaseholder arrears recovery, the Group will:

- ensure that all service charges are calculated correctly in accordance with the law and all leaseholders are provided an annual Management Statement.
- 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.
- 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.
- ensure that leasehold service charge disputes are resolved speedily and that the leaseholder agrees the charges due.
- start legal action whether for money claim or to forfeit the lease promptly and when appropriate to protect the landlord against further debt and seek to minimise individual debt.

3.11 Commercial Rent Arrears Recovery

3.11.1 Commercial properties are rented under lease, and the tenancies are primarily managed by the Asset Management 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.

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

3.11.3 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.

4.0 Customer Vulnerabilities

4.1 This policy is applied in line with our Customers in Vulnerable Circumstances Policy. We want people to be treated fairly, have equality of opportunities, freedom, respect, and access to our services.

4.2 We will support people in vulnerable circumstances to help us deliver this service. We will work alongside external agencies such as social services, the police and fire services and other appropriate agencies to help and support people in vulnerable circumstances and to ensure we meet our statutory and regulatory requirements as a social landlord.

4.3 Policies and key information are made available on our website.

5.0 Monitoring and Review

5.1 The Executive Director of Customer Services is responsible for delegating the monitoring, review and implementation of this policy.

5.2 This policy will be reviewed at least every 5 years. The review will be brought forward if there are significant changes to good practice, regulatory or legislative requirements.

6.0 Equality and Diversity

6.1 This policy is applied in line with our Inclusion and Belonging Policy. This includes the legal requirements of the Equality Act 2010, Workers Protection Act 2023 and the Public Sector Equality Duty.

6.2 At the Karbon Group we aim to eliminate discrimination, promote equality of opportunity, foster good relations and define the nine protected characteristics of age, disability, gender reassignment, marriage or civil partnership, pregnancy or maternity, race, religion or belief, sex, or sexual orientation.

6.3 If you would like this or any other policies in a different language or format please contact inclusion@karbonhomes.co.uk.

7.0 Data Protection and Privacy

7.1 We have a clear policy on data protection and sharing data with other partners/third parties under the requirements of the UK General Data Protection Regulation, the Data Protection Act 2018 and other associated legislation. This is clearly set out in the Data Protection Policy for the Karbon Group which, along with its associated procedures, must be followed throughout the operation of this policy.