

Cheltenham Borough Council Leasehold Ownership Policy

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Responsible officers

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Consultees

Internal

- Technical and Investment Team
- Responsive Repairs
- Finance
- Cabinet Member for Housing and Customer Services

External

- Leaseholders via the Leasehold Forum

Distribution

Website

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1. Introduction

Cheltenham Borough Council (CBC) is committed to meeting our responsibilities towards leaseholders under the terms of the lease agreement and providing them with high-quality management and maintenance service whilst demonstrating value for money.

2. Policy purpose and scope

This policy outlines CBC's approach to managing leasehold properties that it owns or manages. Its purpose is to ensure compliance with relevant legislation, promote transparency, and support positive and constructive relationships with leaseholders.

This policy provides information for leaseholders and staff involved in delivering services to leaseholders. This includes customer services, housing services, leasehold services, asset management, and property services.

CBC is committed to meeting its statutory duties and responsibilities under the terms of each lease. The Council will provide leaseholders with a high standard of customer care in the management and maintenance of their homes, including clear information about service charges and a full explanation of leaseholders' rights and responsibilities.

Adoption of the policy will provide guidance to officers to ensure that they are complying with the relevant legislation.

Scope of the Policy

This policy applies to:

1. Leasehold flats sold under the Right to Buy or Shared Ownership schemes.
2. Leasehold properties within mixed-tenure blocks.
3. Leaseholders of properties managed by Cheltenham Borough Council.
4. This policy does not include James Donovan Court which is unique lease with specific financial arrangements.

3. Policy aims

The aims of this policy are as follows

- Set out the responsibilities and obligations of Cheltenham Borough Council (CBC) and leaseholders, in accordance with the terms of the generic lease and all relevant legislation.
- Ensure that CBC meets its responsibilities as the freeholder, as defined in the generic lease agreement between CBC and the leaseholder.
- Provide a clear framework for delivering an efficient, customer-focused leasehold management service that offers value for money and supports positive relationships with leaseholders.

4. Related documents and legislation

This policy should be read in conjunction with individual lease agreements issued at point of sale.

This policy has been written to consider the obligations with the current legislation and regulations, in particular:

Legislation (Including and not limited to)

Leasehold Reform, Housing and Urban Development Act 1993
Commonhold and Leasehold Reform Act 2002
Leasehold and Freehold Reform Act 2024
Human Right Act 1998
Landlord and Tenant Act 1985
Housing Acts 1985, 1996, 2004
Equality Act 2010
Leasehold Reform (Ground Rent) Act 2022
Regulatory Reform (Fire Safety) Order 2005, Fire Safety (England) Regulations 2022 and Fire Safety Act 2021
Data protection Act 2018 and GDPR (UK General Data Protection Regulation).

Other applicable documents

- I. Individual lease agreement
- II. Right to Buy – a guide for local authorities
- III. Homes England
- IV. Shared Ownership

Links to CBC policies

The Leaseholder policy is linked to other housing policies, namely: • Repairs and Maintenance Policy • Tenancy and Estate Management Policy • Complaints Procedure • Anti-Social Behaviour Policy • Corporate Debt policy • Rent Setting and Collection Policy • Fire Safety Policy

5. Definitions For the purpose of this policy

We, our, Us, CBC	Refers to Cheltenham Borough Council.
Property	Refers to leasehold or shared ownership property, including outside areas that form part of the property such as gardens, patios, and balconies.
Freeholder	Is a person or organisation who owns the freehold to a piece of land or property in this case the freeholder is Cheltenham Borough Council.
Leaseholder	Is an individual who has purchased a property under a long term lease as a part of a block of flats, maisonette or is partly owned by CBC through a Shared Ownership Scheme.
Rent	Relates to the amount payable by the leaseholder on the unsold share.
S20 Consultation	A Section 20 consultation refers to the legal process that landlords must follow before conducting certain works or entering specific long-term contracts.
Service charge	As defined under Section 18 of Landlord and Tenant Act 1985 as an amount payable by a tenant for services, repairs, maintenance, improvements, or insurance with varies or vary according to the relevant costs.
Repair	This definition is implied through the way service charges cover maintenance and repairs of the building's communal parts, such as roofs, entrances, stairs, lifts, and external areas.
Major Works	Significant repairs, maintenance, or improvements to a building or estate that result in any individual leaseholder being charged more than £250 for their contribution. This threshold triggers the legal requirement for a Section 20 consultation under the Landlord and Tenant Act 1985.
Ground rent	<p>Ground rent is a payment made by a leaseholder to the freeholder for the right to live on and use the land on which the property sits.</p> <p>Since the implementation of The Leasehold Reform (Ground Rent) Act 2022 on 30 June 2022, ground rent can no longer be charged on new leases.</p>
Lease	Is a legal and binding document between CBC and the leaseholder which outlines the rights and duties of both parties. The terms of the lease have been established in accordance with legislative requirements and cannot be varied without express agreement and permission of CBC, the leaseholders and where applicable the mortgagee.
Shared or communal areas	Refers to internal and external areas which have shared access and used by all leaseholders or residents such as stairs, estates, grounds, drying areas, or other parts of the block or estate that are managed and maintained by CBC.
First Tier Tribunal	Processes applications appeals and reference relating to disputes over property and land.

6. Policy statement

6.1 In general, the leasehold team oversees the general management of all CBC leasehold properties with support from other services including Housing Services, Asset Management, Property Services, One Legal and Repairs Services.

6.2 Leaseholder should be provided with a copy of the lease by the solicitor acting on behalf of the purchaser.

6.3 CBC will comply with legislation.

6.4 Key information will be sent to new leaseholders in their welcome letter.

7. Lease

A lease agreement is a legally binding contract between a landlord (or freeholder) and a tenant (or leaseholder) that sets out the terms under which the tenant can occupy and use a property for a specified period. The specific lease and associated legislation takes precedence over any conflict with this policy.

Key Features of a Lease Agreement

- **Property Description:** Specifies the part of the property being leased (often called the demised premises).
- **Lease Term:** States how long the lease lasts (e.g., 99 years, 125 years).
- **Rent & Charges:** Details the rent, ground rent (where applicable), service charges, and any other payments.
- **Rights & Responsibilities:** Outlines what each party can and must do (e.g., repair obligations, restrictions on alterations).
- **Use of Property:** Specifies permitted uses (e.g., residential only) and any restrictions.
- **Termination Conditions:** Includes clauses for ending the lease early (e.g., break clauses, forfeiture).
- **Legal Clauses:** Covers dispute resolution, indemnities, covenants, and other legal protections.

7.1 Leaseholder Rights and Responsibilities

A residential lease is a legally binding contract between the leaseholder and the landlord/freeholder. It sets out what each party must and must not do.

7.1.1 Leaseholders must:

- a. Pay ground rent (where applicable), service charges, and major works contributions as per lease terms.
- b. Maintain the interior of their property.
- c. Comply with lease conditions (e.g. subletting, alterations).

7.1.2 CBC will:

- a. Provide clear service charge breakdowns annually.
- b. Consult leaseholders under Section 20 process for qualifying works.
- c. Respond to queries and complaints within published timescales.
- d. Offer lease extension and enfranchisement options in line with legislation.

8. Service Charges

A service charge is an amount payable by tenants or leaseholders for services, repairs, maintenance, improvements, insurance, and management costs, as defined in UK housing legislation.

CBC will adhere to statutory requirements in delivering and charging services to our leaseholders and follow relevant legal and regulatory framework. Service charges will comply with the provisions set out in the Landlord and Tenant Act 1985 and 1987(as amended). Service charges are issued once a year, based on the actual costs for providing the services to the block or estate. The corporate terms of payment for invoices are 14 days. However, at the council's discretion and where justified, this period may be extended to a maximum of 12 months.

As a part of this process CBC will:

8.1 Provide leaseholders with Notice of Rights with demands.

8.1.2 CBC will offer a range of payment terms which include direct debit, standing order or direct payments via website or contact centre.

8.1.3 Charges will be fair, transparent, and reflect actual costs. Service charges are issued in accordance with the lease annually in arrears, so they reflect actual costs. The exemption to this is the building insurance which is payable in advance and is included in the annual service charge invoice.

8.2 Service charge can include the following components.

- 8.2.1 **Building Insurance** This reflects costs to provide insurance cover and is payable in advance. These charges are reviewed regularly and procurement and reflect rebuild values that are reviewed annually.
- 8.2.2 **Repairs Reactive or day-to-day** repairs under £250 are included in the service charge.
- 8.2.3 **Ground maintenance** CBC provides ground maintenance, and this is reviewed on an annual basis. The costs of providing the service are based on the sqm of the area associated with the block or property.
- 8.2.4 **Cleaning** This is provided by estate maintenance department and determined by the time allocation. This is reviewed on an annual basis.
- 8.2.5 **Heating and Lighting** Electricity for communal areas or Communal heating or water supply (if applicable).
- 8.2.6 **Health and Safety compliance** These services ensure the building is legally compliant, safe for occupation, and appropriately maintained. These include Fire Safety, Asbestos Management and Emergency lighting test of the communal area.
- 8.2.7 **Management fees and administration fees** These fees are calculated based on the time required to provide services from all the relevant departments. This is reviewed on an annual basis.

8.4 Calculations, Communication, Invoicing and Disputes

8.4.1 Calculations

Service charges are payments from leaseholders to cover their proportion of costs incurred by CBC in managing, maintaining, repairing, and providing services to the building and communal areas. This relates to the leaseholder's individual property. For example, if there are 6 flats in a block, the leaseholder will pay 1/6th of the costs associated with the communal areas or structure.

- CBC ensures transparency, consistency, and compliance with lease obligations and relevant legislation.
- Service charge calculations are determined by the terms of the individual lease, which is the legally binding agreement between the landlord and the leaseholder.
- CBC will provide leaseholders with accurate and timely information about service charges, including a breakdown of attributed costs.

The lease sets out:

- Which services the landlord must provide.
- Which costs the landlord is entitled to recover.
- How the cost is apportioned between leaseholders.

The method of apportionment may include:

- A fraction or share (e.g., 1/12th for twelve identical flats).
- A reasonable proportion, where no fixed method is specified.

CBC must follow the method stated in the lease. Service charges include the reasonable cost of services required to manage and maintain the building.

Service charges will vary between building and estates because of:

- Age and condition of the building.
- Presence of lifts, gardens, car parks, or a concierge.
- Health & safety obligations.
- Major works cycles.
- The specific terms of the lease.

8.4.2 Additional charges

CBC may charge leaseholders an additional cost for supplementary work. Examples of these can include but not limited to consent approval, copies of lease, management packs, and legal costs.

8.4.3 Communication with Residents relating to annual service charge

Residents will receive an annual service charge statement issued annually between June and August. This will include:

- Breakdown of repairs completed and the apportioned charge.
- Clear explanations of any increases.
- A written demand.
- A breakdown of costs by individual service component.
- A statutory Summary of Rights and Obligations is a legal document that must, by law, accompany every service charge demand issued to a leaseholder or tenant in England.

8.4.3 Invoicing for Service charges

CBC appreciates that leaseholders may be concerned about the prospect of receiving sizable bills in respect to their contribution towards service charges and “major works.”

Type of Invoice	Frequency
Service charge, Repairs and Building Insurance	Annually between June to August
Ground rent	Annually between June to August

- Invoices are issued in accordance with the lease and payment will then become due within 14 days.
- Payment plans are offered according to the type of invoice.
- Financial guidance is offered via Money Benefits Advice Team.

If the Council is unable to include the costs of all elements of the Major Works within the financial year in which the works were completed, the costs may be included in the service charge invoice for the following financial year provided the invoice demanding payment for the works is not dated more than 18 months after the costs were incurred in accordance with the Landlord and Tenant Act 1985.

8.6.4 Disputes

If a leaseholder wishes to dispute or query the whole or part of their annual service charge or major works invoice, they should contact the leasehold team.

- A schedule will then be sent to the leaseholder this will enable the leaseholder to identify the service charges which are not in dispute and should be paid.
- The leaseholder should identify the charges which are in dispute and why. This should be done upon receipt of the invoice or non-delivery of a service. The Council expects that charges not in dispute will be paid within 14 days of the invoice.

A leaseholder can follow the CBC complaints procedure if they disagree with the outcome of the dispute raised. After exhausting the Councils internal complaints procedure, if the leaseholder is still unsatisfied with any element of their service charge bill or major works an application for a final decision from the First Tier Tribunal (FTT) Property Chamber may be pursued.

9 Repairs and Major Works

A repair is routine work that is completed to keep communal areas and building elements in good working order, such as fixing leaks, repairing lighting, maintaining lifts, and general cleaning or upkeep. In contrast, major works are significant building projects, such as roof replacements, external decoration, or structural repairs.

If the cost to any leaseholder exceeds £250 for either a repair or major works, CBC must complete a Section 20 consultation before the works begin. The exception to this requirement is emergency works or urgent repairs needed to address an immediate risk to health, safety, security, or the structural integrity of the building.

Emergency works must be completed without delay to prevent danger, safeguard residents, or stop severe damage from occurring. These works differ from routine repairs because they cannot be postponed and must be addressed immediately to keep the building safe. Please refer to Section 10 for further details regarding S20 dispensation for emergency works.

9.1 Repairs

All repairs completed to the structure, block or estate are recovered through the annual service charge. Any costs under £250 per leaseholder per repair does not need formal consultation. These charges are collected in arrears, meaning leaseholders contribute after the costs have been incurred, in accordance with the lease and service charge regulations. Leaseholders are responsible for the maintenance and repair of the internal areas of their own property.

CBC is responsible for:

- Maintenance and repairs to communal parts, such as entrances, stairs, roofs, walls, and shared facilities.
- Upkeep of shared services, including communal lighting, door entry systems, and general building maintenance.
- Routine servicing and repairs to items such as lifts, fire alarms, water pumps, and communal mechanical/electrical equipment.
- Cleaning and grounds maintenance to ensure communal areas remain safe, tidy, and usable.
- Ensuring all repairs restore items to their original working condition; repairs do not upgrade or improve components beyond their previous state.
- Completing repairs raised via the Customer Services team using either appointed contractors or CBC's in-house maintenance team.

CBC will maintain the external fabric/structure of the building and communal areas, in accordance with the lease and obligation for repairs and general maintenance of the building which are covered through the service charge or planned works.

Repairs and maintenance for shared or communal areas are completed by CBC, or by appointed contractors. Leaseholders or occupiers should report any repairs directly to our customer service department.

Under the terms of the lease, leaseholders will be charged for the relevant share of the cost incurred. CBC will consult with leaseholders if they are more than £250.00 per property. Please see section 10.

9.2 Major Works

Major works (also called *qualifying works*) are significant, larger-scale repairs, maintenance, or improvements to a building structure/block or estate. These works go beyond day-to-day repairs and typically involve substantial labour, materials, or specialist contractors.

Cheltenham Borough Council (CBC) will ensure that leaseholders are fully consulted in compliance with Section 20 of the Landlord and Tenant Act 1985 when the cost to any individual leaseholder exceeds £250. This requires CBC to consult leaseholders on proposed qualifying major works or improvements they are required to contribute towards, as well as proposed changes to long-term agreements.

The only exception to full consultation for either repairs or major works is emergency, where urgent action is required to protect health, safety, security, or prevent serious structural damage.

Major works typically include:

- Roof replacements or major roof repairs.
- External decoration (painting, rendering, etc.).
- Structural repairs to walls, balconies, or foundations.
- Fire safety remedial works such as cladding, fire doors, alarms, or compartmentation.
- Window replacements or large-scale repair programmes.
- Lift refurbishment or replacement.
- Work delivered under long-term contracts costing over £100 per leaseholder per year (e.g., grounds maintenance or building maintenance contracts).

9.3 Asset management

Asset management ensure that CBC housing stock is safe, sustainable, and fit for future needs.

The responsibility includes:

- Ensure homes are safe, warm, and sustainable.
- Align with corporate and financial plans.
- Support resident wellbeing and community resilience.
- Adapt to regulatory changes.
- Delivering value for money.

Key responsibilities include:

- Stock condition surveys and lifecycle modelling.
- Planned and reactive maintenance.
- Compliance with building safety, fire regulations, and decarbonisation targets.
- Energy efficiency upgrades.
- Tenant engagement and satisfaction.
- Data management.

9.4 Planned Works Program

Planned maintenance and major works include renewal, repairs and maintenance to the building planned for in advance. Contributions are dependent on the terms of the lease and payments towards the cost of this work are as a service charge.

The maintenance program is reviewed annually and based on budgetary and priorities identified by CBC and external factors.

9.5 Procurement and Tender process

Under the Procurement Act 2023, public sector procurement—including housing—is guided by four statutory objectives: delivering value for money, maximising public benefit, sharing information to allow suppliers to understand the contracting authority's procurement policies and decisions (supporting transparency), and acting with integrity. Contracting authorities must have regard to these objectives when awarding contracts, but also consider flexibility, social value, environmental sustainability, economic impact, and community wellbeing.

When undertaking a procurement, CBC must comply with its own Contract Rules (set out in the Constitution) and the Procurement Act 2023. Details of the different procurement options available, and how best value for residents is achieved, are contained within those Contract Rules, accompanying guidance and CBC's procurement strategy.

9.6 Direct Awards

The Procurement Act 2023 permits a direct award in limited situations. A direct award is when a public contract above the relevant value is granted without a competitive tender, directly to the supplier chosen by the council. The circumstances in which a direct award may be permitted is set out in CBC's contract rules and procurement guidance.



10 Section 20 Consultation

Section 20 consultation is a legal process that CBC must follow before completing major works or entering into long-term contracts where costs payable by Leaseholders through service charges exceed specified thresholds.

This requirement comes from Section 20 of the Landlord and Tenant Act 1985, as amended by later legislation.

CBC has a duty to consult with leaseholders when completing works to a block where these works will result in a charge to any one leaseholder more than a certain amount, currently £250, as per paragraph 6 of The Service Charges (Consultation Requirements) England Regulations 2003.

Section 20 consultation is designed to:

- Ensure transparency about major costs.
- Give leaseholders a chance to comment.
- Allow leaseholders to nominate contractors where appropriate.
- Protect leaseholders from unreasonable or unexpected bills.

If the landlord does not consult properly, leaseholders' contributions may be capped, regardless of the actual cost of the works.

The leasehold management team will complete an internal verification process in partnership with the technical investment team or Repair Management Surveyor to outline the scope of the works and information needed for leaseholders to complete the consultation documentation.

The Three Stages of formal Section 20 Consultation

The consultation process is completed in three formal stages:

1. Notice of Intention

This informs leaseholders that the landlord intends to enter into an agreement to complete major works.. It must include:

- Description of proposed works.
- Reasons for why the proposed works is considered necessary
- Invitation for comments/observations from leaseholders
- Opportunity for leaseholders to nominate contractors.

Leaseholders have **30 days** to respond.

2. Notice of Estimates

Once estimates are received:

- Provide at least two estimates (including one that may have been received from any nominated contractor)
- One estimate should be from a contractor unconnected to the landlord.
- All leaseholder comments from stage 1 must be summarised.
- Leaseholders get another 30 day feedback period.

3. Notice of Reasons / Award of Contract

The landlord must notify leaseholders of:

- The chosen contractor. The reasons for the choice (if not the lowest estimate).
- Summarising observations made on the estimates, and setting out the landlord's response to observations.
- The expected start date and scope.

A Section 20 Notice will include all information as follows:

- A description of the works, or details of the place and hours at which a description of the works may be inspected.
- Reasons why it is considered necessary to complete the works.
- An estimate of the total amount per block.
- The address to which comments or observations to the work should be sent.
- The due date on which the consultation period ends (30 full days from date on the Section 20 Notice).

1.1 Long Term Agreements

A Qualifying Long Term Agreement is any agreement entered into by a landlord for a term of more than 12 months for the provision of services, supplies, or works to a building or estate where leaseholders contribute via service charges. It is triggered when a Qualifying Long Term Agreement would result in any leaseholder contributing more than £100 in any 12 month accounting period.

Examples include cleaning contracts, Grounds maintenance Lift servicing Fire safety systems maintenance.

The Section 20 Consultation Process for Long-Term Agreements

The process is typically broken into three stages:

- Stage 1: Notice of Intention
Inform leaseholders of the intention to enter into a qualifying long term agreement.
Explain the reasons and invite comments within consultation period.
Allow leaseholders to nominate contractors from whom the landlord should try to obtain an estimate.
- Stage 2: Notification of Proposal
Provide at least two estimates (including one that may have been received from any nominated contractor if applicable).
Give details of the estimates in the proposal notice.
Include a summary of comments from stage 1 and the Landlord's response.
Invite observations on the estimates.
Details on how to view the documentation times and location, will be included in the proposal.
- Stage 3: Notification of Award
Within 21 days of entering into agreement, inform leaseholders of the chosen contractor.
Explain why they were selected, especially if not the lowest bid or a nominated contractor.
Summarise any further observations received and respond to them.

Each stage must allow at least 30 days for leaseholders to respond.

10.2 Works under a Long-Term Qualifying Agreement

If works which will cost more than £250 for any leaseholder are identified to a block that will use an existing long term qualifying agreement contractor, leaseholders will be sent a Notice of Estimates which will include:

- A description of the works, or details of the place and hours at which a description of the works may be inspected.
- Reasons why it is considered necessary to complete the works.
- An estimate of the total amount per block.
- The address to which comments or observations to the work should be sent.
- The due date on which the consultation period ends (30 full days from date on the Section 20 Notice).

10.3 Emergency Repairs & Section 20 Dispensation

Under landlord and tenant legislation, landlords usually must complete a **Section 20 (S20) consultation** with leaseholders if any works will cost an individual leaseholder more than **£250**. However, *emergency works* are treated differently because they are urgent and cannot be delayed.

What Are “Emergency Works”?

Emergency works are repairs or actions that must be completed immediately to:

- prevent danger to residents.
- avoid structural damage to the building.
- protect health and safety.
- avoid significant further deterioration.

Examples of emergency works

- Fixing a burst water main flooding communal area.
- Making a building safe after storm or fire damage.
- Emergency scaffolding to prevent falling masonry.
- Repairing a lift failure affecting vulnerable residents.
- Electrical failures posing fire or safety risks.

These are works that **cannot wait** for the normal Section 20 consultation process.

Emergency works can proceed without full consultation.

Landlords are legally allowed to complete urgent repairs **immediately**, even if the cost will exceed £250 per leaseholder. Dispensation form is to be signed off by relevant by Head of Service to confirm the charge for the individual leaseholders.

✓ But landlords still must serve a Section 20 Notice of Reasons if the full cost will be recovered Cheltenham Borough Council

This explains:

- what the reason for the emergency.
- why the works could not be delayed.
- why consultation was not practical.

This notice is part of the landlord’s legal duty to remain transparent and accountable.

11 Major Works invoicing

Invoices relating to Major works are issued once the works have been completed when the actual cost is known and the final invoice from the contractor has been paid. For large projects, leaseholders will have already received:

- A Section 20 consultation (if required)
- An estimate of their contribution in advance (where possible)

The leaseholder will typically receive:

- A formal invoice from CBC.
- Total cost of the works.
- Leaseholder's percentage or proportionate share.
- A breakdown of the final cost.
- Information on how to make payment.
- Any supporting documents upon request (e.g., summaries of costs).
- Payment plan options.

12 Income Recovery

It is a condition of the lease to pay service charge and invoices on time, or enter into a formal payment plan to meet the obligation under the lease agreement.

- I. CBC will proactively follow income recovery policy
- II. If the leaseholder has a mortgage company, payment requests direct to the lender to clear any balances and leaseholder(s) will be advised of this process and the consequences.
- III. Any balances or outstanding planned maintenance charges must be paid prior to sale of property and have an undertaking by the legal representative.
- IV. Payment agreement terms will be determined by the value of the planned maintenance invoice. Service charge invoices should be paid by leaseholders within 12 months of issue or maximum of 36 months for major works invoices.
- V. CBC encourages leaseholders to contact us if they are struggling to meet their commitment and prevent accumulation of arrears. Support and Guidance will be offered to leaseholders via the inhouse Money Benefit Advice Team.
- VI. Dispute resolution should follow the process if a leaseholder disagrees or disputes a charge.
- VII. CBC will only take legal action where appropriate and if we have exhausted all other recovery options.

13 Legals

13.1 Assignments and Resales

- I. Initial sales to tenants under Right to Buy will follow guidance provided by the Department of Levelling up, Housing and Communities.
- II. Leaseholders are required to offer to sell their home back to the Council if they purchased it under Right to Buy. If a flat was originally sold through Right to Buy, the leaseholder that initially purchased the property must offer the property back to Cheltenham Borough Council first if they want to sell within the first 10 years of ownership.
- III. This comes from Section 156A of the Housing Act 1985.
 - Applies for 10 years from the date of initial purchase.
 - The owner must offer it back at market value, based on a RICS valuation.
 - The council has 8 weeks to decide if they want to buy it back.
- IV. Leaseholders are obliged to follow the lease agreement along with their nominated legal representative and comply with all relevant legislation requirements.
- V. All notices served to the leaseholder must be passed onto the legal representative for inclusion in the leasehold management pack.
- VI. New leasehold representative is required to notify CBC of sale by Notice of Transfer within one month of completion. All charges to the last record leaseholder will be valid until this notice is received. Administration fees will apply.
- VII. A leaseholder may also have to pay to the Council a proportion of the Right to Buy discount they received at the time of purchase from the Council, if they sell the Property within the first five years of buying the Property.

13.2 Remortgage

If the leaseholder wishes to change mortgage or further advances the new lender may wish to have consent under the lease. There is no mortgage protection clause in CBC flats that have been sold under Right to Buy. Administration fees will apply.

13.3 Death

- I. In the event of a death of a joint leaseholder, the property is automatically transferred to the surviving leaseholder.
- II. Where there is a single leaseholder, the family or legal representative to follow probate and administer any wills.
- III. Estate, Family, or remaining leaseholder should provide death certificate to update CBC housing records.
- IV. All outstanding charges will remain with the property until sold.

13.4 Transfer

In the event of a legal change of ownership, the leaseholder or legal representative must ensure that the correct notice is served on CBC.

- I. If CBC does not receive the correct notice the current leaseholder is liable for all costs.
- II. All outstanding balances must be cleared before CBC can accepted the Notice.
- III. Administration fees apply.

13.5 Improvements and alterations

Leaseholders are solely responsible for the maintenance and repairs to their property, however, must obtain permission before altering or installing any new fittings such as bathrooms and kitchens.

- I. Any home improvement must meet planning or building regulation prior to requesting permission.
- II. Leaseholders will not be given permission for health and safety risk, if it will make the property dangerous, correct legal permission obtained or encroachment of land. This is not an exhaustive list, and decision to provide consent will be considered on a case-by-case basis.
- III. Failure to obtain consent will constitute a breach of the lease.
- IV. Administration fees may apply.

13.6 Forfeiture and Repossession

Forfeiture is the legal process that allows a landlord (CBC) to bring a lease to an end because the leaseholder has seriously breached the terms of their lease. Repossession is the outcome of forfeiture—meaning the Council legally recovers possession of the property.

This is the most severe action a landlord can take and is always used as a last resort. CBC will only consider legal possession action where there is a breach of a lease or non- payment of associated costs where;

- I. No other reasonable alternative.
- II. All avenues to communicate with leaseholder have been exhausted.
- III. All recovery actions have been taken.
- IV. Mortgage Lender has been contacted.
- V. There is immediate danger to property or other residents if legal intervention is not taken.

13.7 Occupancy and Subletting

Subletting is when a leaseholder rents out their flat (or part of it) to another person — known as a sub-tenant. The leaseholder remains the legal owner, but someone else lives in the property under a tenancy created by the leaseholder. There are no restrictions that prohibit a leaseholder from subletting a property once they are the owner. However, as a landlord the leaseholder is responsible for the tenant or occupant and ensuring their safety and the other neighbours in the block.

The key principles for subletting arrangement are:

- I. Leaseholders must notify us of their intention to sublet their property.
- II. Leaseholder remains the owner and point of contact for CBC and responsible for all costs associated with the property.
- III. As a landlord, the leaseholder must comply with all rules and regulations.
- IV. Leaseholder is responsible for consent from mortgage company.
- V. Leaseholder is responsible for all breaches associated with the subletting.
- VI. Leaseholder is responsible for regular maintenance and inspections and must report any communal repair needs.
- VII. Leaseholder must ensure all health and safety certifications are completed in line with legislation. Such as Gas and Electrical checks.

For health and safety and the purpose of management, we need to know the terms of the occupancy and contact details of any residents.

13.8 Enforcement and Breaches

Enforcement and breaches refer to how CBC responds when a leaseholder does not comply with the terms of their lease. A *breach* occurs when a leaseholder fails to comply with one or more of the obligations set out in their lease agreement. Enforcement is the action that CBC may take to resolve the issue and ensure compliance.

Appropriate action will be taken where a leaseholder is in breach of their lease agreement, examples included but not limited to;

- i. Nonpayment of service charge or major works invoice.
- ii. Anti-Social Behaviour.
- iii. Failure to maintain property or damage communal areas.
- iv. Encroachment of communal grounds such as creating a car park, fencing off a communal garden, or building structure such as loft or attic space.

Enforcement action may include the following steps

1. Direct contact.
2. Formal and informal written communication.
3. Legal action.

13.9 Anti-Social Behaviour

CBC recognizes the negative impact of Anti-Social Behaviour and has a separate policy to cover all residents.

Legal proceedings will only be considered if;

- i. Staff have taken appropriate action to resolve the matter.
- ii. There is a danger to property or individuals.
- iii. Direct threats have been made to staff or residents with police/legal involvement.
- iv. Leaseholder has been warned of breaches.
- v. No other alternative available.

Where legal action is enforced, CBC may recover all costs relating to solicitors or other associated costs. This may include administration fee for work completed by CBC or its representatives.

13.10 Extension of lease

Most leaseholders have the right to extend their lease under the terms of the Leasehold Reform Housing and Urban Development Act (1993).

Leaseholders have the right to extend the terms of the lease and can apply for a new lease at any time if they meet certain conditions.

The terms of the lease can only be varied by specific agreement between the parties to the lease, and mortgagee, or through order by First Tier Tribunal. This must be mutual consent.

The leasehold team can provide guidance for leaseholders regarding this matter.

13.11 Enfranchisement

Enfranchisement is the legal right that allows qualifying leaseholders to buy the freehold of their building collectively. This process is known as collective enfranchisement.

It gives leaseholders the power to force the sale of the freehold, even if the freeholder does not wish to sell, provided the building and the leaseholders meet the legal criteria. Subject to conditions, leaseholders of flats may have the right to collective enfranchisement if they and the building in which they live qualifies. There are excluded leases under Leasehold Reform Act 1967, 1993 and 2002.

You would be expected to seek independent legal advice prior to serving notice to CBC.

13.12 Ground Rent

Ground rent is a payment made by a leaseholder to the freeholder simply for the right to occupy the land on which the property stands. It is usually an annual charge set out in the lease. Ground rent is not a payment for services, and the landlord does not have to provide anything in return. This is invoices separately to service charge annually. New leases or those that have been extended are exempt under the provisions of the Leasehold Reform (Ground Rent) Act 2022.

This is a nominal sum that is invoiced separately which is charged separately in addition to the annual service charge bill. Since the implementation of The Leasehold Reform (Ground Rent) Act 2022 on 30 June 2022, ground rent can no longer be charged on new leases.

13.13 Pets

If a leaseholder wishes to keep a pet they must seek and obtain our written permission in accordance with their lease agreement. Permission is reviewed regularly and will not be granted for any animal classified under dangerous wild animal act 1976 or livestock.

14 Health and Safety

CBC takes Health and Safety compliance seriously and ensure the building is legally compliant, safe for occupation, and appropriately maintained. These include Fire Safety, Asbestos Management and Emergency lighting test of the communal area.

14.1 Compliance

It is the responsibility of the leaseholder to ensure that all gas and appliances such as boilers are regularly serviced in accordance with the manufacturer's instructions.

Failure to do so put all residents at risk and could invalidate building insurance. For this reason, CBC may request certification at any time. If you are sublet your home, you are classed as a landlord you must ensure that comply with the appropriate legislation.

Leaseholders must ensure that all smoke alarms within the property are working and replace them where they are faulty.

14.2 Storage

Where a property forms a part of a block, leaseholders must not store any items in the communal areas, shared spaces, corridors or building exits or entrances. Items include, bikes, furniture, prams,

- I. If we are made aware that a leaseholder is storing any items in the communal areas, we will take appropriate steps to resolve the issue. This will be in accordance with our duties and obligation to the Regulatory Reform (Fire Safety) Order 2005 and Fire Safety Act 2021.
- II. There are specific policies for ebikes and mobility scooters. See separate policy.



14.3 Fire Safety

CBC has a duty under the Regulatory Reform (Fire Safety) Order 2005 to take general fire precautions in respect of the common parts within its residential buildings which includes landings and stairs.

The precautions include the taking of measures

- to reduce the risk of fire within the building and the risk of the spread of fire.
- in relation to the means of escape from the building.
- for securing that, at all material times, the means of escape can be safely and effectively used.
- in relation to the means for fighting fires in the building.
- in relation to the means for detecting fire in the building and giving warning in case of fire.

The duties do not extend to individual properties within the building, but, in order that CBC can comply with its applicable duties, it has undertaken a programme of installation of fire-resistant doors to each property, complying with current British Standards applicable to fire resistant doors.

14.3.1 Fire Doors

The duties do not extend to individual properties within the building, but, in order that CBC can comply with its applicable duties, it has undertaken a programme of installation of fire-resistant doors to each property, complying with current British Standards applicable to fire resistant doors, which has been carried out following advice and assistance from the Fire Service.

These doors are integral to the prevention of the spread of fire to the common parts and leaseholders are therefore required not to interfere with the doors in any way, including, but not limited to fitting or installing any security lock, chain, bolt or other device or item.

If CBC replaces a fire door as it no longer meet the regulation for being a fire-resistant door caused by the actions of the leaseholder or their subtenant, visitors, agents or workmen, CBC will seek reimbursement of the full cost of the replacement door and installation from the leaseholder.

15 Building Insurance

As a condition of the lease, the CBC will take out building insurance to cover all maisonettes and blocks of flats. The leaseholder's contribution towards the cost of this insurance is included within the annual service charge, which is charged in advance.

The building insurance provides cover for damage caused by Fire, Explosion, Aircraft collision, Earthquake, Lightning, Impact damage. In addition, high-rise blocks are also covered for Storm damage, Floods, and escape of water.

The policy insures each building up to its full rebuild (replacement) value, including the replacement of all individual flats if required. However, the insurance does not cover the leaseholder's personal contents. It is the leaseholder's responsibility to insure the contents of their property—including fixtures and fittings—under a separate home contents insurance policy. Leaseholders are strongly advised to arrange suitable contents insurance to meet their personal needs and circumstances.

16 Communication and engagement

CBC is required to consult with all leaseholders within their blocks in accordance with s20 Landlord and Tenant Act 1985. In addition to consultation on Major Works, CBC will also seek to consult with leaseholders on all matters that impact upon their leasehold property.

16.1 Leaseholders will have updates on relevant matters or topics when appropriate.

16.2 leaseholder forums will be held to discuss issues and improvements.

16.3 Leaseholders can access redress through the Housing Ombudsman or First-tier Tribunal.

16.4 Annual Leaseholder Service delivery plan will be consulted with leasehold forum for input.

16.5 CBC will ensure that leaseholders are consulted in compliance with Section 20 of Landlord and Tenant Act 1985.

16.6 The Council will continue to ensure there is leaseholder representation at cabinet housing committee.

17 Complaints and Disputes

17.1 Highlight an issue

The leasehold management team are here to answer queries regarding services they receive. It is important that leaseholder can raise concerns about services and to identify problems and given a chance for CBC to put things right and improve services. If a leaseholder feels something has gone wrong or has not met their expectations, they are entitled to make or raise a concern or dispute in the first instance.

This may relate to:

- The quality or timeliness of a service.
- A mistake or error made by the organisation.
- Delays in providing a service.
- Staff behaviour or communication.
- How a repair, enquiry, or request has been managed.
- Incorrect charges or unclear information.
- Failure to follow policy, procedures, or obligations

If a leaseholder is not happy with the response from the initial investigation, they are able to escalate to a complaint.

17.2 Complaints

A complaint is when you tell us you are unhappy with a service or action. We will listen, investigate, explain what happened, and work to put things right.

CBC definition of a complaint is “An expression of dissatisfaction however made about the standard of the service, actions or lack of action by the organisation, its own staff, or those action on its behalf affecting an individual resident or group of residents.”

CBC will take complaints made about any service, officers, or contractors, in writing, email, via telephone, in person or website.

Cheltenham Borough Council (CBC) is committed to ensuring that all complaints managed in a fair, transparent, and timely manner. Every complaint will follow the CBC Complaints Policy and Procedure, which sets out the standards for acknowledging, investigating, and responding to concerns raised by leaseholders. Complaints will be used as an opportunity for learning and continuous improvement, supporting CBC’s commitment to delivering high-quality, customer-focused services.

18 Monitoring and review

This policy will be reviewed every 3 years or in response to legislative changes.

Monitoring indicators include:

- i. Leaseholder forum feedback
- ii. Service charge recovery rate.
- iii. Disputes relating to annual service charges
- iv. Leaseholder complaints
- v. Tribunal outcomes.

Minor Amendments required will be made through delegated authority. Any amendments made because of operational process or Government legislation will be made through the local decision-making process.

Major changes to the policy will involve internal consultation with relevant offices, and teams.

9 Equality and Diversity

CBC is committed to ensuring this policy is applied fairly and without discrimination. Reasonable adjustments will be made to leaseholders with disabilities or language barriers in accordance with the Equality Act 2010.

Equality Impact Assessment was conducted in accordance with our duties of S149 of the Equality Act 2010, and mitigation put in place where potential negative impacts to individuals with protected characteristics were identified.

20 Data protection

CBC must follow strict data protection laws when managing personal information. The key legislation governing councils is:

- UK GDPR (UK General Data Protection Regulation).
- Data Protection Act 2018.

CBC function as data controllers, meaning they decide how and why personal data is processed. They must follow the law carefully to protect residents' information and maintain public trust. There are incidents where CBC is permitted to share data with other parties, these include:

- a. Provision to recover service charge.
- b. Safeguarding.
- c. Criminal or legal matters.
- d. Services required under the lease.
- e. Data is freely available or is in public domain.

In all cases where data is shared with other parties CBC will ensure it safeguards and protects personal data in accordance with our Privacy Statement and Policy

21 Glossary of Lease Terms (UK)

Parties & Property

- Landlord: The owner of the property who grants the lease.
- Tenant / Leaseholder: The person who holds the lease and occupies the property.
- Freeholder: The person or entity that owns the land and building.
- Demised Premises: The specific part of the property leased to the tenant.

Financial Terms

- Rent: Regular payment made by the tenant for use of the property.
- Ground Rent: A fee paid by the leaseholder to the freeholder. Since the implementation of The Leasehold Reform (Ground Rent) Act 2022 on 30 June 2022, ground rent can no longer be charged on new leases.
- Service Charge: Payment for shared services (e.g., cleaning, maintenance, insurance).

Duration & Termination

- Term: The length of the lease (e.g., 99 years, 125 years).
- Break Clause: Allows early termination of the lease under specific conditions.
- Forfeiture: The landlord's right to end the lease due to breach (e.g., non-payment).
- Reversion: The landlord's interest in the property once the lease ends.

Rights & Responsibilities

- Quiet Enjoyment: The tenant's right to use the property without interference.
- Covenants: Legal promises made by either party (e.g., to repair, not to sublet).
- Repair Obligations: Specifies who is responsible for maintaining the property.
- Alterations: Rules about making changes to the property (often require landlord consent).

Legal & Procedural

- Assignment: Transfer of the lease to another party.
- Subletting: Renting out the property or part of it to someone else.
- Section 20 Consultation: Required process for major works costing over a threshold.
- Right to Manage (RTM): Leaseholders' right to take over management of the building.

Documents & Records

- Schedule of Condition: A record of the property's state at the start of the lease.
- Lease Plan: A drawing showing the boundaries of the demised premises.
- Title Register: Official record of ownership held by HM Land Registry.