

## HOME OWNERSHIP MANAGEMENT POLICY

### Responsible Officer

Director of Customer Services

### Aim of the Policy

Phoenix is committed to providing high quality management and maintenance services to leaseholders and shared owners and meeting its responsibilities to home owners under the terms of the leases. Phoenix will provide home owners with a high standard of customer care, in accordance with the Home Ownership Charter and the Phoenix Standards.

### Policy Scope

This policy covers the management of home ownership properties including shared owners, leaseholders and freeholders. It does not cover general needs tenancies.

### The Policy

#### Engagement

To ensure maximum engagement and participation in the running of the organisation Phoenix has a robust Community Empowerment Strategy. Up to one of the Resident Board Members can be a leaseholder or shared owner.

Phoenix will utilise regular Home Ownership Open Evenings to provide leaseholders and shared owners with the opportunity to share information and ideas, to influence services provided to them and to provide the opportunity to discuss issues that are important to them as home owners.

Phoenix will provide home ownership management performance information in the annual report online, at the Home Ownership Open Evening and to the Phoenix Board annually.

#### Lease

Phoenix will be bound by the terms of the leases issued to leaseholders by the London Borough of Lewisham and Greater London Authority and maintain any other lease conditions required by funders or the relevant Local Authority. All leases issued by Phoenix will include information about:

- i. The service charge to be paid, how it is determined and when payment is due. Where a variable service charge is in place it will specify the arrangement for collection contributions towards additional costs and for overpayments.
- ii. The procedures for the assignment of the lease.
- iii. The grounds for the Lessor to end the lease by forfeiture or re-entry (taking account of the requirements of the 1996 Housing Act and the Commonhold and Leasehold Reform Act 2002)
- iv. The responsibilities of the Lessor and Lessee in relation to repairs and maintenance to the property, the structure and common parts (also known as Demised Premises and Reserved Property).

#### Breaches of lease and forfeiture

Phoenix will take appropriate action whenever it becomes aware that a lessee is acting in breach of the covenants in their lease, which may include:

- Failure to maintain or remedy damage to premises
- Refusal of access to Phoenix officers or contractors of Phoenix
- Anti-social behaviour including hate crime, harassment or neighbour nuisance
- Unapproved works
- Improper use or illegal subletting

In all such cases Phoenix will serve notice on the lessee requiring them to remedy the breach. If the breach continues further action will be taken, which may include seeking an injunction or taking further action for the forfeiture of their lease. Costs incurred by Phoenix in taking any such action will be passed on to the lessee.

### **Service charges**

Phoenix will provide home owners with accurate information about the services they receive, the cost of those services and the amount due in service charge payments. Phoenix will also provide clear information about how rent levels are set, where applicable for Shared Owners and as detailed in the Shared Ownership Rent and Service Charge Setting Policy.

### **Service charge setting**

Phoenix will levy charges for services provided. Examples of these services are:

- |                             |  |
|-----------------------------|--|
| • Caretaking                | • Grounds maintenance                  |
| • Communal lighting         | • Lifts                                |
| • Entry phone               | • Major works and cyclical maintenance |
| • Repairs and maintenance   | • Buildings insurance                  |
| • Home Ownership management | • Health and Safety                    |

Leasehold and Shared Owner service charges: Annual estimated service charges will normally be set using a combination of the last known actual plus inflation as determined by the Consumer Prices Index (CPI) (September's) for each of the two interim annual periods and the budget forecast for the service area in order to ensure that the estimated charge is as accurate as possible.

Home Owners will be provided with an estimate of the following year's charges in accordance with the leases. Phoenix will make available to leaseholders and shared owners an actual statement of account within six months of the end of the financial year.

Sinking Funds: Sinking funds are used to build up reserves for the planned maintenance of buildings such as:

- Renewal of roofs, gutters, downpipes or windows
- Renewal of door entry systems, lifts, or shared tv aerials
- External redecoration
- Internal communal redecoration.

The sinking fund will be created at the outset of a new scheme and contributions will begin on the first day. We will assess the need to introduce a sinking fund on existing schemes on a scheme by scheme basis based on the individual benefits and requirements.

Freehold service charges: Annual service charges will be fixed and will normally be set using an average of the last three years actual service charge expenditure.

Service charges will be provided annually for the year ahead.

### Billing

Leasehold and Shared Owner service charges: Estimated service charge invoices will be sent out by end March and cover the upcoming financial year. The financial year is 1<sup>st</sup> April to 31<sup>st</sup> March. An invoice or credit note for the final accounts ('actual') will be issued within six months of the end of the financial year (by end September). Where this is not possible a notice will be given under Section 20(b) of the Landlord and Tenant Act 1985 as amended.

Freehold service charges: Fixed service charge invoices will be sent out by end March and cover the upcoming financial year. The financial year is 1<sup>st</sup> April to 31<sup>st</sup> March.

### Collection and Overpayments

Leaseholders: Under the terms of the lease invoices (bills) should be paid within 21 days of the invoice date. If a leaseholder cannot afford to pay the bill in one lump sum, repayment arrangements will be offered. Leaseholders will be able to make their service charge payment by: Direct Debit (over up to 12 months for general service charges or up to 36 months for major works service charges); Standing order (over up to 10 months); Cheque; Bank transfer. If the final account shows that there has been an overpayment of service charges and all service charge accounts for the property are in credit, the overpayment if less than £850 will be held on the service charge account for future debts. Any amount in excess of the £850 value will be refunded to the Lessee/s nominated account within 28 days of a written request.

Shared Owners: Under the terms of the lease service charges are debited on the 1<sup>st</sup> day of each month and must be paid on the due date.

### Disputes

In the event that a lessee disputes a service charge Phoenix provide a dispute resolution mechanism for the service charge to be reviewed and the lessee's case to be considered. The aim of this process will be to try and resolve the matter without the need for any legal action either by Phoenix or the lessee. This does not affect a leaseholder's right to make an application to a First-tier Tribunal (Property Chamber).

### New services

Phoenix may introduce new or additional services in future, which may be as a result of requests from or after consultation with leaseholders, for which service charges may be payable. Phoenix will give at least 28 days notice of any proposal to introduce a new service charge. The consultation process for any new service charge will be transparent and open. All relevant queries raised against such an introduction will be duly regarded by Phoenix before the introduction of the new service charge. All service charges will be raised in accordance with the terms of the lease.

### Insurance

Phoenix will be responsible for arranging buildings insurance and the cost of doing so will be charged to the lessee in the annual service charge, in accordance with the lease. Lessees will be solely responsible for arranging home contents insurance.

### **Consultation**

Lessees will be consulted about any proposed changes to policy or management practice that may affect the management of their homes. They will also be consulted over proposed changes to arrangements for maintenance or any service provision which could have a substantial effect on them.

### **Emergency access**

In the event of an emergency, where there is a health and safety risk to occupants of the building or damage to the structure of the building and where Phoenix has been unable to reach the lessee, or where the lessee has failed to carry out remedial works, Phoenix may gain entry to the property without prior written notice to carry out emergency remedial works and the full costs of doing so may be billed to the lessees as a rechargeable repair.

### **Rechargeable repairs**

Phoenix will offer an emergency rechargeable repairs service to lessees that may include providing additional security measures, in cases of anti-social behaviour for example. Lessees will be recharged for the cost of any repairs, security works and administration carried out by Phoenix or its contractors.

### **Improvements/alterations**

Any home owner wishing to carry out alterations or improvement works to their home will first be expected to submit full details of the proposed works, including drawings, evidence of planning permission where required and the appropriate non-refundable administration fee. The decision on whether to grant permission to carry out the work will be made taking into account whether the proposed improvement will:

- Make the property dangerous or unstable
- Encroach upon land not defined in the lease
- Prevent light or air reaching other residents
- Be aesthetically undesirable,

and will also take into account other relevant considerations.

If permission is refused, Phoenix will clearly set out the reasons for refusal in writing to the lessee.

## **Monitoring and review**

This policy will be monitored by Key Performance Indicators, annual home ownership performance reports to Board and will be reviewed every three years.

## **Legislation**

- Landlord and Tenant Act 1985
- Housing Act 1996
- County Courts Act 1984
- Commonhold and Leasehold Reform Act 2002

## **Associated documents, policies and procedures**

Including:

- Customer Access Strategy
- Leasehold major works policy

- Right to Buy policy
- Equality and Diversity Charter
- Community Empowerment Strategy
- Anti-social behaviour Strategy and procedure
- The Lease
- Leasehold Charter
- Home Ownership Handbook
- Rechargeable Repairs Policy
- procurement and contract management guidance
- GLA Service Charge Charter

## Definitions

Term/acronym	Description
Resident	Includes tenants, freeholders, leaseholders and shared owners.
Phoenix	Phoenix Community Housing.
Lessor	Freeholder, Phoenix Community Housing
Lessee	Includes leaseholders and shared owners.
Demised premises	The areas that are defined as the sole responsibility of the lessee within the terms the lease.
Forfeiture	The ability to forfeit the lease (and therefore recover the property) for failure to comply with the terms of the lease. Such as service charge arrears or not meeting the repairing obligations.

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