

Cheltenham Borough Council Leasehold Ownership Policy – Summary

What is this document about?

This summary provides an overview of Cheltenham Borough Council's (the Council) Leasehold Ownership Rent Setting Policy.

Purpose of the Policy

The Leasehold Ownership Policy sets out Cheltenham Borough Council's (CBC) approach to managing leasehold properties sold under **Right to Buy**, **Shared Ownership**, and those located within **mixed-tenure blocks**. The policy ensures legal compliance, transparent service delivery, and consistent management of CBC's leasehold portfolio.

Key Objectives

- Define the roles, obligations, and responsibilities of both CBC (as freeholder) and leaseholders.
- Ensure compliance with relevant housing, leasehold, safety, and consumer legislation.
- Provide a clear and accountable framework for service charges, major works, consultation, and income recovery.
- Support constructive engagement, high-quality customer service, and transparent communication with leaseholders.

Scope

The policy applies to all CBC-owned or managed leasehold properties, excluding specific legacy arrangements (e.g., James Donovan Court). It is used by Housing, Leasehold Services, Asset Management, Repairs, Customer Services, Finance, and One Legal.

Core Policy Areas

1. Lease Management

- CBC manages leases in accordance with lease terms and statutory requirements.
- Leaseholders must maintain their property interiors and comply with conditions such as alterations, subletting, and occupancy rules.

- CBC provides statutory notices, welcome information, and consistent customer support.

2. Service Charges

- Service charges are issued **annually in arrears** (except building insurance).
- Charges must be **reasonable, transparent**, and based on actual costs.
- CBC issues required **Summary of Rights**, cost breakdowns, and offers payment plans.

3. Repairs & Major Works

- CBC is responsible for communal and structural repairs.
- Works costing over £250 per leaseholder require **Section 20 consultation**.
- Emergency works may proceed without consultation, subject to formal dispensation.

4. Section 20 Consultation

A statutory three-stage process is followed for qualifying major works and long-term agreements:

1. Notice of Intention
2. Notice of Estimates
3. Notice of Reasons/Award

5. Income Recovery

- Leaseholders must pay service charges and major works invoices in accordance with the lease.
- CBC follows its Corporate Debt Policy and may contact mortgage lenders where arrears persist.
- Payment plans offered: up to 12 months for annual service charges and up to 36 months for major works.

6. Legal & Statutory Processes

Includes:

- Right to Buy buy-back requirements (10-year rule)
- Assignments, remortgages, probate and transfers
- Enfranchisement and lease extensions
- Enforcement, breach management, and forfeiture (used only as a last resort)

7. Health & Safety & Compliance

- CBC ensures statutory compliance in communal areas (fire safety, asbestos, emergency lighting).
- Leaseholders must maintain gas/electrical safety, smoke alarms, and avoid storing items in communal areas.

- Fire door compliance is strictly enforced.

8. Building Insurance

- CBC insures the building structure; premiums are recharged through the service charge.
- Leaseholders remain responsible for contents insurance.

9. Communication, Engagement & Complaints

- CBC consults leaseholders on major works, policies, and service planning.
- Leaseholder forums inform review and service improvement.
- Complaints follow the Corporate Complaints Policy with recourse to the Housing Ombudsman or First-tier Tribunal.

Monitoring and Review

The policy will be reviewed every **three years** or sooner in response to legislative changes. Key indicators include service charge recovery rates, tribunal outcomes, complaints, and leaseholder feedback.