



**LEASEHOLD
MANAGEMENT
POLICY**

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1. Policy Statement

- 1.1** This Policy is to ensure that Eastlight Community Homes (hereafter ‘Eastlight’) meets its legal and statutory requirements under UK law.
- 1.2** This Policy covers the range of services provided by Eastlight to those who occupy a home on a leasehold basis, where Eastlight is the Freeholder or Managing Agent.
- 1.3** This Policy covers employees, involved residents, consultants, Board Members, volunteers, representatives of Eastlight, and contractors (third parties) engaged to carry out Eastlight’s duties on our behalf and by our instructions.
- 1.4** This Policy also serves as a reference document for employees and third parties on the responsibilities of Eastlight leasehold management.

2. Scope

- 2.1** This Policy applies to all Eastlight leaseholders where the lease has been granted through Right to Buy or Right to Acquire. This Policy will also apply to other leaseholders of properties that Eastlight will acquire through property acquisitions.
- 2.2** A ‘Leaseholder’ is defined as a customer that holds a long lease for a home with Eastlight. This Policy does not apply to ‘Shared Owners’ or shared ownership properties, which are covered by a separate Shared Ownership Policy.
- 2.3** We are committed to meeting our responsibilities to leaseholders under the terms of the lease and our legal obligations, providing leaseholders with high-quality services in the management and maintenance of their homes.
- 2.4** This Policy is designed to ensure we offer our leaseholders the same standards of customer care and performance as we offer to our tenants. We will protect and respect the rights of leaseholders.
- 2.5** This Policy should be read in conjunction with other policies listed under Appendix 1.

3. Statutory & Regulatory Requirements

- 3.1 This Policy is designed to ensure Eastlight meets its obligations under all applicable laws and guidance.

4. Think Customer

- 4.1 At Eastlight, we exist to provide the best possible homes and services for our residents.
- 4.2 Our ‘Think Customer’ approach aims to guide and support colleagues whenever they make decisions that affect our residents, directly or indirectly.
- 4.3 ‘Think Customer’ ensures our people fully consider how residents will experience and be impacted by the service we provide. Before acting, our people are required to think about:
- The short and long-term effects of their actions
 - The residents’ individual needs and preferences
 - Whether their communication is clear, respectful and appropriate
 - If they can draw on any past insights or experiences to help them when making tough decisions
 - Whether they, themselves, would be happy with the service being provided.
- 4.4 The ‘Think Customer’ model is designed to complement and work alongside all Eastlight policies and procedures, including this Leasehold Management Policy.

5. Aims & Outcomes

5.1 Commitments to Leaseholders

- 5.1.1 Eastlight will provide excellent, cost-effective services, accurate and timely information, and ensure that service charges reflect actual costs, in accordance with statutory obligations and the terms of the lease.
- 5.1.2 We will consult and involve affected leaseholders on the development and/or review of policies and service standards, which affect the management of their homes.
- 5.1.3 We will promote the benefits of leasing an Eastlight home, and we will work with leaseholders to consider any issues as they arise, such as satisfaction with the level and quality of services.

- 5.1.4 We will ensure that leaseholders uphold the covenants in their leases, in particular actions that we believe to be harassment, anti-social behaviour and neighbour nuisance, or any other actions that are likely to affect other residents. Leaseholders are entitled to expect a similar level of behaviour from other residents and the appropriate support from us in resolving the issues of neighbour nuisance.
- 5.1.5 We will collect all monies due from leaseholders under the terms of their leases, and we will repay, in a timely manner, all monies and refunds due to leaseholders. We will support leaseholders who experience financial hardship and struggle to pay their service charges.
- 5.1.6 We will prioritise value for money and charge reasonable costs based on the actual costs of managing the service.
- 5.1.7 We will measure leaseholder satisfaction through surveys related to the Tenant Satisfaction Measures and use this information to improve our services to leaseholders.

5.2 Services to Leaseholders

- 5.2.1 Eastlight is responsible for maintaining:
- The structure and fabric of the building
 - The common parts
 - Communal services to the building (for example, communal TV aerials, communal lighting, communal water pipes and drains, door entry systems)
 - This is not a full list and Eastlight may be responsible for other areas or services in accordance with individual lease terms.
- 5.2.2 Eastlight will deal with complaints about anti-social behaviour and/or hate crime caused by other Eastlight's residents or their visitors.

5.3 Service Charges

- 5.3.1 Leaseholders will be charged service charges in accordance with the terms of their lease and/or Eastlight's Service Charge Policy. Each lease agreement will set out the permitted charges.
- 5.3.2 Service charges are variable and cover management costs, repairs, maintenance, insurance, grounds maintenance and other associated costs.
- 5.3.3 We may consult leaseholders on any changes to services and charges in line with obligations in the lease and relevant law. We will ensure that service charges to leaseholders reflect actual costs.
- 5.3.4 Leaseholders can request information on their service charges throughout the year.

- 5.3.5 Leaseholders can pay by various methods, and they can contact Eastlight for further full details of methods of payment.
- 5.3.6 Once year-end accounts are issued, leaseholders can request to inspect accounts, receipts or other documentation which supports the summary of costs and charges to leaseholders.
- 5.3.7 Leaseholders will be provided with an annual statement (year-end account) within six months of the end of the charging period.

5.4 Sinking Funds

- 5.4.1 Eastlight will collect sinking fund contributions in accordance with the lease.

5.5 Service Charge Arrears

- 5.5.1 Eastlight will adopt a firm but fair approach to recovering service charge arrears. If a leaseholder's account falls into arrears, then they will be formally advised.
- 5.5.2 Once a year-end account has been issued and a balance is due from the leaseholder, it is to be paid within the timescale as set out in their lease.
- 5.5.3 If the leaseholder fails to pay any balance due within the required timescale, and they pay by direct debit, the balance may be included in their next payment, subject to the relevant notice period being given under the direct debit guarantee.
- 5.5.4 We aim to come to an agreement with leaseholders on the repayment of arrears. This may include seeking payment to clear the arrears or reaching an agreement to repay the debt in instalments up to a maximum of 12 months. Each case will be individually assessed.
- 5.5.5 Eastlight reserves the right to formally advise and seek payment of the arrears from the leaseholder's mortgage lender.
- 5.5.6 Where other courses of recovery action have failed, legal proceedings will be considered and all associated costs for recovery will be recharged, including any interest. This may include obtaining County Court Judgments, an Order to attend court for an oral hearing, and, ultimately, forfeiture of the property.

5.6 Section 20 for Long-Term Agreements & Major Works

- 5.6.1 Eastlight must consult leaseholders where any major works are identified or if we enter into long-term agreements to provide services.
- 5.6.2 Eastlight will comply with the requirements of applicable laws and guidance.

- 5.6.3 When major works are completed, we will provide a full breakdown of costs, upon request.
- 5.6.4 We will recover costs as permitted by the lease or law. Leaseholders will be given the opportunity to have an agreed extended repayment plan of up to 12 months to help spread the cost. Any repayment plan will be dependent on individual circumstances.

5.7 Alterations & Improvements

- 5.7.1 Eastlight's permission will be needed before alterations or improvements can be carried out, known as Landlord's Consent.
- 5.7.2 Leaseholders are required to provide us with full details of the works to be carried out.
- 5.7.3 Each type of work is different and the information we need to decide will vary. Leaseholders should contact us to discuss when thinking about any works.
- 5.7.4 We will give our decision to grant or refuse consent to the leaseholder in writing, detailing the reasons for the decision and any conditions we are attaching to it.
- 5.7.5 Permission will be granted, unless the proposed improvement or alteration:
- Breaches any previous planning approvals or conditions
 - Affects the structure of the building for which Eastlight is responsible and Eastlight's future maintenance liabilities
 - Involves changes to rights of way or communal areas
 - Reduces the value of the building
 - Would be a breach of the lease if consent is granted.
- 5.7.6 We may inspect work carried out under Landlord's Consent to ensure it meets the relevant regulations and legislation.

5.8 Breaches of the Lease

- 5.8.1 We will act when we become aware that a leaseholder is acting in breach of the terms of their lease. Breaches may include:
- Unapproved works
 - Improper/illegal use
 - Failure to maintain the property or damage to it
 - Refusal of access to our representatives
 - Harassment, anti-social behaviour and/or hate crime, or neighbour nuisance
 - Failure to pay rent or services charges.
- 5.8.2 Where breaches happen, in the first instance, we will speak with the leaseholder to seek a timely resolution to the breach. If there is no resolution, we will then serve

notice on the leaseholder, requiring them to put the breach right. If they still do not comply, we will take further action which may include legal proceedings, which could result in a leaseholder losing their home (known as forfeiture).

5.9 Subletting

- 5.9.1 If a leaseholder wishes to sublet their home, they must notify us in writing and provide their new correspondence address and other contact details. They must also keep us updated should any of their details change.
- 5.9.2 We may, in some cases, be required to gain consent for subletting. Leaseholders must check with us before subletting part or all of their home.
- 5.9.3 We will only deal directly with the leaseholder unless Third Party Authorisation is received from the leaseholder to deal with someone else (other than a formally instructed solicitor).
- 5.9.4 We will take the action against the leaseholder if any sub-tenant and/or visitors breach the terms of the lease. We will require the leaseholder to take the relevant action with their subletters.
- 5.9.5 Service charges will remain the leaseholder's responsibility should they decide to sublet their home.

5.10 Remortgage

- 5.10.1 Eastlight will consider requests for a leaseholder to remortgage their home within the first five years of a Right to Buy/Acquire purchase. Please refer to the Right to Buy Procedure for more information.

5.11 Selling a Leasehold Property

- 5.11.1 A leaseholder is free to sell their home at any time.
- 5.11.2 If the home was purchased under Right to Buy (RTB) or Right to Acquire (RTA), the lease will state that it must be offered back to us first if selling within the first ten years of purchasing it.
- 5.11.3 If the home was purchased under RTB or RTA and is sold within the first five years, some or all the discount that was received will need to be paid back. More information on this can be found in the 'Offer Notice' that would have been issued to the leaseholder.
- 5.11.4 If a leaseholder has any service charge arrears, these will need to be paid prior to or on completion.

5.11.5 Once the home has sold, the buyer's solicitor is required to send a 'Notice of Transfer' to Eastlight which gives details of the new leaseholder. Our records cannot be amended until this Notice is received.

5.11.6 We may consider buying back a home, subject to our financial/legislative status and the leaseholder's circumstances.

5.12 Lease Extension

5.12.1 Leaseholders can request a lease extension at any time. We will comply with the relevant laws on receiving a request.

5.12.2 Leaseholders can request a lease extension via the legal route by serving a Section 42 notice on Eastlight or by private negotiation. A separate procedure on leasehold extensions is available on request.

5.12.3 If a leaseholder requests an extension by private negotiation, there are no legal rules that apply and because of this, leaseholders do not have the option to apply to a Tribunal if they disagree with the cost or terms to be varied.

5.12.4 For all lease extensions, the leaseholder will be liable for the associated fees, including surveyors fee, Eastlight's legal fees and an administration fee.

5.13 Enfranchisement

5.13.1 Leaseholders have the right to buy the freehold of the block (subject to meeting the relevant criteria). This is known as Enfranchisement.

5.13.2 Should formal requests be received from a leaseholder, we will comply with the relevant law and processes.

5.14 Right to Manage

5.14.1 Leaseholders of flats have the right to take responsibility for the management of their block. This is known as the Right to Manage.

5.14.2 Should formal notifications be received from leaseholders intending to set up a Right to Manage, we will comply with the relevant law and processes.

5.15 Buildings Insurance

5.15.1 Under the terms of the lease, and where we are the freeholder, it is our responsibility to arrange buildings insurance.

5.15.2 We will determine the appropriate policy and pass the relevant costs on to leaseholders as a service charge. The policy is reviewed annually.

- 5.15.3 Buildings insurance provides cover in respect of loss or damage caused to the structure of the building caused by leaks or severe weather, such as storms and floods. The insurance summary will provide full details of what is covered.
- 5.15.4 Leaseholders cannot opt-out or arrange their own cover for the building.
- 5.15.5 A copy of the insurance summary will be provided to leaseholders, on request.
- 5.15.6 We recommend leaseholders obtain their own contents insurance.

5.16 Leaseholder Involvement

- 5.16.1 We will seek to maximise the involvement of leaseholders.
- 5.16.2 We will encourage all leaseholders to become members of formally constituted leasehold groups in line with our recognition requirements.
- 5.16.3 We will provide support, where required, to any group that meets our formal recognition criteria.

6. Equality Impact Assessment

- 6.1 An Equality Impact Assessment (EIA) for this Policy was conducted. As a result, actions have been put in place to mitigate any negative impacts.

7. Definitions

Lease	The legal contract between the leaseholder and landlord which sets out the rights and responsibilities for each party to the lease.
Term of lease	The number of years a lease has and the responsibilities and obligations under the terms of the lease.
Service charge	Payment required under the terms of the lease for services being provided.
Breach of lease	Not complying with the terms of the lease.
Subletting	A leaseholder moves out of their flat and rents it out to a third party.
Lease extension	The term of the lease is extended.
Sinking fund	A way residents build up a pot of money over time to pay for refurbishment or replacing major components (major works). This helps reduce the risk of leaseholders finding large sums of money at short notice.

APPENDIX 1 – Other Policies & Procedures

- Service Charge Policy
- Shared Ownership Policy
- Anti-Social Behaviour & Hate Crime Policy
- Compensation Policy
- Complaints & Resolution Policy
- Right to Buy/Right to Acquire Procedure.

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