



**STROUD  
DISTRICT  
COUNCIL**  
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# Leasehold Policy

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February 2025

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Housing Services

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## INTRODUCTION

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### 1. Purpose and scope

The purpose of this policy is to.

- Clearly set out the rights and responsibility of both the leaseholder and Stroud District Council (the Council) regarding the management of leasehold properties, ensuring leaseholders are treated consistently and fairly and that the services they receive are of a proper and consistent standard.
- Ensure that the Council provides a transparent service to all leaseholders, and that both leaseholders and the Council comply with statutory requirements and the clauses contained within the lease.

This policy applies to residential leaseholders of the Council. The aims of this policy are to ensure:

- Lessor and lessee compliance with the terms of each individual lease
- Lessor and lessee compliance with legal and regulatory requirements regarding management of leasehold stock
- Clarity of the Council's and leaseholder's obligations for maintenance of the structural integrity of the flat, building and adjoining structures
- Staff and customers are aware of their rights and responsibilities

### 1 KEY PRINCIPLES AND SERVICE STANDARDS

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The Council is committed to providing a transparent service to all tenants and leaseholders, ensuring that demands for service charges relating to costs that have been reasonably incurred; and that the services provided, are of a proper and consistent standard.

Stroud District Council is further committed to providing a safe and harmonious living environment for all leaseholders and Council tenants. It will ensure any issues raised are properly investigated, responded to and action taken where deemed necessary and appropriate.

Stroud District Council will ensure that leaseholders are provided with:

- Timely and accurate information regarding responsibilities and services.
- Timely information about service charges and ground rents.
- Information about convenient and affordable ways of paying their service charge bill.
- Clear information on how to make a complaint, should a leaseholder feel that services have not met the required standard.

### 2 REPAIRS

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Section 18 of the Landlord and Tenant Act states what Stroud District Council may make Service Charges for:

- services.
- repairs.
- maintenance.
- improvements.

- insurance of the block.
- the landlord's costs of management.

However, it is the lease that determines exactly what Stroud District Council can charge for. The general principle is that Stroud District Council can only charge for a particular service if it is permitted by the lease. The leaseholder is responsible for the repair and maintenance of:

- The internal decoration, including the flooring, interior doors, carpets and paintwork.
- The front door to the property.
- Furniture and appliances.
- Interior faces of external walls, internal walls and the internal ceiling including plasterwork.
- Any pathways, gardens and fences which have been designated to the leaseholder in their Lease.
- Internal plumbing and wiring.
- All walls, drains, pipes, cables and wires belonging solely to the property.

As the freeholder of the block, and landlord, the Council is responsible for repairing and maintaining the structure, exterior and any common parts in and around the block the flat is in, such as halls, landings and stairs. Stroud District Council's repairing/maintenance responsibilities include (this list is not exhaustive; please refer to the lease for specific details):

- The building's structure, including the roof, guttering and the foundations to the building
- Communal windows
- Any path or access way over which the leaseholder has a right of way by virtue of their lease, and which remains within the Council's ownership and all gas, water pipes and drains and electric cables and wires not contained within the leaseholder's property but are used by the leaseholder.
- The shared parts of the building such as main entrances, passages, lifts and communal stairways, communal gardens and pathways and shared windows
- Communal heating in the building.
- Buildings insurance

Although the Council is responsible for carrying out or arranging the kind of repairs mentioned above, depending on the terms of the lease, the leaseholder may be required to pay a contribution towards their cost, since they (along with other occupiers of the block) benefit from them.

#### **4. Asbestos Surveys**

Stroud District Council will not recharge leaseholders for annual asbestos surveys to the communal areas of blocks of flats; however, the leaseholder will be expected to pay a proportional contribution towards the removal of asbestos from communal areas if and where appropriate.

#### **5.Planned Maintenance**

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.

Stroud District Council must consult if any works will cost over £250 for any one contributing leaseholder. In a property with unequal service charge contributions, Stroud District Council

must consult all leaseholders if any one of them would have to pay more than £250. If consultation is not undertaken, the Council may not be able to recover costs over £250 per leaseholder.

## **6. Leaseholders Responsibilities**

The leaseholder's responsibilities are defined within the Lease. The Leaseholder is expected to adhere to a particular standard of behaviour and conduct whilst residing at the leasehold property. Leaseholders are responsible for the actions of visitors to their home and if applicable their tenants. The leaseholder should refer to their original Lease for a full description of their responsibilities.

Stroud District Council retains powers of forfeiture if a leaseholder breaches any term of their Lease including.

- Non-payment of service charges.
- Causing a nuisance, annoyance or inconvenience to neighbours; or
- Failure to keep their property in good repair and condition.

This power will be considered as a last resort and Stroud District Council will seek to work with leaseholders to resolve debt issues, improve property standards or change behaviour before seeking to end the Lease through legal action.

## **7. Anti-Social Behaviour**

Stroud District Council is committed to creating a safer, stronger and healthier district, where residents can live free from anti-social behaviour (ASB). The policy can be found [www.stroud.gov.uk/housing](http://www.stroud.gov.uk/housing)

## **8. Services Included with the Service Charge**

Dependent upon the type of building, the service charge can cover communal area repairs, scheduled health and safety services as deemed necessary by the Council and required by law, communal energy costs, communal TV aerial maintenance, cleaning of communal areas, building insurance and management costs. The Council reserves the right to collect a service charge for the maintenance of external communal areas including gardens.

## **9. Setting the Annual Service Charge and Making Payments**

The service charge is calculated so that the leaseholder pays a proportional share of the cost of providing services to their block. This is set out in accordance with the lease.

Under section 21B of the Landlord and Tenant Act 1985, the District Council must include a summary of rights and obligations with all invoices demanding the payment of service charges. If the Council fails to provide such summary, a leaseholder may withhold payment of the service charge.

Under section 20B of the Landlord and Tenant Act 1985 the District Council must request payment of a service charge for services provided to a leaseholder within 18 months of the costs being incurred. Requests for payment after 18 months of the costs being incurred are considered to be "out of time" and the leaseholder will not be liable to pay those costs.

The District Council will accept monthly payments by instalments over a 12-month interest free period. The leaseholder will be strongly encouraged to make payments by direct debit. If severe financial hardship can be demonstrated a repayment plan can be agreed extending the repayment period.

## **10. Service Charges Mandatory Cap**

The Social Landlords Mandatory Reduction of Service Charges (England) Directions 2014 limit the amount social landlords (which includes the Council), can charge leaseholders over any five-year period, to £15,000 in London and £10,000 in the rest of England. The mandatory cap only applies to leaseholders who live in their property as their only or principal home and not to leaseholders who rent/sub-let their properties.

## **11. Ground Rent**

The Ground Rent is £10 per year and is a rental paid to the District Council. Ground rent statements will comply with the requirements of the Commonhold and Leasehold Reform Act 2002. Since the implementation of The Leasehold Reform (Ground Rent) Act 2022 on 30 June 2022, ground rent can no longer be charged on any new leases.

## **12. Additional Charges**

The council may charge leaseholders an additional cost for supplementary work undertaken. Examples of these can include, but not limited to, consent approval, additional copies of leases and management packs.

## **13. Payment Options**

The District Council appreciates that leaseholders may be concerned about the prospect of receiving sizable bills in respect to their contribution towards service charges and “major works”. In response, the District Council offers a selection of affordable payment options to enable leaseholders to pay towards the cost of “major works”. Leaseholders will be provided with all relevant information about payment options when major work is proposed or upon request.

## **14. Review of Disputed Invoices**

Should a leaseholder wish to dispute or query the whole or part of their annual service charge they can contact the Council. 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.

Identify the charges which the Council should clarify.

Identify the charges which are in dispute and why

The Council expects that charges not in dispute will be paid within 28 days.

For further information visit [www.lease-advice.org](http://www.lease-advice.org)

If the leaseholder, is dissatisfied with any element of their service charge bill they can register a formal complaint. Detail of our complaint procedure is available here [Complaints and feedback policy](#). After exhausting the Council's internal complaints procedure, if the leaseholder is still unhappy with any element of their service charge bill, an application for a final decision from the First Tier Tribunal (FTT) Property Chamber can be made. Leaseholders can challenge the reasonableness of service charge by applying to the FTT.

## **15. Consultation and Engagement**

The Council 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 the Council

will also seek to consult with leaseholders on all matters that impact upon their leasehold property. The Council will continue to ensure there is leaseholder representation across the district by developing customer involvement and scrutiny structures.

## **16. Major Works**

The District Council has a duty to consult with leaseholders when carrying out 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. In these instances, the District Council will serve all leaseholders within the block with a Section 20 Notice which will include all information detailed within Schedule 3 of the above-mentioned Regulations which includes:

- 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 carry out 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).

The District Council must have regard to all observations made by the due date and must respond to any leaseholder within 21 days of receipt of any observations. Once the work has been completed the District Council will write to the leaseholders advising of the actual cost of the work and their proportional contribution. The invoice will be issued at the end of financial year during which the major works were undertaken and completed. Payment will then become due. 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.

## **17. Insurance**

As a condition of the lease the Council will take out building insurance to cover all high and low rise/maisonette blocks of flats. The leaseholder contribution towards the cost of building insurance is included within the annual service charge. The building insurance provides cover for damage caused to the building by:

- Fire.
- Explosion.
- Aircraft collision.
- Earthquake.
- Lightning.
- Impact.

In addition, high rise blocks are also covered for.

- Storm damage.
- Floods and escape of water.

The policy insures each building up to the replacement value of the building, plus the replacement of all individual flats including the leaseholder's if so required, but it does not insure the leaseholder's contents. Responsibility for insuring the contents of the property including fixtures and fittings rests with the leaseholder, and it is strongly recommended that



all leaseholders arrange their own home contents insurance which is suitable to their needs and requirements as deemed by themselves.

### **18.Selling a Leasehold Property**

The leaseholder must inform the Council if they wish to sell their leasehold property. Under section 156A of the Housing Act 1985, if a leaseholder wishes to sell their property within the first ten years of purchase, they are required to give the Council the right of first refusal to purchase the property before it is placed on the open market. If they wish to sell the property within the first five years of purchase, the leaseholder may have to pay back to the Council a proportion of the Right to Buy discount they received at the time of purchase.

### **19.Letting a Leasehold Property**

If the leaseholder wishes to let their property out and become a landlord, section 159 Housing Act 1985 allows this, without the leaseholder having to first offer back the property to the Council or repay any portion of the Right to Buy discount they received on their purchase, providing the term of the letting agreement is less than 21 years. As a responsible landlord, the Council must know who is residing within its buildings, it will therefore require the leaseholder to: -

- provide details of their new contact details, and the contact details of any management company appointed to manage the letting of the leasehold property.
- ensure that their tenant complies with all provisions contained within the leaseholder's lease. The leaseholder will be responsible for how the tenant conducts their tenancy.
- ensure that all costs due to the Council under the Lease continue to be paid. Any estate agent representing a leaseholder wishing to sell or let the leasehold property must obtain written permission from the Council, as the freehold owner of the property and also in its statutory capacity as local planning authority, to display 'for sale' and 'to let' signs outside blocks of low and high-rise flats. Permission will be granted at the discretion of the Council and in accordance with the Town and Country Planning Act. Leaseholders can also exercise the right to purchase the freehold of the building as a group, if they meet the qualifying criteria contained in the relevant legislation at the time of application and this is known as enfranchisement. This is possible even if the Council does not wish to sell, if the leaseholders qualify. To qualify, the current criteria are:
  - The block must contain more than two flats.
  - No more than 10% of the floor area must be used for non-residential purposes, such as shops or a similar commercial unit.
  - At least two thirds of the flats in the block must be owned by leaseholders; At least two thirds of those leaseholders must want to buy the Freehold. Enquiries regarding enfranchisement must be directed to the Council

### **20.Fire Entrance Doors**

The Council 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 the Council 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 the Council has to replace the door due to it no longer being a fire-resistant door caused by the actions of the leaseholder or their subtenant, visitors, agents or workmen, the Council will seek reimbursement of the full cost of the replacement door and installation from the leaseholder via the service charge.

The council's Fire Safety Policy can be found at [www.stroud.gov.uk/housing](http://www.stroud.gov.uk/housing)

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## **21. ROLES AND RESPONSIBILITIES**

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The Strategic Head of Housing has overall responsibility for the Council's Leaseholder Service. The management of the service is delivered by the Resident Engagement Team, supported by the Tenancy & Sustainment team and where appropriate the Asset Management Team or Property Services.

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## **22. LEASE EXTENSION**

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

The Council does not provide advice, and you should seek your own independent advice.

For further information visit [www.lease-advice.org](http://www.lease-advice.org)

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## **23. RE-MORTGAGING, SECURED LOANS AND POSTPONEMENT OF CHARGES**

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If leaseholders remortgage their property or get another secured loan during the discount repayment period, it is likely that your mortgage company will want you to get a postponement of charge. This means your remortgage or new loan takes priority over repaying the Right to Buy discount.

For us to agree to a postponement of charge your loan must be for an approved purpose as specified in Section 156 of the Housing Act 1985 (as amended by Section 120 Leasehold Reform, Housing and Urban Development Act 1993):

- carry out work to your property or to make improvements
- pay your service charge (including major works and buildings insurance)
- remortgage to change mortgage companies
- take out a loan to repay other loans secured against the property to pay interest owed on a mortgage or remortgage

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## **24. ALTERATIONS AND IMPROVEMENTS**

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The leaseholder is responsible for maintaining and repairing the internal parts of the property. The leaseholder is also responsible for the maintenance of fixtures and fittings in the property. Under the terms of the lease the leaseholder will require the council's permission to carry out any alterations and improvements affecting:

- The Council's fixtures and fittings; or
- The exterior of the building; or
- The structure of the building (including the removal of internal walls)

Leaseholders wishing to carry out alterations or improvement works to their home must apply for the council's consent as required by the lease and provide details of the proposed works. This should be done in writing, either by email: [Asset.data@stroud.gov.uk](mailto:Asset.data@stroud.gov.uk) or post Asset Data, Stroud District Council, Ebley Mill, Ebley Wharf, Stroud, Glos, GL5 4UB. Consent may be granted subject to conditions, such as obtaining planning permission and/or appropriate buildings regulations consent, where this is required. Leaseholders should not change or alter the main entrance door to the property.

## **25.LINKS TO OTHER POLICIES**

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

## **26.COMPLAINTS**

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If a leaseholder is not satisfied with the level of service, they have received they may register a complaint through the council formal Complaints Procedure. Details are available from any council office or online ([www.stroud.gov.uk](http://www.stroud.gov.uk)).

First-Tier Tribunal (Property Chamber) If you have followed the complaints procedure and remain dissatisfied with the Council's decision you have the right to apply to the relevant Tribunal to settle your dispute. Further information can be found at [www.lease-advice.org](http://www.lease-advice.org), who are an independent body and will be able to provide advice on how to proceed with your application.

## **27.KEY CONTACTS**

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### **Leaseholder Services:**

- Telephone: 01453 766321 (office hours only)
- Email: [leaseholders@stroud.gov.uk](mailto:leaseholders@stroud.gov.uk)
- Post: Ebley Mill, Ebley Wharf, Stroud, Glos, GL5 4UB

### **Housing Repairs**

There are several ways that you can contact us to request a housing repair:

- Telephone: 01453 766321
- Email: [property.care@stroud.gov.uk](mailto:property.care@stroud.gov.uk)
- Text: 07984 442968 and start your Text with the word REPAIRS

### **Right to Buy**

If you wish to sell your property within 5 or 10 years of purchase or wish to apply for a Deed of Postponement

- Telephone: 01453 766321 (office hours only)
- Email: [righttobuy@stroud.gov.uk](mailto:righttobuy@stroud.gov.uk)
- Post: Ebley Mill, Ebley Wharf, Stroud, Glos, GL5 4UB

## 28.GLOSSARY

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In this policy

**Building / Block** – both terms are used throughout this document and mean the same thing, that being, the whole building that the Leasehold property is located in.

**Enfranchisement** – Leaseholders joining together to buy the freehold of the building.  
**Forfeiture** – The right of the freehold owner to apply to the Courts to end the Lease if the conditions have been breached.

**Freehold Property** – To own both the property and the land indefinitely.

**Freeholder/Freehold Owner** – The Freeholder is the Council

**Lease** - is a binding contract, enforceable in law and defines the rights and obligations of the Leaseholder, and the District Council as the freeholder of the property.

**Leasehold Property** – individual property that is under a long lease from the Council and which forms part of the building that remains within the Council's ownership.

**Leaseholder** - Someone who has bought a Leasehold Property for which Stroud District Council retains the freehold.

**Major Works** –works that are proposed to be carried out to a building which will cost each leaseholder within that block £250 each or more.

**Service Charge** – the annual financial contribution Leaseholders pay towards the day to day running costs of the block of flats in which they reside.

## 29.LEGAL AND REGULATORY FRAMEWORK

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Housing Act 1985

Landlord and Tenant Act 1985

The Charter for Social Housing Residents (white paper)

The Commonhold and Leasehold Reform Act 2002

The Leasehold Reform (Ground Rent) Act 2022

Data Protection Act 2018 and the General Data Protection Regulations.