

1. Introduction

- 1.1. This policy sets out East Suffolk Council's services in relation to our Shared Ownership Leaseholders.
- 1.2. This policy may be supported by other policies, either specifically for shared owners or general East Suffolk Council policies. Where there is any inconsistency between this and other East Suffolk policies, the parameters set in this policy will take precedence.
- 1.3. Legislation including tribunal and case law, the lease, and other relevant contractual documentation will be adhered to when enforcing and reviewing this policy.
- 1.4. Regulatory guidance and good practice will be considered when enforcing and reviewing this policy.
- 1.5. East Suffolk's officers will provide a professional level of service for all Shared Ownership Leaseholders.
- 1.6. For the purposes of this policy, 'You' and 'Your' refers to the Shared Ownership Leaseholder and 'we', 'our' and 'us' refers to East Suffolk Council (ESC).

2. General

- 2.1. We will act in accordance to the lease, transfer document, rent/charge deed, or other legal arrangement. If a defect in the lease is identified, we will look to rectify this where possible to what the terms should have been. Any amendment will be drafted to be fair to all parties, to ensure the estate/block is being well maintained and managed. This must include ensuring the full costs of services and management of the properties are covered.
 - 2.2. The lease sets out the responsibilities of both the leaseholder (you) and the freeholder (us). We will seek to manage the estate/block in line with the lease and/or contractual agreements.
 - 2.3. We will comply with relevant legal requirements.
 - 2.4. We will comply with relevant health & safety requirements.
 - 2.5. We will provide estate and block management in line with relevant legislation and good practice. We will take appropriate action to ensure the lease is adhered to, outlining any legal action that may be taken including bringing the lease to an end.
 - 2.6. We will always seek to provide good value for money for all services provided, and where any services are provided by a third-party contractor they will be procured in a competitive way.
 - 2.7. Our Shared Ownership handbook details our service standards and target response times in dealing with your queries.
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- 2.8. We will endeavour to be flexible with our approach should you suffer hardship, on a case by case basis. This may include offering extended periods to repay rent and service charges.
- 2.9. We will seek to recover the costs of any legal action required by us to enforce leaseholders' covenants. This may include an administration fee for the work required by East Suffolk Council. An example of such action would be the cost of gaining access to a property and undertaking necessary repair work where the shared owner is unwilling or unable to remedy the repair themselves. In exceptional circumstances some or all these costs may be waived, at the approval of the Tenant Services Manager.
- 2.10. When it comes to matters affecting the safety of the block or others, we will act based on our best assessment of the facts and advice from relevant authorities and/or appropriate professionals and consultants. This could include, for example replacing a flat entrance door if you were to fit one which did not comply with fire safety regulations. In this example any associated costs would be recovered from you.

3. Rent, service charge and administration charge collection

- 3.1. We expect shared owners to pay their rent by Direct Debit on 1st of the month as it falls due. We will allow for direct debit on any one of our other collection dates but this will be for the month ahead so your rent continues to be paid as it falls due and there are no arrears of rent or service charge at any time.
 - 3.2. Any payment requested by us will be in accordance with relevant landlord and tenant legislation, and we will provide a summary of tenants' rights and obligations' when seeking service charges and administration charges.
 - 3.3. If you fall into arrears of rent and/or service charges, we will take appropriate action to recover these arrears. Contact could be made by telephone, home visit, letter, or email, or by contacting your mortgage lender.
 - 3.4. If you fail to address arrears of rent and/or service charges, we will approach your mortgage lender for payment of outstanding sums.
 - 3.5. If you repeatedly fall into rent and/or service charge arrears, and if the lease allows, we may charge interest on the outstanding balance. The decision to charge interest will be made by the Tenant Services Manager.
 - 3.6. Where a shared owner persistently accrues arrears of rent and/or service charges, and payments from your mortgage provider have reached unreasonable levels, we will seek legal action to either enforce payments in the future or seek possession of the property. Possession will only be sought as a last resort when all other action has failed.
 - 3.7. In the event of a change of circumstances which has led to hardship, we will make an agreement for any arrears of rent and/or service charges to be paid by instalments ideally
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by direct debit. Where an agreement is not adhered to, we reserve the right to make additional charges for our time and costs incurred, as well as interest in line with the lease agreement.

- 3.8. Where a shared owner is in significant hardship and has accumulated arrears of rent and/or service charges we will offer an option of downward staircasing. Any request for us to buy back shares must be approved by the Head of Housing and Cabinet Member for Housing. The minimum amount of shares to be retained by the shared owner is 25%.

4. Possession

- 4.1. We will only apply for possession as a last resort under forfeiture of the lease if all other options have failed.
- 4.2. A notice will be served in all cases, notifying the shared owner of the breach, and requesting their response in how they will remedy the breach. Once the breach is established, if no remedial action is taken by the tenant, we will take legal action, which may lead to possession of the property.
- 4.3. Possession action will be authorised by the Tenant Services Manager. A report will be provided by the relevant officer which demonstrates that all reasonable efforts have been made to avoid a possession case and we have liaised with the mortgage provider.
- 4.4. Where a possession order has been obtained, if possession is not willingly given by the shared owner, a warrant of eviction will be applied for. The warrant will be authorised by the Tenant Services Manager. A report will be provided by the relevant officer for the Tenant Services Manager which demonstrates that all reasonable efforts have been made to avoid eviction.

5. Major Works

- 5.1. Where major works are required, we will consult or notify shared owners before carrying out major works, including carrying out any formal consultation required by landlord and tenant legislation.
 - 5.2. We will always aim to ensure works are reasonable, necessary and provide value for money.
 - 5.3. Although you cannot usually opt out of works, we may adjust the sum you are required to contribute to reflect works you have undertaken yourself with our permission. You will still be required to contribute to the rest of the works as appropriate. For example, where a shared owner in a block of flats has replaced their own windows and they are in good order and in keeping with the building, contributions will still be required for any communal windows replaced in the building.
 - 5.3. Where appropriate, costs associated with major works shall be recovered from the reserve or sinking fund. Where there is no reserve or sinking fund or an insufficient sum is held to cover the total costs, we will recover the balance due or look to increase the charges in order to ensure the necessary funds are held.
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6. Leaseholder alterations

- 6.1. You must obtain permission from us before making changes to your home, including adaptations completed via a Disabled Facilities Grant. We will charge you an administration fee to consider your application. This is a non-refundable fee payable whether we grant permission or not.
- 6.2. We will not normally grant permission in the following or similar circumstances, where:
 - The proposed changes are structural in nature
 - They would involve the blocking of light or would cause a blockage to a right of way
 - The works would reduce the value of the building
 - The works would cause unnecessary and enduring disturbance to neighbours
 - The works impact an area of the building or estate owned by ESC. For example, a request to insert a skylight may affect our maintenance of a roof
 - The works would impact on the safety of your home, for example replacing a fire door with a non-fire door.
- 6.3. You must get planning permission and building control consents for any works where legally required, prior to starting any works. Any costs associated with the changes, including any costs incurred by ESC (whether legal, surveyor, administrative or other such as a revised fire risk assessment) must be borne by the shared owner.

7. Buildings Insurance

- 7.1. We will provide block buildings insurance cover for all our shared ownership properties where we are the freeholder.
 - 7.2. Where we do not own the freehold for a block, the freeholder or agent will arrange the buildings policy. In the event you need to make a claim, you will need to contact the freeholder, their agent, the insurer, or broker as needed in accordance with the arrangements in place. Where a claim needs to be made for common areas, this will be overseen by us, working with the freeholder or other appropriate party as required.
 - 7.3. Insurance cover will be determined in accordance with ESC's assessment of the appropriate level of cover required.
 - 7.4. Any changes to the type of cover or excess will be in consultation with shared owners and leaseholders.
 - 7.5. We will seek to ensure our varying obligations as a landlord when required to arrange buildings insurance are complied with and policies are in keeping with good practice for both the insurance and property industries.
 - 7.6. Should need to make a claim on the buildings insurance you will need to contact ESC in the first instance as the policy holder.
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8. Subletting

- 8.1. Whether or not subletting is permitted shall be dependent on the terms of the relevant lease. Generally, shared ownership leases do not permit leaseholders to sublet before staircasing to 100% ownership of the property. In accordance with the Homes England Capital Funding Guide, there shall be exceptional circumstances where permission for a limited period may be given.
- 8.2. Where possible, we will charge for dealing with applications from shared owners to sublet their properties.
- 8.3. Permission to sublet will be authorised by the Tenant Services Manager.
- 8.4. If you sublet without our permission, and in breach of your lease, we will take appropriate action. This could include legal steps to take possession.
- 8.5. Short term letting such as 'Air BnB' are also likely to be a potential breach of other covenants such as running a business, so these should be considered as special cases and reviewed more extensively. Where it's clear that shared owners are looking to exploit their affordable housing product, we will take the strongest action available.

9. Anti-Social Behaviour

- 9.1. We will take appropriate action where anti-social behaviour is caused by a shared owner (or, if sublet, their tenant) and where there is sufficient evidence to support successful action. This may include working in partnership with the police and/or taking legal action for breach of the lease.
- 9.2. In cases where a shared owner is complaining about the actions or behaviours of an ESC tenant and there is sufficient evidence, we will take appropriate action in relation to the tenant in line with our Anti-Social Behaviour Policy.
- 9.3. If the perpetrator is not an ESC tenant or shared owner, we will refer you to other ESC departments who can investigate complaints against private households.
- 9.4. Where the evidence is inconclusive and unlikely to result in successful legal action, we will signpost shared owners to other options such as mediation or independent legal advice. If we are being compelled to act by a party (e.g. a leaseholder looking to enforce a covenant), we will aim to recover any costs we incur. We will recover any costs not recovered or recoverable from the person causing the anti-social behaviour, from complainants. This will be a condition of commencing any action and may require payment up front before commencing any action.

10. Lease extension

- 10.1. We will comply with relevant legislation in respect of applications for:
 - Lease extensions of flats (Under the Leasehold Reform Housing and Urban Development Act 1993 (as amended))
 - Lease extensions of houses (under the Leasehold Reform Act 1967)
 - 10.2. Shared Owners are usually liable for all costs associated with an application for a lease extension or freehold purchase, whether the transaction is concluded or not.
 - 10.3. Shared Owners will be provided with information as to their options but must not be provided with advice (legal or otherwise) as to whether or how to proceed.
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11. Lease variation

- 11.1. We will carry out lease variations when appropriate, when a lease fails to make satisfactory provision for a matter outlined in section 35 of the Landlord and Tenant Act 1985.
- 11.2. Where you request a variation, if we agree to the variation, all costs will be covered by you.
- 11.3. Where appropriate and possible we shall seek to vary lease terms by mutual consent; otherwise, applications to the First-tier Tribunal (property Chamber) shall be made.
- 11.4. Any variation requested by a leaseholder that diminishes a right of ESC reserved in the lease will only be granted on payment of a premium. Payment of any premium will be in addition to costs and charges made to process a request to vary.

12. Shared Ownership Staircasing

- 12.1. All applications for purchasing additional shares will be processed in an efficient manner and will follow the process laid out in the lease.
- 12.2. Shared owners will be responsible for their associated costs in completing the purchase.
- 12.3. The minimum number of shares to be purchased at any one time will be 10%.
- 12.4. A RICS approved valuer will determine the cost of additional shares, the cost of which shall be borne by the shared owner before valuation is carried out.

13. Shared Ownership Resales

- 13.1. We will assist in the sale of shared ownership properties where the percentage owned by the shared owner is less than 100%. We will attempt to find a buyer for the percentage share owned within the nomination period (where one is provided) as set out in the lease.
- 13.2. You will pay us a fee to cover our marketing and administrative costs, this is non-refundable and payable on completion of sale.
- 13.3. Some leases specify a buy back clause, in which case where shares owned equal 80% or more ESC will purchase the property from the shared owner.

14. Recovery of legal costs

- 14.1. Where we incur legal costs owing to litigation whether via the courts or tribunals (whether in house or via external advisors), we will seek to recover costs from the applicants making the application or the respondent, where the law and/or the lease provides for this. Where appropriate, concessions will be made at the discretion of the Tenant Services Manager.

15. Leaseholder involvement and participation

- 15.1. We will provide opportunities for shared owners to participate and engage with ESC either through formal groups e.g. the Housing, Benefits and Tenant Services Group or through less formal settings. We welcome shared owners at any of our local residents' groups.
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16. Recognised Tenants' Association (RTA's)

- 16.1. We will acknowledge RTA's which have sought our recognition and meet published guidance on recognition of RTA's.
- 16.2. An RTA shall be recognised where the paid-up membership represents 60% or more of those paying a variable service charge. Recognition will be granted for a period of 4 years.
- 16.3. We will look to work with formally constituted groups for blocks or estates that cannot be recognised under the relevant legislation but only where they can demonstrate the following:
 - The group has a formal constitution
 - The group has a formal procedure for membership
 - The officers of the group have been democratically elected
 - Group membership is significant in number for the size of the block/estate it has been set up for
- 16.4. Only the Tenant Services Manager in consultation with the Cabinet Member for Housing will be authorised to recognise RTA's.
- 16.5. If a resident's group is not able to be formally recognised, we will still seek to work co-operatively with the group provided:
 - It is clear the group is representative of the leaseholders
 - There is a desire to have mutually beneficial engagement
- 16.6. We expect all groups to be inclusive, respect diversity and act reasonably in their conduct and contact with us.

17. Leaseholder Consultation

- 17.1. Where necessary, we will undertake necessary consultation in accordance with Section 20 of the Landlord and Tenant Act 1985 (as amended).
- 17.2. In an emergency it may be necessary to complete works in a short time scale which prevents us completing the consultation process. Where this happens, we may apply to the First Tier Tribunal for a dispensation order.
- 17.3. Where Section 20 consultation has not been completed and a dispensation order is not awarded, the maximum amount for the works which may be charged is £250.

18. Site Inspections

- 18.1. We will make regular visits to blocks and estates that we own and manage directly. The frequency of visits will depend on several factors including size of development and percentage of communal areas. These inspections will mainly to ensure the block and/or estate are properly maintained with the service contracts in place.
- 18.2. As part of these inspections, officers will also pick up any obvious breaches of covenants, (particularly where there are health & safety implications) or other obvious issues together with checks to make sure any repair matters are picked up and addressed.

19. Rents and Ground Rents

- 19.1. Shared Ownership rents will be increase in accordance with the requirements of the lease unless there are other overriding rules or regulations which specifically require something different and compels us to comply.
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- 19.2. Where a shared owner completes on a new lease on or before 30 September, they will have a rent increase in line with the lease the following April. If the completion is after the 30 September the rent will not be increased the following April, but it will increase in line with the lease the subsequent April.
- 19.3. Unless otherwise varied by contractual conditions, we will look to recover any ground rent we are charged in the provision of shared ownership properties by a superior landlord from the shared owner.
- 19.4. We will not look to charge a ground rent to shared owners on new developments whilst they are shared owners. If you staircase to the maximum share, you will need to pay a ground rent where the lease conditions allow.
- 19.5. Any ground rent charges will be in keeping with the acceptable levels for the type and location of the property and/or comply with any law, rules, or regulations in force.

20. Alternative Accommodation

- 20.1. If a shared owner needs to vacate their property (most likely to allow for works to be done), the shared owner is responsible for finding and funding their own alternative accommodation.
- 20.3. The lease will need to be consulted to determine what the requirements are, especially in relation to ongoing charges whilst the property is empty. If the lease doesn't specify, the shared owner will be responsible for all ongoing charges whilst the property is empty.

21. Eligibility for Purchase of Shared Ownership Homes

- 21.1. You must have a household income of £80,000 or less.
- 21.2. You must be a first-time buyer or use to own a home but cannot afford to buy one now or you are currently a shared owner.
- 21.3. Eligibility will be determined by the Help to Buy agent for this area (currently Radian).

22. Equality, Diversity, and Inclusion

- 22.1. East Suffolk Council staff, Councillors, partners, stakeholders, and contractors are committed to providing services, which are relevant and appropriate to the needs of people. We will treat others fairly and without discrimination. Please refer to our [Equality and Diversity Statement](#) for more details.

23. Policy Review

- 23.1. The Tenant Services Manager and Tenant Services team are responsible for delivering this policy in conjunction with other relevant departments such as Building Maintenance, Legal and Finance.
 - 23.2. We will review this policy at least bi-annually to address legislative, regulatory, best practice or operational issues.
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24. Version Control

	Date Required	Completed	Completed by
Procedure Adopted	March 2021	March 2021	Samantha Shimmon
Review Required	March 2023		
Review Required			
Review Required			
