



Leasehold Management Policy

Policy:	Leasehold Management Policy
Version number:	3.0
Date effective from:	July 2021
Policy Owner:	Head of Operations
Policy Author(s):	Head of Operations & Leasehold Coordinator
Approved by:	Director of Housing Executive Director of Corporate Services
Accountable Exec Director:	Director of Housing
Equality Assessment:	Yes
Next review of policy due:	July 2024
Policy Grade:	3
For the full version history of this policy, see the back page	

Please avoid referring to printed versions of this policy. Printed versions may quickly go out of date – the latest version will be on the Policy Hub, or contact the Governance Team. For support and advice regarding the Policy, please contact the Policy Owner.

Contents Page

- 1.0 Introduction and scope
- 2.0 Links to Strategy and the Business Plan
- 3.0 Regulation and legislation
- 4.0 Our Policy statement
- 5.0 Roles and responsibilities
- 6.0 Monitoring and review
- 7.0 Policy outcomes
- 8.0 Records

1.0 Introduction and scope

- 1.1 This document covers our Policy on Leasehold Management and how we meet our responsibilities to leaseholders under the terms of their leases. It outlines our commitment to providing leaseholders with a high-quality service in the management and maintenance of the communal areas and main fabric of the building they occupy.
- 1.2 Our Leasehold Management functions cover the following types of properties:
- Properties formally acquired under the Right to Buy, the Preserved Right to Buy and the Right to Acquire Legislation.
 - New build and renovated apartments which are made available for rent and sale on the open market, currently being managed by a managing agent on behalf of Gentoo, this includes Shared Ownership.
- 1.3 Leaseholders buy the rights to live in a property for a fixed period of time. They do not own the external structure of the building or communal areas, these remain under the ownership of the landlord.
- 1.4 The leaseholder pays Gentoo a ground rent and an annual service charge which covers the cost of providing management and maintenance services. A contribution towards future major works and improvements will also be payable where there is provision within the lease, this is known as a sinking fund.
- 1.5 This Policy and procedure will ensure effective co-ordination of our Leasehold Management functions in line with the Group's overarching Vision and Values.
- 1.6 The scope of this Policy covers:

Gentoo Group	X
Gentoo Homes	
Gentoo Developments Ltd	
Gentoo Genie	

It applies to:

General Needs rented properties	
Supported Housing	
Sheltered Housing	
Leasehold/Shared ownership	X
Rent to Buy properties	
Market rented properties (domestic)	
Temporary Accommodation	
Stock owned but not managed by the Group	
Communal Areas, including those relating to Leasehold/Shared Ownership properties	X
Commercial Property (offices, depots etc)	
Stock managed by Gentoo on behalf of a third party	
Garages and outbuildings	
Remote plant (district heating, electrical pumps etc)	
Curtilage	

2.0 Links to Strategy and the Business Plan

2.1 Our vision and values set the direction and shape the culture of our organisation.

2.2 Gentoo's **vision** is:

Great Homes – Strong Communities – Inspired People

2.3 Our vision The Group's **values** are:

- Do the right thing
- Make a difference
- Keep learning
- Work together
- Give all you've got

2.4 The Group's Board and Executive Team have refreshed Gentoo's strategic aims, centred on the following **themes**:

- Place
- People
- Perform
- Partner
- Pride

2.5 These "5P's" have been developed to articulate the delivery of our vision via the following strategic **aims**:

- Provide homes and services that enable our tenants and communities to succeed (**Place**)
- Invest in people and communities to help realise opportunities and release potential (**People**)

- Be well governed and financially resilient, operating efficiently and responsibly, investing wisely to fulfil our social purpose (**Perform**)
- 2.6 The above aims will be supported by the following **enablers**:
- Work with others to influence and generate sustainable change (**Partner**)
 - Harness the collective passion and energy of our people to support the city's plan (**Pride**)
- 2.7 Gentoo's policies support the delivery of the Group's Vision, Values and Strategy.

3.0 Regulation and legislation

3.1 This Policy helps to fulfil the following legislation:

- Commonhold and Leasehold Reform Act 2002.
- Law of Property Act 1925.
- The Housing Act 1996.
- The Leasehold Reform, Housing & Urban Development Act 1993.
- The Landlord & Tenants Act 1985 & 1987.

3.2 We cover all statutory requirements in line with Group policies including these seven key areas; gas safety, electrical safety, lift safety, water safety, solid fuel safety, asbestos safety and fire safety.

3.3 This Policy has been cross referenced with good practice.

4.0 Our Policy statement

4.1 We will deliver a Leasehold Management service which will not only meet its responsibilities to leaseholders under the terms of their leases, but will provide an excellent quality of service which:

- Understands who our customers are and values their diversity.
- Succeeds in achieving customer satisfaction.
- Is flexible and responsive to changing needs.

4.2 Leaseholders will have access to a comprehensive and responsive Leasehold Management service. They will be provided with clear and understandable

customer information on the quality, cost and performance of the service they receive. This may be provided by Gentoo or outsourced to a third party where appropriate.

4.3 We are committed to the principles of diversity and inclusion throughout the organisation and aim to:

- Meet the needs and choice of people from all backgrounds.
- Ensure that our services are relevant, responsive, and sensitive to the needs of our existing and future customers.
- Ensure that all sections of the community in which we work have equal access to our services.

Our Leasehold Management Policy will ensure that customers will be treated as individuals and with fairness and respect. An Equality Assessment has been completed with regard to this Policy and is attached in Appendix 1.

5.0 Roles and responsibilities

5.1

Roles	Responsibilities
Director of Housing	Is accountable for ensuring effective implementation of this Policy
Head of Operations	Is responsible for adequate resourcing and having effective processes in place to implement this Policy
Leasehold Coordinator	Is responsible for ensuring that this Policy is adhered to and that all staff are appropriately trained
All Leasehold Management staff	Should be trained in relation to this Policy and act accordingly

5.2 Leaseholder Responsibilities

Leaseholders will:

- Pay service charge and ground rent as specified in the lease
- Obtain written permission for any improvement works which may affect the rest of the building
- Repair, maintain and decorate the property, particularly the inside. This includes gas fires, gas boilers and other gas appliances within the property which should be inspected annually by a fully qualified Gas Safe Register accredited engineer
- Provide notice of any transfer, underlet, mortgage or legal change of the property to the landlord
- Pay the registration fees for such notices to the landlord
- Provide a means of contacting them or their representative should their tenant breach the terms of the lease
- Complete any Fire Safety work to the property in a timely manner, where it is the responsibility of the Leaseholder

5.2.1 Sinking or Reserve Fund

Some leases allow for a sinking fund to be created, to build up sums to finance large or infrequent items of expenditure, such as replacing a lift or refurbishing a roof.

These funds are designed to spread the cost between successive residents, to avoid the risk of work being neglected due to lack of funds, or of current residents being faced with large bills for infrequent works.

Funds are accumulated collectively, so that even if a resident lives at the property for a short period, the value of their property is enhanced by the extent of provision for future maintenance.

Contributions to sinking funds will be reasonable and be calculated based upon current data about property condition and the life cycle of building components using information provided by the provider or RICS guidelines.

Sinking fund contributions form part of the service charge and will be held in a

separate Trust Fund for each individual geographical area. Gentoo seek to ensure that this Fund earns interest for the benefit of leaseholder customers. A record of the contribution held for each individual property is held by the Finance Team.

5.3 Gentoo covenants and responsibilities

This is not an exhaustive list but some typical requirements imposed on Gentoo include;

- an obligation to give the leaseholder quiet enjoyment of the premises, i.e. not to interfere with their occupation,
- an obligation to insure the building and to provide the leaseholder with copies of any insurance policy when requested,
- repairing obligations for the structure of the building and common parts,
- an obligation to provide certain services (though this may be subject to qualifications, e.g. the right to change or modify services),
- an obligation to use a similar or identical form of lease for other leaseholders in the same building. This ensures that leaseholders can guarantee that other leaseholders will have similar obligations.

There are some mandatory obligations that must be included in leases granted under the Right to Buy and Right to Acquire.

The list above is typical; however, Gentoo and the leaseholder customer should refer to each specific lease for any further covenants and responsibilities. Contact the Leasehold Team for further information.

5.3.1 Consultation

Consultation of major work and services with leaseholders is a requirement of Section 20 of the Commonhold and Leasehold Reform Act 2002.

Leaseholders should be consulted when works or services are planned and the proposed service charge expenditure exceeds £250 for any one leaseholder in the block. Any formally recognised residents' associations should also be formally

consulted on the works.

Relevant Section 20 notices should be sent to all leaseholders paying for the proposed works or services through their service charge.

5.4 Right to manage and leasehold enfranchisement

The Commonhold and Leasehold Reform Act 2002 gives leaseholders the Right to Manage. This involves leaseholders taking over the collective management duties for the building and enables them to appoint their own managing agent.

6.0 Monitoring and review

6.1 This Leasehold Management Policy will be reviewed a maximum of every 3 years, or in line with business need.

6.2 The accountability for this Policy lies with the Director of Housing and responsibility for this Policy lies with the Head of Operations.

6.3 This policy may be subject to an audit in line with the internal audit plan.

6.4 This Policy is a grade 3 and changes will need the approval of the Director of Housing.

7.0 Policy outcomes

7.1 Our Leasehold Management Policy aims to achieve the following outcomes:

- Meet the responsibilities of leaseholders under the terms of their leases, and to provide them with excellent quality management and maintenance services.
- Treat our leaseholders, as highly valued customers.
- Raise awareness of the Leasehold Management services across the Group and provide clear guidance to promote understanding between customers and staff.

- Provide up to date information in customer friendly publications.
- Service charges should be comparable with the rest of the leasehold sector and provide value for money.
- Leaseholders will feel empowered, offered more choice and given the opportunity to shape the services we provide.
- Ensure that leaseholders uphold the covenants in their leases, ensuring that neighbourhoods are safe and enjoyable places to live.
- Collect all monies due from leaseholders under the terms of their lease, and offer support, advice and information to anyone having difficulty in making payments.
- Provide a fully transparent and sustainable service.

8.0 Records

- 8.1 Records concerning residential management including customer details, copies of leases, repair records and correspondence are kept in the appropriate file or system. Examples of the systems used include Orchard IT system, open accounts plus electronic and paper files.
- 8.2 Maintenance and inspection records are held electronically and are available in the relevant building as a hard copy, for example the fire alarm testing or emergency lighting.

Version Control

Version	Reason	Issuer	Date
2.0	Amended format	Sarah Treadwell	16/3/18
2.1	Amended due to audit recommendations	Sarah Treadwell	22/10/18
2.2	Amended names to job titles, added accountable Exec Director and amended review period from 4 to 3 years	Sarah Treadwell	02/9/19
2.3	Amended covenant consent payments to £125 and £250 for retrospective	Brett Nicholson	11/12/19
3.0	Full 3 yearly review carried out.	Vicky Gamblin	23/06/21