



TITLE	Home Owners Management Services Policy
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This Policy relates to management services to Home Owner customers.

1. Policy Statement

Our policy objectives are to:

- 1.1 Recognise Home Owners as a valued customer group, in the same way as we do tenants, and work with them to shape and improve services.
- 1.2 Aim for excellent customer focused services to Home Owners which provide value for money.
- 1.3 Maximise the recovery of the cost of services provided to and benefiting Home Owners, including management costs.
- 1.4 Identify and understand diversity amongst our Home Owner customers, and design and provide services accordingly.
- 1.5 Comply with all relevant legislation, regulatory guidance, Codes of Practice, counterpart leases or management agreements and to learn from examples of good practice.
- 1.6 Involve Home Owners in improving services to them, and in monitoring how we perform.
- 1.7 Communicate clearly with Home Owners by providing accurate, timely and understandable information and advice.
- 1.8 Co-ordinate the functions of the Group and Partner Associations to design and provide seamless services to Home Owners.

2. Policy Purpose and Aims:

- 2.1 Our vision and values apply to our relationship with and services to all our customers, including Home Owners. This policy supports our values which are:
 - Providing excellent service
 - Acting with integrity
 - Valuing people
 - Delivering creative solutions

Through this policy, we set out the framework within which we aim to deliver excellent, customer-focused management services which provide value for money to Home Owners.

This policy focuses on those parts of our business and service delivery that particularly apply to Home Owners. There are a number of other WMHG policies that apply to all customers, and which therefore apply to Home Owners as well. These are listed as associated policies in section 8.1.

In this policy “Home Owners” is used to describe WMHG customers who:

- own a part or full share in their home, either a leasehold or freehold title; and
- have a customer relationship with WMHG, arising from:
 - a lease; or
 - freehold covenants; or
 - a management agreement between WMHG and a third party, like another housing association or a residents’ management company.

Where we refer to “leaseholders”, we refer specifically to those customers who own a leasehold interest in their property, including part shares and full shares.

2.2 The statutory framework which regulates leasehold management is complex and has been subject to many changes over time. Key legislation and regulations are listed in section 8.1. This policy commits us to complying with the statutory framework.

We will comply with the terms of leases and freehold transfers and require homeowners to meet their obligations as set out in these documents. Where management agreements are in place, we will meet our obligations under the terms of those agreements.

When implementing this policy we will adhere to the Group’s Standing Orders, notably in respect of delegated authority and financial regulations.

For home owning customers, this policy enables us to meet the requirements of the Tenant Services Authority’s Regulatory Code 3.5 which states that housing associations must provide good-quality housing services for residents and prospective residents.

It will also enable us to meet elements of the Tenant Services Authority’s Regulatory Guidance 3.1b, which states that all residents have information about their service charge including costs that their charges cover, how charges are budgeted and increases calculated.

In working towards the policy objectives, we recognise the Key Lines of Enquiry used by the Audit Commission Housing Inspectorate, particularly the “Management of leasehold and shared ownership housing” (KLOE 12). Our Homeowners’ Management Services Strategy, aims to achieve a range and quality of service that is seen as excellent when assessed against the overarching questions set out in KLOE 12. This policy will help us achieve that aim.

We will take account of good practice as contained within the RICS and ARHM Codes, and as may be identified by the Tenant Services Authority, Audit Commission, benchmarking clubs, other associations, etc.

3. Our Policy

3.1 Leaseholders

This section applies to leaseholders only (including shared owners).

3.1.1 Rent

We will set rents based on any planning and grant conditions and make changes annually in line with lease conditions. Where relevant, we will comply with the legal requirement to serve notice in the prescribed form before collecting rent.

3.1.2 Ground rent

We will collect ground rent from leaseholders as provided for by the lease, unless at our discretion we decide it is not cost-effective for us to do so.

3.1.3 Variable service charges

This section covers leaseholders paying a variable service charge, by which we mean a service charge that varies according to the actual cost of services, repairs, etc.

- a) We will make a charge that is a fair share of all the relevant costs we incur, and/or the estimated costs we expect to incur. In doing this we will make sure that all the charges we make, and how we share them out, are consistent with the terms of the lease. We will also account for services charges, and issue estimates and statements of account, in accordance with the terms of the lease.
- b) We will include a charge within the service charge, which, subject to compliance with the terms of the lease, maximises the recovery of our costs, including overheads, in:
 - o managing the property, and the building and estate it is situated in; and
 - o administering the lease and managing the service charge account.
- c) We will also aim to make sure that the charges we make, and the way we make them, meet the requirements of the legislation protecting leaseholders. To do this we aim to:
 - o charge only for costs we consider to have been reasonably incurred;
 - o make demands for payment within 18 months of expenditure having been

- incurred;
- o consult with leaseholders in advance of entering into a long-term (12 months plus) agreement for services or in advance of undertaking major works;
 - o facilitate the inspection of accounts, receipts, etc. if requested in writing;
 - o provide regular statements of account;
 - o provide a notice of a leaseholder's rights and obligations in relation to service charge when making a demand for payment, which includes notification of a leaseholder's right to apply to a Leasehold Valuation Tribunal for a determination;
 - o meet any other requirements as set out in the relevant legislation including regulations, both current and future.
- d) Where a long lease has been granted as a result of a property being bought under the Right to Buy, or Right to Acquire, we will comply with the limitations on charges that can be made in the five year reference period identified at the time the notice of purchase price was issued. If a Right to Buy leaseholder is eligible to apply for a loan from the Homes and Communities Agency to cover the cost of major works we will advise the leaseholder of this at the time we provide estimates for that work.
- e) The way we procure and manage services is to be set out in our Rent and Service Charges Policy.
- f) When procuring contracts for the delivery of services (including maintenance and programmed works) which are likely to result in significant charges to leaseholders, we will consult with those customers affected. When procuring contracts of more than 12 months that we expect to result in charges to leaseholders of more than £100 per year (including VAT), we will carry out consultation that fully complies with The Service Charges (Consultation Requirements) Regulations for "Long Term Qualifying Agreements".
- g) When planning major works to a building or estate, we will consult with those customers affected. When planning major works that we expect to result in charges to leaseholders of more than £250 (including VAT), we will carry out consultation that fully complies with The Service Charges (Consultation Requirements) Regulations for "Qualifying Works".
- h) Where leases allow, and at our discretion, we will set up reserve or sinking funds to provide adequate funding for programmed major works and replacements. Contributions to a building/scheme sinking fund will be based on our assessment of building element life cycles and set to enable us to properly maintain the structure, exterior, common areas and common services throughout the building/scheme's life. Any funds will be invested in an explicit trust account.

3.1.4 Fixed service charges

Where a lease provides for a fixed service charge (by which we mean a fixed amount that is written into the lease and linked to an inflation index), we will ensure that the charge is reviewed periodically in accordance with the terms of the lease.

When we increase fixed service charges, we will explain how the increase is linked to increases in the relevant inflation index.

3.1.5 Insurance

We will maintain adequate buildings insurance cover where the lease requires us to insure, or where we have a responsibility to rebuild or reinstate a property in the event of damage by a cause against the risk of which it is normal practice to insure.

We will supply, on request from a leaseholder or recognised residents association, a written summary of any buildings insurance cover applying to their building. Following provision of a written summary, and in response to a written request from a leaseholder or recognised residents association, we will provide reasonable facilities for inspecting the insurance policy and evidence of payment of the premiums due.

3.1.6 Leaseholders' rights: to acquire the freehold, take over management, and acquire a longer lease

These rights are provided for by legislation. They exclude shared ownership leases where the leaseholder's share is less than 100%. The rights are subject to conditions. We will make information outlining these rights accessible to leaseholders.

If a leaseholder, or group of leaseholders, want to consider exercising one of these rights, we will guide individuals towards independent information and independent professional advice as appropriate.

Following a customer, or group of customers, serving an appropriate notice(s), we will meet the process requirements as set out in the legislation.

The rights are:

- the right to acquire the freehold of their building as a group;
- the right to take over management of their building as a group.
- the right to acquire a new longer lease as an individual.

3.1.7 Assignment of Leases

A lease is assigned when the leaseholder transfers his/her interest in the property to another party. It is what happens when a leaseholder sells a property to a buyer.

Leases vary in their provisions for assignment. We will comply with the requirements of the lease, and any Homes and Community Agency requirements and statutory requirements.

We will deal with assignment enquiries and processes in line with our service standards.

3.1.8 Mortgages

Other than in the case of Right to Buy or Right to acquire leases, where we will follow the requirements set out in the relevant legislation, we will not accept another charge or mortgage which is above the value of the original approved loan. We will not unreasonably withhold our consent for another mortgage for any value that is below the value of the original approved loan.

3.1.9 Alterations and improvements

Our leases make a range of different provisions restricting alterations and improvements. Some contain absolute restrictions, i.e. prohibiting any such works; others contain qualified restrictions.

a) Absolute restrictions. Agreement to waive the restriction is entirely at our discretion. However, in deciding these, we will aim to not unreasonably withhold consent. We will apply a charge for this to cover our costs, and the customer will be liable for any legal costs we incur.

b) Qualified restrictions. Consents will not be unreasonably withheld. Where the lease provides for it, we will apply an administration charge.

We will not normally give consent for structural alterations to flats and other buildings where we retain a maintenance responsibility for the structure. Authorisation for alterations on land not in the leaseholder's control will not normally be given.

3.1.10 Breaches of the Lease Covenants

We will consider appropriate and proportionate action, including legal remedies, where we become aware that a leaseholder is acting in breach of the terms of their lease.

Such breaches may include:

- Causing or permitting nuisance, annoyance, harassment, etc.
- Unauthorised alterations and improvements;

- Failure to maintain the property;
- Failure to permit access for inspection and/or repair.

In the case of nuisance, annoyance, harassment, etc. we will take action to investigate complaints and, if necessary, remedy the problem in line with our Anti Social Behaviour Policy.

3.1.11 Changing the terms of the lease

From time to time, we may want to vary the terms of individual, or groups of, leases. As first option we will try to do this through agreement with the leaseholders involved. If this cannot be achieved we will assess the business case for applying to a Leasehold Valuation Tribunal, which has the power to vary the terms of leases.

We will notify any financial institutions with a registered interest in a property of any proposed changes to the lease. For grant funded shared ownership properties, where we wish to change any of the fundamental clauses in the lease, we will ask for approval from the Homes and Community Agency.

3.1.12 Disposing of building freeholds

If we decide to sell the freehold of any buildings we own, in which there are leasehold properties, we will meet the statutory requirements to give those leaseholders the first opportunity to acquire the freehold, subject to their meeting the qualifying criteria.

3.1.13 Administration charges

We reserve the right to make an administration charge for providing services to individual leaseholders such as:

- dealing with applications for approvals;
- processing assignments;
- registering new charges or mortgages;
- providing documents, information, etc.

where a lease provides for such charge or does not preclude it. We will comply with the statutory controls on administration charges.

3.2 **Freehold Home Owners**

This section applies to freehold owners, who are required to pay towards the costs of services and/or works as provided for by restrictive covenants included when their title was transferred to them.

3.2.1 Charges to Freehold Home Owners

We will recover a fair share of any costs we incur in providing services or carrying out works benefiting freehold owners.

3.2.2 Compliance with restrictive covenants

We will consider appropriate and proportionate action, including legal remedies, where we become aware that a freehold owner is acting in breach of any restrictive covenants applying.

3.3 **All Home Owners**

3.3.1 Equality and diversity

We are committed to ensuring that no individual or group is discriminated against or disadvantaged as a result of our activities. We recognise the existence and importance of differences within our customer group, and will therefore not discriminate on the grounds of age; disability; gender; race; religion, faith or belief; sexuality or any other grounds for unjustifiable discrimination. This commitment is set out in more detail in our Equality and Diversity Policies.

We will ask Home Owner customers to give us information about themselves, so that we can build and maintain a customer profile database. We will use this information to help shape our services in a way that recognises the diversity of Home Owners, and to help make sure we treat all customers fairly.

3.3.2 Customer involvement

We are committed to encouraging and supporting Home Owner involvement in shaping and monitoring services to Home Owners. We set out how we will achieve this in our Customer Involvement Policy.

We will consult with Home Owners on proposed significant changes to the scope and/or quality of the services we provide.

When we are proposing to carry out major repairs or improvements, we will meet any statutory consultation requirements (see 3.1.3 g) and h)). In addition we will consult with all residents benefitting from a scheme on its implementation.

3.3.3 Customer information

We will provide all Home Owners with a copy of a relevant handbook, and a copy of the Tenant Services Authority's "A charter for housing association applicants and residents".

We will provide timely and easily understood information to Home Owners on matters likely to affect them and/or likely to be of interest to them.

We will aim to ensure that our correspondence to individual customers, and to groups of customers, is easily understood, relevant and in line with our service standards.

We will publicise sources of independent advice for Home Owners.

3.3.4 Complaints

We aim to deal with complaints promptly and provide a considered and constructive response in line with our service standards and our Complaints Policy.

3.3.5 Payments

We will offer Home Owners a range of methods for paying their rent and service charges, aimed at meeting customers' preferences as expressed through surveys and other channels.

We will encourage Home Owners to pay by Direct Debit.

3.3.6 Arrears

Our Arrears of Rent and Other Charges Policy sets out our approach to minimising and recovering arrears, including shared ownership rent and Home Owners' ground rent and service charge arrears.

Our priority aim is to prevent arrears accruing. Where they do, we will take a firm approach, including legal action, balanced with measures to prevent arrears and to increase debtors' ability to pay.

In the case of leaseholders, forfeiture action – i.e. action to bring the lease to an end - will be considered only as a last resort.

3.3.7 Anti-Social Behaviour

In response to complaints by Home Owners about alleged anti-social behaviour, we will investigate and take action as appropriate, in line with our Anti-Social Behaviour Policy. Similarly we will respond to complaints about alleged anti-social behaviour caused by Home Owners in line with that Policy.

3.3.8 Applications by Home Owner customers to purchase additional land

Where we receive applications to purchase additional land they will be refused, unless there are exceptional reasons that warrant further consideration. All disposals require Tenant Services Authority consent. The purchaser will be responsible for meeting the costs of all parties involved.

4. Equality Impact Assessment

An Equality Impact Assessment was carried out in respect of this policy. We expect this policy to have a low impact on the various equality groups and the local communities.

In carrying out the assessment we have noted the need to fully consider the needs of customers with disabilities or chronic medical conditions when considering requests for consent for alterations and improvements and requests to purchase additional land.

5. Performance Measures and Targets

We have a range of measures and targets across the Group, aimed at achieving effective and efficient performance.

6. Monitoring and Review

This policy is scheduled for routine review in September 2013, and every three years thereafter.

It will be reviewed ahead of schedule if required to implement changes in the statutory or regulatory framework, or to implement improved practice.

7. Responsibility

This effective implementation of this policy is the responsibility of the Executive Director of Housing within the group.

8. Associated Documents/Policies

8.1 Legislation

Housing Act 1985
Landlord and Tenant Act 1985
Landlord and Tenant Act 1987
Leasehold Reform Housing and Urban Development Act 1993
Housing Act 1996
Commonhold and Leasehold Reform Act 2002

Housing and Regeneration Act 2008

8.2 Policies

Integrated WM Housing Group Policies

Data Protection Policy

WM Housing Group and Whitefriars Housing Group Policies agreed before the Group was enlarged

Policies as listed below apply at the time this policy was approved. As part of the Group integration process, currently in progress, these policies will be superseded by new policies covering the whole Group, which will incorporate and/or replace policies on this list.

Pre-enlargement WM Housing Group

Customer involvement
Anti-social behaviour
Arrears of Rent and other charges
Services and service charges
Harassment and Racial Harassment
Home ownership (Right to Buy or Acquire etc)
Rent setting
Equality and Diversity including Equal Opportunities
Compensation
Compliments, Comments and Complaints

Whitefriars Housing Group

Resident Involvement
Statement of ASB Policies
Preserved Right to Buy and Right to Acquire
Religion faith and Belief
Sexuality
Age
Disability
Gender
Race

Equality and Diversity
Tenant compensation and Payment
Complaints

8.3 External organisations referred to in policy

Tenant Services Agency (TSA)	The independent regulator of affordable housing for England. It regulates housing associations (which the Housing Corporation used to do until it closed in 2008).
Home and Communities Agency (HCA)	The national housing and regeneration agency for England. It can make grants to housing associations to pay for building affordable housing (which the Housing Corporation used to do until it closed in 2008.)
Audit Commission Housing Inspectorate	The Audit Commission is an independent watchdog which looks at how well local public services are run. Part of its role is to inspect housing associations on behalf of the Tenant Services Agency, which is done by its Housing Inspectorate.
Royal Institution of Chartered Surveyors (RICS)	Produces a Service Charge Residential Management Code
Association of Retirement Housing Managers (AHRM)	Produces a Private Retirement Housing Code of Practice