

Leasehold Management Policy



Jigsaw®

Creating homes. Building lives.



Contents

1	Aims	1
2	Scope	1
3	Policy Statement	1
3.1	Day to Day Maintenance Works	2
3.2	Historical Building Safety costs	2
3.3	Planned Maintenance Works	2
3.4	Payment for Planned Works	2
3.5	Property Condition	3
3.6	Leasehold Sinking Funds	3
3.7	Leaseholder Alterations	4
3.8	Subletting	5
3.9	Breaches of Lease	6
3.10	Commercial Lease Compliance	7
3.11	Ground Rent	7
3.12	Management Fees	7
3.13	Management Agent Role for a Management Company and Right to Manage	8
3.14	Buildings and Public Liability Insurance	8
3.15	Section 20 Consultation and Dispensation	9
3.16	Resales/Remortgages/Transfers	9
3.17	Leaseholder Mortgages	10
3.18	Shared Ownership Staircasing	10
3.19	Shared Ownership Reverse Staircasing	10
3.20	Affordable Homes Programme 2021-26 Shared Ownership	11
3.21	Lease Extensions	12
3.22	Lease Variations	12
3.23	Enfranchisement	12
3.24	Repayment of RTA/RTB Discounts	13
3.25	Right of First Refusal/Buy Backs	13
3.26	Financial Sustainability	13
3.27	Financial Hardship	13
4	Partnership Working	14

5	Monitoring and Delivery	14
6	Health and Safety	14
7	Legislation and Regulation	14
8	Related Policies and Procedures	15
9	Glossary	15
10	Document Control	15
	Appendices	16
A	The Useful Economic Lives of Components	17

1 Aims

1. This Policy provides clarity and consistency to customers and staff by outlining the responsibilities and obligations to and of leaseholders and the Group's approach to delivering its contractual obligations.

2 Scope

2. This Policy applies to all of the Group's leaseholders whether they have:
 - Purchased under Right to Buy (RTB)
 - Purchased under Preserved Right to Buy (PRTB)
 - Purchased under the Voluntary Right to Buy (VRTB)
 - Purchased under Right to Acquire (RTA)
 - Purchased a property that has previously been sold under the PRTB, VRTB or RTA schemes with a restrictive covenant
 - Purchased a shared ownership lease
 - Purchased a 100% leasehold interest
 - Entered into a commercial lease arrangement

3 Policy Statement

3. Leaseholders are valued customers and will receive high quality services which provide value for money.
4. The Group recognises that it is mutually beneficial for the leasehold properties and their surrounding environment to be maintained to a good standard.
5. The Group will comply with all relevant legislation, regulatory standards, and the Service Charge Residential Management Code (RICS). We will communicate clearly with leaseholders by providing accurate, timely and easily understandable information.
6. The Group, where practically possible, will always comply with its lease conditions. In return the Group expects each leaseholder to be familiar with the terms of their lease and adhere to their obligations, as set out in the lease.
7. The Group will adhere to the requirements of the 'Service Charge Residential Management Code 4th Edition' (RICS) in providing a report to leaseholders on the rationale of setting service charges and statements of actual expenditure.

3.1. Day to Day Maintenance Works

8. The Group will arrange routine repairs to parts of a property identified within the lease as being the Group's responsibility. The cost of undertaking these works will be split amongst the leaseholders as defined within the lease and recovered through the service charge.
9. Grounds maintenance and window cleaning services provided by third party service contractors at schemes will be awarded on a regular basis. Requests to change service contractors will be dealt with once a year unless there is serious under performance by the service contractor that the Group has been unable to rectify, or the service contractor resigns/ceases trading.
10. In the event that a third-party contractor delivering services to a scheme resigns from their position or ceases trading, the Group will notify residents and propose interim arrangements which may differ from the existing specification until a new contractor is in place.

3.2. Historical Building Safety Costs

11. The Group will abide by the Building Safety (Leaseholder Protection) (England) Regulations 2022 regarding the removal and cost contribution from leaseholders to remove dangerous cladding and other historical building safety defects.

3.3. Planned Maintenance Works

12. The Group will deal with larger scale works or component replacement under its Planned Maintenance policy.
13. Where the cost of planned works exceeds £250 per property, the Group will consult leaseholders under Section 20 of the Landlord and Tenant Act 1985 (amended by section 151 of the Commonhold and Leasehold Reform Act 2002). The Group reserves the right to request the First Tier Tribunal Service to dispense with this requirement for operational reasons, such as emergency works or the use of a specialised contractor.

3.4. Payment for Planned Works

14. When a lease does not permit the collection of sinking fund/future maintenance contributions, the Group will invoice a leaseholder for their contribution on completion of the planned works. The Leasehold team will ensure that the leaseholder has been given at least 12 months' notice of the proposed works and an estimate of costs, allowing time for the leaseholder to prepare for the invoice.
15. Where there is either no sinking fund provision or insufficient monies within the sinking fund to recover of the costs of major/planned works that have been undertaken, the Group may offer, dependent upon an individual's financial circumstances, the opportunity to pay for the cost of these works over a 12-month period.

3.5. Property Condition

16. The Group will undertake periodic assessments of the condition of all of the groups leasehold schemes. These assessments will be used to project the required sinking funds with the aim that there are sufficient monies collected to pay for anticipated works forecast for the next 30 years.
17. Sinking Fund contributions will be calculated based on the cost of anticipated works and apportioned over the useful economic life of the component. A list of components' useful economic life is included in Appendix 2 of the Service Charge Policy.
18. The Group reserves the right to defer or alter the timescales for planned works to enable sufficient contributions to be collected prior to planned works being undertaken.
19. In the event of unforeseen/unscheduled component replacement or significant findings resulting from a Fire Risk Assessment, the Group will consult leaseholders regarding the implications this has on scheduled planned works and likely sinking fund contributions. In such circumstances, consideration will be given to the level of sinking fund contributions required and affordability when scheduling component replacement. The overarching priorities of the safety and security of the scheme or building and compliance with legislation will take precedent over all other planned works.
20. In exceptional circumstances, where unexpected urgent works are identified requiring a substantial increase to sinking fund contributions, recommendations will be made to the Executive Management Team on the use of alternative funding mechanisms, such as unsecured regulated or secured exempt loans, to spread the burden for leaseholders.

3.6. Leasehold Sinking Funds

21. Where a lease permits the collection of a sinking fund/future maintenance contribution the Group will hold these monies in trust in a separate bank account for each scheme.
22. An annual financial statement will be produced for each scheme detailing the transactions made on the sinking fund along with a year-end balance.
23. The sinking fund contribution will be calculated based upon the anticipated component replacement scheduled in the next 30 years, using the life cycle of individual components. Where there is any uncertainty on anticipated replacement costs, or expected life cycle, the Group reserves the right to estimate the sinking fund contribution.
24. Although every effort will be made to avoid this situation where unforeseen works result in the sinking fund reserves being depleted, the Group may invoice leaseholders directly for the cost of planned works.
25. The Group will charge leaseholders for providing and managing cyclical planned works. The charges cover the costs of tendering and managing contracts. This planned works management fee will be charged at 10% of the total costs of the planned works. The

Group may, at its discretion, charge a lower administration fee where it considers the administration fee to be disproportionately high or an unreasonable rise.

26. With reference to the lease, it will be at the Group's discretion to determine works that may be charged to the sinking fund.
27. Where the Group has a statutory obligation, and/or the works are required ensure the safety of residents the Group will alter the planned works forecast to ensure statutory obligation/essential safety works are prioritized over any other planned works scheduled for the scheme.
28. Where possible and applicable we will look to work with residents to introduce a sinking fund.

Schemes Without Sinking Fund Clauses

29. When a lease does not permit the collection of a sinking fund or for future maintenance contributions the Group will invoice the leaseholder for their contribution on completion of the planned works.
30. Wherever possible, and prior to any Section 20 consultation, the Group will aim to provide leaseholders with advanced notification of planned works at their home and discuss options on how this work can be funded.
31. Following the completion of any planned works payment arrangements over a 12-month period may be considered in cases of financial hardship.

3.7. Leaseholder Alterations

32. Any leaseholder wishing to carry out alterations or works to their home must apply to the Group for consent under the terms of their lease and provide details of the proposed works. An administrative fee may be charged for this service.
33. The Group will determine whether to consent to these works. The Group will not unreasonably withhold consent, however there are certain circumstances where the Group may refuse permission. Consent may be refused when the proposed works:
 - Contravene any existing covenant obligation the Group has
 - Create a risk to health & safety;
 - Encroaches on land/areas/roof spaces not defined within the demise of the lease;
 - Prevents the right to light or air for other residents;
 - Affects the legal right of other residents;
 - Reduces or restricts access to other neighbouring properties;
 - Makes maintaining neighbouring properties more difficult or expensive;

- Impacts on the structure or changes the aesthetics of the building or communal parts or negatively impacts on other residents' visual amenity;
- Makes the property, or part of the property, structurally unsound; or
- Invalidates the Group's insurance arrangements.
- The proposed works go against any clauses in the head lease/ site lease or property transfer clauses.

34. If a leaseholder carries out unauthorised alterations, the Group may request that the property be re-instated to its original condition within a specified timeframe at the leaseholder's expense. Failure by the leaseholder to undertake the works requested will be considered as a breach of lease.
35. As a condition of consent, the future maintenance responsibilities of any improvements to the property will be the responsibility of the leaseholder or subsequent leaseholders. The leaseholder will also be responsible for rectifying, at their own expense, any damage to communal areas or adjoining properties caused by the improvement works being undertaken.
36. The Group's consent does not remove the leaseholder's responsibility to comply with any necessary planning, conservation, and/or statutory requirements prior to commencing the works.

3.8. Subletting

37. If stipulated in the lease, leaseholders are required to seek consent from the Group prior to subletting. For all leasehold sub-lets the leaseholder remains solely responsible for any charges levied by the Group under the terms of their lease.
38. Leaseholders requesting consent will be asked to ensure that their service charge account is in credit and that there is an automated payment arrangement in place to cover future charges.
39. The leaseholder is also responsible for the behaviour of their sub-tenant and must ensure that the terms of their lease with the Group are adhered to in their absence.
40. The Group will hold the leaseholder responsible for any breaches of the lease caused by their sub-tenant, their sub-tenant's household, or visitors to the property.
41. The Group will require the leaseholder to ensure that they comply with all statutory legislation and good practice in relation to their sub-tenant. This will include the annual servicing and certification of any gas appliances, the periodic inspection and certification of the leased premises' electrical installation and the provision of specific fire safety advice relating to the leased premises. The leaseholder also accepts the responsibility for confirming that any sub-tenant has the right to rent, and where necessary, obtains the necessary consent from their mortgage company, as well as any statutory agency, to sub-let the leased premises before doing so.
42. Under a shared ownership lease the leaseholder is not permitted to sublet. In extreme exceptional circumstances the Group will consider consenting to a short term (12 months or less) sublet of a shared ownership property where circumstances

are creating a negative financial impact on the leaseholder and/or placing the property at risk of repossession. This is seen as good practice by the Ombudsman and includes where the leaseholder is unable to re-mortgage, staircase or sell their home as a result of Government guidance certification being unavailable to satisfy mortgage lender's/valuer's requirements. In these cases, the leaseholder will need to demonstrate that all reasonable efforts have been made to sell the property on the open market. The other circumstances for the Group agreeing a short term sublet include; where individuals are requested, for work purposes, to move temporarily (secondment) to a different location, where individuals need to move temporarily to care for a relative, as the next of kin or a sole full-time carer or where individuals are serving members of the armed forces and are required to serve away. The Group would review and agree such cases individually.

43. In the cases of all sublets the Group requires the leaseholder to supply alternative contact details for their main residence. These contact details will be used in addition for all correspondence, including Section 20 consultations (see section 3.15).

3.9. Breaches of Lease

44. The Group will take appropriate action, which may include legal proceedings, whenever it becomes aware that a leaseholder is in breach of the terms of their lease. Although not an exhaustive list, examples of breaches are listed below:

- Failure to pay rent and/or service charges
- Unapproved alteration or improvement works
- Any action or inaction that invalidates the Group's building insurance or does something that endangers the safety and security of the building
- Poor property maintenance/dilapidation
- Improper/illegal use of the property
- Occupying or utilising areas, in particular roof spaces, that are not within the leaseholder's demise
- Refusal of access to Group employees or their agents
- Causing anti-social behavior, harassment, or neighbour nuisance, or
- Failure to maintain the property or damage caused to the property.

45. In all cases the Group will work with the leaseholder to resolve the issue. However, if the breach continues, legal action shall be taken which may include seeking an injunction, possession order or action to forfeit the lease.

46. Before commencing possession or forfeiture proceedings the Group will:

- Where possible, undertake an additional needs assessment for the leaseholder and their household

- Notify lenders of its intentions to begin proceedings
47. Where a lender is also seeking proceedings, the Group will agree with the lender who should lead the legal action to provide the swiftest resolution of the breach.
 48. The Group will seek to recover the cost of any damage to its property and the administrative cost of dealing with the breach. To secure any outstanding debt, the Group reserves the right to place a charge against the property.
 49. Where a possession order is obtained for a shared ownership property there is no recourse for the shared owner to be compensated for the loss of their share unless specified in the County Court possession order.

3.10. Commercial Lease Compliance

50. Where applicable the Group requires its commercial tenants to:
 - Carry out a gas safety check and gas tightness test on the gas installation pipework and any gas appliances in the demise on an annual basis
 - Have a periodic electrical testing regime in place including the testing of portable appliances in the demise
 - Ensure that records are maintained for testing any fire alarms, emergency lighting and associated firefighting equipment installed in the demise
 - Maintain a written scheme of water hygiene / legionella testing control for the demise
 - Have all records of its compliance testing available on site for inspection.

3.11. Ground Rent

51. The Group reserves the right to recover ground rent charges contained within individual leases annually and may opt not to collect them where collection is uneconomical.
52. For administrative purposes, the Group may charge ground rent over equal monthly or quarterly instalments.
53. In the event that a decision is made by the Group not to demand ground rent this will not remove a customer's liability for previous ground rent demands issued. The Group will require any outstanding ground rent demands issued to be cleared before consenting to an assignment/transfer.

3.12. Management Fees

54. Management fees will cover costs for providing general administration and the day-to-day running of the leasehold services. These are levied up to a maximum of

15% of the total service charge costs dependent on the lease. The Group may, at its discretion, charge a lower administration fee where it considers the administration fee to be disproportionately high compared to the actual cost of managing the service. The Group may also stagger the introduction of administration fees over a reasonable period where the introduction results in a significant increase in the charges to customers.

55. The overall cost of administration will be reviewed annually against the overall percentage charged and where necessary amended accordingly in the following year.

3.13. Management Agent Role for a Management Company and Right to Manage

56. The Commonhold and Leasehold Reform Act 2002 is legislation which provides an opportunity for leaseholders to manage their own properties, making their own decisions about the management and upkeep of their properties, including, but not limited to; building insurance, repairs and service charges, alterations, and consents on sub-letting. This 'Right to Manage' does not require the Group consent but must be supported by the majority interest of Leaseholders in the properties which form part of the Management Company.
57. Should a Right to Manage application be submitted, we will formally respond and provide any relevant information required by the RTM company and their chosen legal team within the given timescales as per the Commonhold and Leasehold Reform Act 2002. We will also ensure that residents and the RTM Directors are made fully aware of the services and functions the RTM company will become responsible for prior to completion date.
58. The Group could not nominate an employee to act as a director of an existing Management Company.
59. To assist in achieving its own service standards, where the Group is the lessee and sublets the property under a general needs tenancy agreement, it may seek the managing agents' approval to be a recognized service charge contractor enabling it to undertake repairs at the scheme which sit outside of its demise. Any work undertaken on the managing agent's behalf will be invoiced directly to the managing agent.

3.14. Buildings and Public Liability Insurance

60. When the Group, either as freeholder or under the terms of a managing agent agreement, has a responsibility to provide buildings and/or public liability insurance then the Group will apportion the recovery of this premium from leaseholders as set out in the terms of the individual lease or management agreement. Renewal and changes to the Group insurance will be required to be undertaken through the Section 20 consultation process.
61. An annual buildings insurance policy statement will be available to all leaseholders covered by this policy. Leaseholders must make separate insurance cover arrangements for their contents and any items not included under the Group's building insurance provisions.

62. The Group will administer claims relating to any shared or communal areas made under its insurance arrangements. Leaseholders will be responsible for dealing directly with the insurance provider for claims relating to their own demise.
63. Where the Group only provides buildings insurance a flat fee may be charged per annum for overseeing this policy. This will be outlined in service charge breakdowns.

3.15. Section 20 Consultation and Dispensation

64. The Group will seek to consult leaseholders who pay for services under Section 20 of the Landlord and Tenant Act 1985 (amended by section 151 of the Commonhold and Leasehold Reform Act 2002) when:
 - Carrying out work which will cost any one leaseholder more than £250 (including VAT)
 - Entering into a long-term agreement (for more than 12 months) with an independent organisation or contractor for work, supplies or services which will cost any one leaseholder more than £100 (including VAT) a year
 - Carrying out work under a long-term agreement where the work will cost any one leaseholder more than £250 (including VAT)
65. The Group may apply to the First Tier Tribunal Service to seek dispensation from this statutory consultation process. Examples of when the Group may seek dispensation are set out below:
 - Urgent/Emergency Repairs that cannot be withheld to allow for the completion of the Section 20 consultation process
 - Specialist works meaning that the invitation of more than one contractor for tendering purposes would be problematic, or
 - Group tendering exercises for utility supplies and building/public liability insurance arrangements
66. The Group will determine whether to apply for dispensation on a case-by-case basis.
67. Where an application to dispense with the requirements of Section 20 of the Landlord and Tenant Act 1985 (amended by section 151 of the Commonhold and Leasehold Reform Act 2002) applies to a number of the Group's subsidiaries, the application may be made in the Group's name.

3.16. Resales/Remortgages/Transfers

68. The Group will abide by the Leaseholder Protection Regulations for all resale applications.
69. The Group will charge an administrative fee where it is required to grant consent for any resales, mortgages, transfer of titles or compliance with covenants.

70. Where not specifically outlined in the lease a flat fee for this service will apply. Where a flat fee rate is charged leaseholders will be informed of these rates at the point of request.

3.17. Leaseholder Mortgages

71. The Group has no influence over whether a leaseholder refinances to release equity from their lease, however any mortgage offer will require the Group's consent.
72. The Group may not approve a leaseholder's mortgage offer if the sum borrowed is equivalent, or more than, the leaseholder's equity in the property, or there are concerns that the new remortgage payment amount makes the property unaffordable or at risk of re-possession.
73. For shared ownership mortgages the Group will not agree to any additional conditions specified by a lender other than the standard Mortgage Protection Clause outlined within the lease.
74. A fee will be payable by the Leaseholder for the cost incurred by the Group for the preparation of any structural report required by a lender to approve a mortgage. For example, external wall surveys.
75. In determining the need for an external wall survey the Group will consider whether the building meets the thresholds as set out in the Government's Building Safety Advice for Building Owners guidance note dated 20th January 2020, the Royal Institute of Chartered Surveyors EWS1 guidance dated Jan 2023 and any subsequently published Government guidance for building owners.

3.18. Shared Ownership Staircasing

76. The Group will refer to the individual staircasing provisions contained within the lease and the Shared Ownership programme 2021-2026 (outlined below) when a shared owner wishes to purchase an additional share in their property.
77. For those actioning staircasing through the provision of the 2021-26 Act, the Group will provide an HPI valuation at least annually to qualifying leaseholders or whenever requested and will follow the staircasing procedure for requests.
78. An application to staircase will only be considered if the shared owner holds a clear rent account.
79. A financial assessment will not be required where an existing shared owner is purchasing additional equity in their home.

3.19. Shared Ownership Reverse Staircasing

80. In exceptional circumstances the Group may consider reverse staircasing only when:
- all other efforts to sell a property have been exhausted by the shared owner
 - the shared owner has fully engaged with the Group's Money Advice Service

- the shared owner is not absent from the address for any reason
- the shared owner can demonstrate a history of making regular rent payments during their lease
- where there is a lender involved, and the shared owner is subject to repossession proceedings by their lender and
- The reduction in their share would make maintaining their lease more affordable

81. Final decisions on reverse staircasing are to be approved by the Group Executive Team.

3.20. Affordable Homes Programme 2021-26 Shared Ownership

82. The Group recognizes the Capital Funding Guidance changes allowing initial tranche and additional share purchases to be made by unsecured means. All initial tranche applicants will be subject to an affordability assessment and the Group will not agree to any additional conditions specified by a lender above the standard Mortgage Protection Clause outlined within the lease.

83. For the first 15 years of a lease, without regard for re-sale, the Group will notify the shared owner on an annual basis what the cost of purchasing an additional 1% share would be. This valuation will be valid for 3 months. This information will also be provided on request by the shared owner. The Group will use the Housing Price Index to determine this 1% share cost.

84. For the first 10 years of a lease the Group will operate a Qualifying General Repairs and Maintenance Works allowance of £500 per property per annum. This is not intended to cover all costs or improvements that a leaseholder will face as a normal part of home ownership but is limited to the costs of keeping in repair and proper working order the following:

- the installations in their property for the supply of water, gas, and electricity and for sanitation (including basins, sinks, baths, and sanitary conveniences,); and
- the installations in the property for space heating and heating water (where those obligations are the leaseholders under the terms of the lease).

85. This is subject to following conditions:

- The £500 allowance runs from lease anniversary date
- Leaseholders can roll over a maximum of one year's (£500) worth of unused contribution into the following year
- There is no limit on the number of claims that can be made in any one year
- The Group must give approval that the repair qualifies for the fund before the leaseholder instructs their contractor

- Where an item is still covered by a warranty the leaseholder will be required to make a warranty claim as opposed to seek reimbursement from this fund
- Once the Group has confirmed the repair qualifies under the fund the leaseholder will be responsible for organizing the repair to be completed by a Trustmark approved tradesperson
- Any works completed on gas appliances must be done by a Gas Safe registered Contractor
- The leaseholder will be responsible for payment to the contractor directly and then must seek reimbursement from the Group
- On receipt of a paid invoice, subject to the annual budget caps stated above, the Group will pay the leaseholder by bank transfer for any repair it has previously agreed as qualifying under the scheme

3.21. Lease Extensions

86. Most of the Group's leases were initially granted for either 99 or 125 years, but in recent years some leases will have been granted for 250 years. Where feasible, we now grant leases for up to 990 years and when dealing with such requests the Group will aim to offer the longest term possible that is within its powers.
87. For 100% leaseholders the Group adopts the statutory process to lease extensions. To qualify for the statutory process, the leaseholder must:
- Have held the lease for at least 2 years
 - The lease must have a term of 21 years or greater left at the point of application
 - Own 100% of their home through a lease (100% leaseholder)
88. The Group recognises that shared owners cannot formally apply to extend their lease through the statutory process, but the Group will offer discretionary lease extensions.

3.22. Lease Variations

89. The terms of the lease can only be varied by specific agreement between all parties to the lease or through the First Tier Tribunal.

3.23. Enfranchisement

90. Subject to statutory qualifying criteria Leaseholders who own flats in a building may collectively enfranchise and Leaseholders who own individual houses may purchase the freehold from the Group. In such circumstances the Group follows the processes identified in the Leasehold Reform Act 1967, the Leasehold Reform, Housing and Urban Development Act 1993 and the Commonhold and Leasehold Reform Act 2002.

3.24. Repayment of RTA/RTB Discounts

91. Unless the provisions of Section 185 of the Housing Act 2004 are met the Group will require repayment of any RTB or RTA discount where the leaseholder chooses to dispose of their home within the discount repayment period.

3.25. Right of First Refusal/Buy Backs

92. The Group will not invoke its right of first refusal powers on re-sale or purchase back a property previously sold under the Right to Buy, Voluntary Right to Buy or Right to Acquire schemes.

3.26. Financial Sustainability

93. The Group is committed to ensuring that the sale and purchase of shared ownership leases is sustainable for leaseholders in the long term. The Group will require all new shared ownership applicants and existing shared owners who wish to purchase an additional share but are not fully acquiring the maximum percentage allowed under their lease, to undertake a financial assessment to determine that the purchase is sustainable. The Group will only consider the current income and circumstances of the applicant or shared owner when completing these financial assessments.
94. The Group do not consider 100% mortgages to be a sustainable method of purchasing a shared ownership property and would not approve the purchase of a share, whether a new share or an additional share, using this means of borrowing.
95. A financial assessment will not be required where an existing shared owner is purchasing additional equity in their home.
96. A full financial assessment will not be needed when:
- A staircasing application will result in a leaseholder acquiring the maximum percentage allowed under their lease with an ongoing service charge liability, inclusive of sinking fund contributions, of less than £125 per month.
 - A leasehold property sold on the open market with an ongoing service charge liability, inclusive of sinking fund contributions, of less than £125 per month.
97. In such circumstances, the purchaser would be asked to demonstrate that they can meet their service charge obligations.

3.27. Financial Hardship

98. Any leaseholder experiencing financial hardship may access the Group's free Money Advice Service.
99. When the Group becomes aware of any shared owner at risk of repossession it will undertake a financial assessment of the shared owner and the property to consider opportunities to remedy this threat. This will include opportunities for the shared owner to sub-let on a short-term agreement, for up to 12 months (see section 3.7).

4 Partnership Working

100. The Group will continue to maximise on any opportunities for collaboration, joint-working or partnerships with other organisations to help deliver this policy.

5 Monitoring and Delivery

101. Jigsaw Homes Group Board will have overall governance responsibility for ensuring the Leasehold Management policy is fully implemented to ensure full compliance with the regulatory standards, legislation, and codes of practice. The Income Management team monitors the service to ensure Corporate KPIs are met regarding maximizing income collection and the Leasehold and Service Charge team ensures timely completion of allocated CRM tasks. Each Group Member Board has access to the performance dashboards which will provide full transparency of performance. This policy will be reviewed annually due to the regularity of legislative changes. This review will include consultation with residents using the Jigsaw Rewards portal.

6 Health and Safety

102. Health and Safety responsibilities towards leaseholders are considered throughout this policy. The service adheres to current legislative guidelines, including the Service Charge Residential Management Code 4th Edition (RICS), The Building Safety Act 2022 and the Building Safety Advice for Building Owners, to ensure leasehold properties and communal dwellings are safe.
103. When essential works are identified the Group will review the existing planned works programme and sinking fund forecasts to establish if the essential works can be accommodated into the planned works programme within a reasonable timescale.
104. In the event that this is not achievable the Group will consult with leaseholders regarding its intentions to undertake the essential works. Whilst the Group will consider the outcome of this initial resident consultation the overarching priority will be ensuring that the essential works are undertaken swiftly, and the Group is compliant with relevant legislation.
105. Dependent upon the urgency and specialised nature of the essential works, the Group may seek the First Tier Tribunal Service's agreement to dispense with Section 20 consultation to expedite the works.
106. Ensuring that the Group meets fire safety standards, and that commercial lets adhere to health and safety expectations are all integral parts of the Health and Safety commitment towards Leaseholders.

7 Legislation and Regulation

107. The main pieces of legislation and regulation relevant to this policy include but are not limited to:

- Housing Act 1985
- Commonhold and Leasehold Reform Act 2002
- Leasehold Reform Housing and Urban Development Act 1993
- Section 20, Landlord and Tenant Act 1985
- Service Charges (Consultation Requirements) (England) Regulations 2023
- Regulatory Reform (Fire Safety) Order 2005
- Fire Safety (England) Regulations 2022
- The Housing (Shared Ownership Leases) (Exclusion from Leasehold Reform Act 1967 and Rent Act 1977) (England) Regulations 2021
-

8 Related Policies and Procedures

108. This strategy has links to other Group Policies and Strategies:

- Service Charge Policy and Procedures
- Right to Buy & Right to Acquire Policy
- Section 20 Procedure

9 Glossary

109. Leaseholder - a person who can use a property according to the terms of a lease.
110. Right to Buy (RTB) / Preserved RTB (PRTB) / Voluntary RTB (VRTB) - are schemes under which a tenant has exercised their entitlement to purchase their home.
111. Right to Acquire (RTA) - is a scheme under which a tenant has exercised their entitlement to purchase their home. Define any uncommon terms used in the policy here.

10 Document Control

Responsible Officer/s:	Donna Kelly, Group Director of Neighbourhoods & Support Ivan Wright, Operations Director Sarah Keenan, Head of Neighbourhoods
Date of Approval:	
Approved by:	Group Board
To be Reviewed Every:	2 Years

Appendices

A The Useful Economic Lives of Components

A.1. The useful economic lives of components as used by the Group are set out below:

Component	Useful Economic life (year)
Lifts	25
Fire equipment	15
Warden call equipment	15
Emergency lighting	20
Electric gates	15
Door entry	15
CCTV	10
Communal aerial	10
Communal furnishings	10
Communal carpets	10
Communal bathing equipment	10
Communal vents	10
Communal furnishings - Extra Care/Supported ²	5
Communal flooring - Extra Care/Supported *	5
Communal IT equipment	4

²The Group has set the replacement of communal flooring and furnishing within its Extra Care and Supported Schemes based on an estimated average life cycle. As the replacement of these components may be dictated by the client group, the Group reserves the right to lower the replacement frequency on a scheme by scheme basis.



Creating homes. Building lives.

Jigsaw Homes Group Ltd.

Cavendish 249
Cavendish Street
Ashton-under-Lyne
OL6 7AT

<https://www.jigsawhomes.org.uk>
0300 111 1133
info@jigsawhomes.org.uk

Regulated by the Regulator of Social Housing Registration No. LH 4345

Registered under the Co-operative and Community Benefit Societies Act 2014 Registration No. 29433R

Document produced on 5 November 2024.