

1 Scope

- 1.1 This policy outlines Aster's approach to meeting its duties to leaseholders under the terms of their lease and the relevant legislative requirements. We have made the document as clear and concise as possible and any remaining legal wording is necessary to support the requirements of the policy.
- 1.2 This policy supports the priorities outlined within Aster's Strategies.
- 1.3 This policy and the related policies and procedures mitigate the risk of failing to comply with regulatory and statutory requirements affecting leasehold management.
- 1.4 This policy is applicable to any resident who occupies a property on a leasehold basis where we are the landlord, managing agent, and/or the freeholder. This includes:
 - Leaseholders (including absentee leaseholders) or shared owners, whether they are the first or subsequent leaseholder of a property;
 - Properties purchased through Right to Buy, Right to Acquire, Shared Ownership or a previous Aster property purchased on the open market
- 1.5 This policy replaces the Leasehold major works repayment policy.
- 1.6 Where there is a conflict between this policy and the lease, the lease (including any variation) will supersede this policy.

2 Policy Statement

Repairs, maintenance, and any associated works:

- 2.1 We will maintain the external fabric of the building and shared communal areas in accordance with lease obligations. This will include day-to-day repairs, cyclical maintenance and major works. Under the terms of the lease we will charge Leaseholders for their share of the costs.
- 2.2 We will expect and encourage leaseholders to report repairs or maintenance issues relating to communal parts.
- 2.3 We will not be responsible for the future maintenance of any improvements or alterations made by the leaseholder. Any damage caused to adjacent properties as a result of the works will also be the leaseholder's responsibility to put right.
- 2.4 We will manage a sinking fund, where possible and with provision in the lease, to meet the costs of major works.

Monies or charges:

- 2.5 We will collect all monies due from leaseholders under the terms of their lease in line with our Income Recovery Policy and Recoverable Service Charges Policy; for example, service charges, sinking fund, or ground rent.
- 2.6 We will levy fair and reasonable charges for services provided in accordance with the terms of the lease and our Recoverable Service Charge Policy, and as prescribed by legislation.
- 2.7 We will work with leaseholders to find a payment solution that meets their needs if they cannot pay for the costs of major works within 12 months, subject to appropriate licencing from the Financial Conduct Authority. Any discretionary payment arrangements will be handled by the Home Ownership Team in line with our Leasehold Major Works Payment Procedure.
- 2.8 We will signpost any leaseholders who are having difficulties paying to appropriate agencies for advice and support.
- 2.9 We will charge an administration fee of £40 to process any non-technical requests (such as erecting a satellite dish), and £240 to process any technical requests which require support from other teams (such as the installation of a conservatory or removal of an internal wall). These charges have been previously benchmarked and are considered reasonable. We will not apply a charge if the alteration request is an aid or adaptation supported by an Occupational Therapist or other suitable professional.
- 2.10 We will charge an administration fee for managing any requests from a leaseholder to sub-let their property and providing them with any relevant information and advice.
- 2.11 We will reserve the right to recover the costs of managing our leasehold properties. Administration fees will be reasonable, regularly reviewed and made available to customers. Any management fees will be charged in accordance with the requirements of the lease.
- 2.12 We will meet the cost of the variation where a lease is varied to our benefit. Where a leaseholder requests a variation, we will agree if this is reasonable but will expect the leaseholder to meet the associated costs.

Services provided or actions by Aster:

- 2.13 We will provide a management service. This includes Estate services, a dedicated home ownership team, a designated Anti-Social Behaviour team, and repairs and maintenance in communal areas.
- 2.14 We will inspect leasehold blocks quarterly, and ensure joint-working arrangements with other teams/contractors are in place for inspections of mixed tenure schemes.

- 2.15 We will ensure that all leaseholders are advised of their rights and responsibilities, in accordance with their individual lease, and provided with a summary of what the lease entails. We will aim to ensure that individual lease documentation is available through the customer portal MyAster.
- 2.16 The buildings insurance schedule will be available to leaseholders.
- 2.17 We will provide the prospective purchaser (or their legal advisors) of a leasehold property with the necessary information regarding service charges, planned works and Section 20 consultations. We will charge a fee for this.
- 2.18 We will empower leaseholders to take responsibility for the management of their block (through the Commonhold and Leasehold Reform Act 2002) as long as they meet certain criteria. This applies to leaseholders of flats only, not houses.
- 2.19 We will respond to any queries about Right to Manage in line with the regulations and legislation.
- 2.20 We will consider any written request to remove or vary a covenant which forms part of the lease on its own merits and in line with legislation.
- 2.21 We will support the formation of residents' associations and ensure that we meet the regulatory requirements for communicating with any recognised association. Individual leaseholders and shared owners are invited to join an online forum which also provides opportunities to be engaged on leasehold procedures.
- 2.22 We will work closely with external managing agents who provide services to our leaseholders to ensure that these services meet the minimum standards that we have set, and that the cost of the services are providing value for money.

Consents/ permission requests

- 2.23 We will grant consent for leaseholders to sub-let their property dependent upon the terms of their lease. If a leaseholder chooses to sub-let their property, they will become the landlord and will be subject to the rules and regulations imposed on landlords, our relationship will be with the leaseholder and not with their tenant. The leaseholder will remain liable for the payment of service charges and for all of the conditions of the lease and will be responsible for ensuring a correspondence address is provided to us.
- 2.24 We will require leaseholders who wish to improve their homes to first obtain written consent from us to make any alterations or improvements. Where consent is refused, we will set out in writing the reasons for our decision.
- 2.25 We will grant consent on the condition that the leaseholder has provided details of the proposed works; and will be subject to meeting conditions such as obtaining planning permission and/or building regulations.

- 2.26 We will not grant consent for any alterations or improvements that:
- make the property, or part of the property, dangerous or unstable
 - create a health and safety risk
 - encroach on land not demised to the leaseholder
 - impact on the structure or change the appearance of the building or any communal areas
 - prevent light or air reaching other properties
 - affect any legal rights of others e.g. a right of way
 - reduce access to neighbouring properties
 - make maintaining neighbouring properties or land more difficult or expensive
 - would cause a nuisance to neighbouring properties
 - are not permitted by, or would amount to a breach of the lease
 - would invalidate any insurance, warranties, or guarantees that we benefit from
- 2.27 We will not give consent to use the loft space within a block of flats for any purpose

Legal action or requirements:

- 2.28 We will aim to resolve service charge disputes without the need for legal remedy, for example using our complaints process and/or mediation. Where this is not possible, either party may refer to the First Tier Tribunal for a determination.
- 2.29 We will consider legal proceedings where recovery action fails, including for example; obtaining a County Court Judgement, placing a legal charge on the property, approaching the mortgage provider to clear the outstanding charges, and an application for forfeiture of the lease.
- 2.30 We will take appropriate action which may include legal proceedings and ultimately forfeiture of the lease, whenever we become aware that a leaseholder is in breach of their lease.
- 2.31 We will seek to vary the lease where a lease is found to be defective. This could include unclear or missing clauses relating to the requirement to pay service charges, for example. This could require consent from leaseholders or mortgage lenders, or may need an application to the First Tier Tribunal.
- 2.32 We will follow the statutory procedure to enable qualifying leaseholders to extend their leases in line with legislation (the Leasehold Reform Housing and Urban Development Act 1993) subject to certain criteria and the payment of a premium.
- 2.33 We will comply with legislation and aim to maximise the potential income from any purchase of the freehold by leaseholders of flats acting together (enfranchisement). This will be managed in line with our enfranchisement procedure.
- 2.34 We will enforce the repayment of the discount applied if the property concerned was purchased under the Right to Buy scheme, within the discount repayment period. If

the property is disposed of within 10 years, the leaseholder must offer the home back to us in line with their lease.

- 2.35 We will require the original leaseholder, or the purchasers' solicitor, to notify us by way of a formal Notice of Assignment, within one month of sale. If the Notice is not received by us, the original leaseholder will be liable for any charges made against the property.
- 2.36 We will comply with directions from the First Tier Tribunal and abide by their determinations where a leaseholder is unhappy with our service and we are unable to resolve the issue. We may make an application ourselves to the First Tier Tribunal as part of our Section 20 procedure or to complete lease variations.

Specifically Shared Ownership:

- 2.37 We will consider any requests from a shared owner to sub-let their property and any permission given will be for a limited time only. Shared ownership leases do not allow for sub-letting other than in exceptional circumstances, and may require the shared owner to seek consent from their mortgage lender
- 2.38 We will consider granting extensions to shared ownership leases on a case by case basis, as shared owners do not have a statutory right to extend their leases.
- 2.39 We will consider buying back shares from a shared owner who is experiencing financial difficulties, providing certain criteria are met. (These criteria are set out in the reverse staircasing process.)
- 2.40 We will enable shared owners to purchase additional shares in the property through staircasing. Not all shared ownership leases allow for full staircasing however, and information on this will be provided at the point of enquiry.
- 2.41 We will follow the voluntary lease extension procedure to enable qualifying shared owners to extend their leases subject to certain criteria and the payment of a premium.

Consultation:

- 2.42 We will proactively consult with leaseholders to continually improve services.
- 2.43 We will meet when required with leaseholders where there are large scale major works.
- 2.44 We will consult with leaseholders and offer opportunities to be involved in the scoping of works in accordance with the terms of the lease, when and where required. Final decisions will be based on the long-term value for money in block maintenance regardless of the proportion of leasehold or tenanted properties.

- 2.45 We will undertake all works in accordance with the lease, and where Section 20 consultation is required, this will be completed in line with legislation and our Section 20 policy and procedure.
- 2.46 We will ensure value for money in the provision of services, for example buildings insurance cover for leasehold properties. We will undertake the appropriate procurement and consultation processes.

3 Monitoring and Review

- 3.1 This Policy will be reviewed every 3 years as a minimum, sooner if any legislative or organisational changes prompt a review.
- 3.2 The effectiveness of this policy will be scrutinised annually by *Business Performance & Strategy Panel*
- 3.3 Staff with direct responsibility for this policy will be trained as part of the implementation of this policy, and performance will be monitored through monthly 121s and Key Performance Indicators. There is also a Home Ownership dashboard which has been developed to improve reporting and insight.
- 3.4 We will monitor STAR survey information and Defect information provided.

4 Related Policies and Procedures

- 4.1 Service Charge Policy
- 4.2 Honesty Policy
- 4.3 Income Recovery Policy
- 4.4 Anti-Social Behaviour Policy
- 4.5 Anti-Social behaviour Procedure
- 4.6 Enfranchisement Process Map
- 4.7 Section 20 Policy
- 4.8 Section 20 Procedure
- 4.9 Estate Management Policy
- 4.10 Estate Management Procedure
- 4.11 Reverse staircasing process
- 4.12 Shared Ownership Lease Extension Procedure

5 Governance

Effective From:	16/03/2020	Expires:	15/03/2023
Policy Owner:	Regional Director – Hampshire & Wiltshire		
Policy Author:	Policy Officer		
Approved by:	Customer Community Network		
Delegation Matrix Code:	R088	Version Number:	1.01