



The Trust

Leaseholder
Charges Recovery
Policy

Version number: V1

Effective Date: June 2025

TABLE OF CONTENTS

1. INTRODUCTION..... 1

2. SCOPE 1

3. LEGAL & REGULATORY REQUIREMENTS..... 1

4. DEFINITIONS 2

5. OUR POLICY 2

6. EQUALITY, DIVERSITY & INCLUSION..... 4

7. RESPONSIBILITIES..... 4

8. MONITORING AND REPORTING 4

9. CONSULTATION..... 4

10. REVIEW 5

11. ASSOCIATED DOCUMENTS..... 5

12. POLICY INFORMATION 5

1. INTRODUCTION

- 1.1. This document outlines Peaks & Plains policy for the recovery of leaseholder service charges, ground rents and other charges.
- 1.2. The purpose of the Policy is to guide customers and staff in the recovery of charges, to maximise income to the business and to assist customers to pay their charges in accordance with their lease or transfer document.

2. SCOPE

- 2.1 The objective of this policy is to set out how the Trust will treat its leaseholder customers and manage the services it provides to them.
- 2.2 There is a separate policy and process for Shared Ownership leaseholders.
- 2.3 We aim to provide high standards of customer care to leaseholders at all times:

- New leaseholders will be sent the link to the Leaseholder Handbook on our website.

Existing leaseholders will also have access to the handbook.

- We will meet our responsibilities to leaseholders under the terms of their lease and in line with current legislation
 - We will seek to ensure that leaseholders abide by and uphold their responsibilities under the terms of the lease.
 - We will provide good quality services and management. Service Charges will be fair, reasonable and clear.
 - We will be clear and transparent about charges and repayment options.
 - We will listen, engage and consult.
 - We will ask for feedback at least once every 3 years via formal survey.
- 2.4 Leaseholders and recognised Tenants Associations will be able to participate in all structures for consultation and involvement that are set up by the Trust.

3. LEGAL & REGULATORY REQUIREMENTS

- 3.1. Peaks & Plains policies and procedures have been designed in line with all current and relevant legislation, which includes: -
 - **Landlord and Tenant Act 1985**
 - **Landlord and Tenant Act 1987**
 - **Commonhold and Leasehold Reform Act 2002**
 - **Law of Property Act 1925**
 - **Housing Act 1985**

4. DEFINITIONS

- 4.1. A leaseholder is a property owner who has been granted a long lease for a specific term.
- 4.2. A lease is a contract which sets out the rights and responsibilities of the parties to that lease – usually the Landlord and the Leaseholder.
- 4.3. A Service Charge is an amount payable under the terms of the lease for services, repairs, maintenance, renewals, improvements, insurance and the landlord's cost of management.
- 4.4. A Sinking Fund is an amount of money set aside to pay towards expected future major expenditure. It is held as a separate fund associated to the individual property and that property's apportioned contribution to major works. Sinking Funds remain with the property on sale.
- 4.5. Ground Rent is a rent charged to leaseholders as stipulated in the lease.
- 4.6. Forfeiture of the lease is the recovery and possession of a property without compensation.

5. OUR POLICY

- 5.1. Leaseholders have a contractual duty to pay the service charges and ground rent.
- 5.2. Peaks & Plains will send a statement (demand) at the start of each financial year detailing the estimated service charge for the following 12 months.
- 5.3. The estimated charge will include allowances for any future expected major items of expenditure.
- 5.4. The estimated charge will include an annual contribution to a Sinking Fund where the lease allows for this.
- 5.5. A statement detailing actual expenditure for the financial year and any surplus or deficit will be issued within 6 months of the financial year end.
- 5.6. An Annual Accounts Surplus will be refunded to the leaseholder, net of any arrears on the payment account.
- 5.7. An Annual Accounts Deficit will be billed to the leaseholder and collected alongside the six months of the following years' service charges.
- 5.8. Service Charge payments are due quarterly in advance in accordance with the lease.
- 5.9. Peaks & Plains allows payments to be made monthly.
- 5.10. Direct Debit is the preferred method of payment.

- 5.11 Non-payment of charges constitutes a breach of the lease.
- 5.12 Arrears of Major Works payments and/or Annual Accounts deficits will be treated in the same way as Service Charge arrears.
- 5.13 Peaks & Plains will endeavour to contact the leaseholder to advise of any debt that has accrued and will agree to a repayment arrangement over a period of up to 12 months.
- 5.14 Longer term arrangements may be considered in exceptional circumstances, with the approval of the Financial Reporting Manager or the Assistant Director of Finance.
- 5.15.1 Where agreement to pay is not forthcoming legal action will be taken through the County Court for recovery of the debt.
- 5.15.2 Where a charge is disputed, Peaks & Plains will seek to resolve the dispute prior to taking action for recovery of arrears. If a satisfactory resolution cannot be found within one month of the disputed charge, then Peaks & Plains will progress to take action to recover the arrears.
- 5.16.1 Peaks & Plains will issue at least two formal arrears recovery letters prior to commencing legal action.
- 5.16.2 Peaks & Plains will endeavour to speak personally with the leaseholder, either over the telephone or face to face, prior to commencing legal action.
- 5.17 Where applicable Peaks & Plains will direct leaseholders to organisations that can assist with debt advice.
- 5.18 Prior to commencing legal action Peaks & Plains will contact the leaseholder's Mortgage Provider (if applicable) to advise of the breach of the lease and to give them the opportunity to pay the debt. This is in accordance with the Council of Mortgage Lenders Guidance.
- 5.19 Peaks & Plains will always seek to recover their legal and administrative fees from the leaseholder and may also seek to recover any interest due on debts.
- 5.20 In the case of non-payment of arrears following a County Court Judgement, Peaks & Plains will seek one or more of the following:-
- Charging Order against the Property
 - Attachment of Earnings Order
 - Third Party Debt Order

- 5.21 As a last resort, and only where all other attempts to recover debt have failed, Peaks & Plains may seek to forfeit the lease.

In the unlikely event that forfeiture is sought, then Peaks & Plains would seek to compensate the former leaseholder following recovery of the debt and associated administration costs.

- 5.22 Peaks & Plains will inform prospective purchasers of any arrears that are due. Where debts remain outstanding after the lease is assigned, Peaks & Plains will pursue the incoming leaseholder for the debt but retains an option to pursue former owner debts indefinitely.

6. EQUALITY, DIVERSITY & INCLUSION

- 6.1. The Trust will monitor the impact of this policy to ensure that arrears processes are followed consistently, fairly and effectively.

- 6.2. An Equality Impact Assessment has been carried out.

7. RESPONSIBILITIES

- 7.1. The Executive Management Team (EMT) will approve this policy on the three-year review cycle and any interim reviews that are required.

- 7.2. The Assistant Director of Finance will be responsible for the effective implementation of this policy.

- 7.3. The Financial Reporting Manager will oversee the work of the finance team in the day-to-day operation and reporting of this policy.

- 7.4. The rent and service charge accountant alongside the finance assistant will be responsible for issuing the quarterly invoices, regular and annual statements, collecting the debt and issuing formal letters for payment of the debt.

8. MONITORING AND REPORTING

- 8.1. The Trust will review this policy, procedures, and staff training needs at regular intervals to ensure that it continues to operate best practice, achieve measurable results, and aim for continuous service improvement.

- 8.2. The Performance Management Group receives regular updates on performance relating to leaseholder collection.

9. CONSULTATION

- 9.1. The Trust has consulted with leaseholders in the development of this policy.

10. REVIEW

- 10.1. This policy will be reviewed every three years or sooner if required by statutory, regulatory, or best practice requirements or the need to update following reviews of other Trust policies.

ASSOCIATED DOCUMENTS

- Leaseholder Handbook
- Leasehold Management Policy
- Reasonable Adjustments Policy

POLICY INFORMATION

Policy Name:	Leaseholder Charges Recovery Policy
Status:	Final/Approved
Approved by:	EMT
Drafted By:	Financial Reporting Manager
Date approved:	11 June 2025
Next Review Date:	2028