

Amplus manage around 7,000 homeownership homes. This policy explains how we aim to deliver a service that is efficient, customer-focused, and provides good value for money to all our homeowners.

# Homeownership Management Policy

## Document management

<b>Directorate</b>	Development and Commercial
<b>Policy sponsor</b>	Chief Development and Commercial Officer
<b>Policy owner</b>	Director of Sustainability and Commercial Services
<b>Policy author</b>	Head of Specialist Housing and Homeownership Services

## Review process

<b>Approval route</b>	Lead Executive
<b>Approved by</b>	Lead Executive
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## Part 2

# Policy introduction

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### Scope

This policy supports Amplius' values and is a commitment to improving lives and supporting colleagues by providing an overview about how we will meet our landlord obligations to our homeowners and how we will ensure our homeowners meet their obligations.

We will consider and act appropriately by consulting with leases / transfers and legal contracts. Where breached by either party it can result in considerable financial or reputational risk to Amplius.

We will consider and act appropriately to make sure where services are delivered to homeowners all costs can be recovered mitigating financial loss.

We will use our discretion, in the implementation of this policy and may at times, with management approval, make a decision outside, but within the accordance of the policy.

This will ensure we achieve greater customer satisfaction.

The term Amplius incorporates all member companies and subsidiaries.

The policy applies to the management of all homeownership properties within Amplius. The policy and the supporting procedures are intended as a general guide for colleagues in our Homeownership, Property Services, Asset, Housing, Finance and Specialist Services Teams and is not a substitute for legal advice about the specific terms and covenants within each lease. Before taking any action, the specific lease and or transfer should always be referred to and the relevant terms and covenants identified and considered.

The policy does not form part of any colleague's contract of employment and the policy may be amended at any time.

## Part 3

# Policy details

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## Homeownership Management Policy

Amplius will give homeowners clear and timely information about the:

- services they receive and can access,
- how much these services cost
- what they need to pay

We will consult with homeowners as required by law, on any proposed changes to policy or practice that could affect the way we manage their homes.

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## Legislation and Guidance

Homeownership management is guided by legal framework, legislation and regulation, case law and good practise.

The main legislation is the Commonhold and Leasehold Reform Act 2002. However, the Leasehold Reform was split into two pieces of legislation. In May 2021, The House of Lords introduced The Leasehold Reform (Ground Rent Bill). The Freehold and Leasehold Reform Act 2024 received Royal Assent in June 2024 and is currently passing through legislation.

Amplius is a member of Association of Retirement Housing Management (ARHM) and adhere to the Code of Practise when managing our older persons housing portfolio.

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## The Lease/Transfer

The lease or transfer is a legal contract that explains the terms under which a customer can live in their property. It sets out the responsibilities of both Amplius and the homeowner and is legally enforceable.

The lease also explains how the property should be managed and maintained. We will make sure that both Amplius and homeowners adhere to the terms and conditions in their leases or transfers.

Our teams will have enough knowledge of lease and transfer terms to meet our responsibilities, such as managing repairs, collecting payments, and taking action if the lease is broken.

If anyone is unsure about responsibilities, they will ask the Homeownership Team for advice.

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## Consultation

Amplius will make sure it meets the minimum requirements for consulting residents.

Amplius will conduct the statutory consultation process under Section 20 Landlord and Tenant Act 1985 (as amended S151 of the Commonhold and Leasehold Reform Act 2002).

This law says we must consult residents before doing major work or entering long-term contracts before carrying out work or providing services. If we fail to do this, we may only be

able to charge each customer up to £250 for major work and £100 per year for long-term contracts.

Consultation we may carry out includes:

- Section 20 for qualifying major works and long-term agreements
- Service charge budget meetings, as determined by managers
- Resident Association meetings
- Service Provision meetings
- Scheme Manager Recruitment, as determined by Homeownership managers
- Customer satisfaction surveys
- Consultation is required with leaseholders and any Recognised Tenants Association (RTA).

Amplius is committed to keeping properties in good condition and collecting all payments owed in accordance with the leases or transfers.

Major Works Plans will be held and maintained by the relevant teams and will be reviewed on an annual basis.

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## **Permission Requests**

The lease or transfer will confirm whether permission is needed before doing certain things. If permission is needed, it is the customers responsibility to ask for it and to pay any admin fees before permission is granted. A higher fee may be charged if permission is not granted and we may also take action if the lease or transfer has been broken.

We will consider all reasonable requests and respond promptly. Any charges will be fair and based on our fee schedule which is reviewed annually.

The following will require permission:

**Property Alterations** - Making changes or improvements to the home,

**Pet Permissions** - Keeping a pet.

**Subletting** - Renting the property to someone else. This requires the customer to provide further documents. We do not have a direct relationship with the sub-tenant and will not get involved in any disputes. If there is a breach of the lease, we will take action against the homeowner, not the sub-tenant.

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## **Lease Extension**

Customers who own 100% of the lease, have the right to extend their lease term in accordance with the Leasehold Reform, Housing and Urban Development Act. To do this customers must send us a Section 42 Notice.

We will handle all eligible lease extension requests using the legal (statutory) process where it applies.

If a customer's request does not meet the legal criteria, we may still consider it through a voluntary process. However, we will still follow the same timelines and standards as the legal process.

Customers must cover their own costs and are subject to premium payment, valuation, and our costs are also payable by the customer.

In May 2024 the Leasehold and Freehold Reform Act 2024 received Royal Assent. When legislation passes, lease extensions will become less costly, and a much longer term will be issued on the lease extension.

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### **Varying the Lease**

We may consider varying a lease or surrendering and regranting a lease. Such requests from homeowners must:

- Be for specific reasons,
- May require 100% agreement of leaseholders and;
- Are likely to only be agreed where they are in the interest of both parties.

Customers must pay their own costs and may be required to pay all costs regarding a lease variation should the request be granted.

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### **Service Charges**

The lease or transfer explains the customers responsibility to pay service charges, along with any other charges such as shared ownership rent, ground rent, or admin fees.

Service charges are worked out based on the lease / transfer and our Variable Service Charge Policy. We will also provide a breakdown of the actual expenditure.

Service charges can change from year to year and cover the cost of managing and maintaining your building and shared areas.

#### *Section 20b – Delayed Charges*

If the full costs for a service charge year aren't known within six months of the end of the financial year, we will send a Section 20b notice to the customers affected.

This notice will explain what costs have been charged so far and what further costs we expect but haven't included yet.

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### **Ground Rent**

The law identifies that a Ground Rent does not form part of the service charge and must be accounted for separately. In some cases, the Ground Rent is collected on a monthly basis along with the service charge.

Section 166 of the Commonhold & Leasehold Reform Act 2002 also stipulates that a Ground Rent Notice must accompany any demand for a ground rent.

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### **Sinking Funds / Reserve Funds**

The lease / transfer will determine whether this fund exists for customers. The purpose of the fund is to build up a sum of money to cover the cost of irregular and expensive major works. Examples include:

- External redecorations
- Structural repairs

- Future replacements of installations such as a lift, or fire alarm.

The lease / transfer will confirm if we can collect a sinking fund through the service charge and or when a property is sold.

If the lease does not mention a sinking fund, we will follow proper accounting rules to make sure customers are fairly charged for their share of any work costs.

Sinking funds are reviewed annually and collected in accordance with the lease / transfer. They are based on a major works plans driven by asset data and scheme requirements where appropriate.

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## **Management Fees**

We provide management services to customers based on the terms of their lease / transfer. If the lease / transfer allows, we will charge a management fee for these services.

The government department responsible for Leasehold for the Elderly properties sets a yearly limit (cap) on management fees, which is updated every year on March 31st.

We will review our management fee every year to make sure it offers good value for money.

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## **Financial Information for Customers**

In addition to rights under the lease / transfer we will:

- Provide an estimate of their service charge budget for the upcoming financial year.
- Send a summary of the rights and obligations in relation to service charges whenever we send a service charge bill.
- Provide a statement of actual service charge income and expenditure within six months of the financial year end.
- Share information on the sinking / reserve fund and any planned major works (if any) in future years.
- Provide an up-to-date rent and service charge account balance upon request.

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## **Income Collection and Repossession**

Our aim is to prevent rent and service charge arrears from occurring by working closely with customers from the start of their occupancy.

We aim to collect 100% of rent and service charges owed.

We will follow our Homeownership Income Collection Procedure and encourage customers to seek advice if they are having trouble paying. We will actively promote this should we be made aware the customer is having trouble in making payments to us and/or as soon as possible once the accounts falls into arrears.

We will support customers by providing money advice services and signposting to other external agencies. These services can help customers with maximising their income and minimising risk of rent and service charge arrears which may result in enforcement action.

### **Breach of Lease / Transfer**

If a customer breaches the lease / transfer, we will request the customer to resolve the breach.

If the breach is not resolved, we may take enforcement action. This could include legal action such as injunctions, possession proceedings or forfeiture proceedings. Any costs from these actions may be charged to the customer.

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### **Equality, diversity and inclusion**

Amplius is committed to ensuring that no person or group of persons will be treated less favourably than another person or group of persons and will carry out our duty with positive regard for the following protected characteristics; Age, Disability, Race, Gender Reassignment, Sexual Orientation, Sex, Religion or Belief, Marriage and Civil Partnership and Pregnancy and Maternity.

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### **Additional needs (addressing vulnerabilities)**

Amplius understands that some of our customers and service users may be vulnerable for various reasons. Our policies will consider the recommendations made by the Housing Ombudsman and other regulatory bodies regarding vulnerabilities. Amplius will take a proactive approach when making decisions about customers or service users and, where possible, will tailor our services to meet their needs and support vulnerable individuals.



## Part 4

# Compliance and administration

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## Legal and regulatory compliance

This policy fully complies with Amplius' legal and regulatory obligations.

- The Landlord & Tenants Act 1985 and 1987
- The Leasehold Reform, Housing & Urban Development Act 1993
- The Leasehold Reform Act 1967
- The Housing Act 1996
- The Commonhold & Leasehold Reform Act 2002
- The Housing Act 1985
- The Property Misdescriptions Act 1991
- The Consumer Protection Act 1987
- The Law of Property Act 1925
- The Unfair Terms in Contracts Regulations 1999
- The Leasehold Reform Act 1993 and 1967 – the right to extend lease or enfranchise
- The Housing and Regeneration Act 2008
- 'Shared Ownership: Joint Guidance for England'
- Section 20 Consultation Process
- HE Capital Funding Guide
- The Departments of Levelling Up Homes and Communities
- Housing and Urban Development Act 1993
- The Freehold and Leasehold Reform 2024
- The Service Charges Regulations 2003
- The Leasehold Reform Act 2022

Leasehold Law and accompanying regulations and codes of practice are complex and subject to frequent change. We will engage legal advisers where necessary, with appropriate expertise to ensure we complies fully with the legislation and is able to advise leaseholders accordingly.

This list is not exhaustive, and policy authors will undertake thorough research and/or seek professional advice to ensure that Amplius meets its obligations and complies with the current and relevant legislation and regulations.

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## Evaluation, review and performance monitoring

This policy will be reviewed on a Triennial basis to ensure that it remains fit for purpose. A policy review may also be required earlier, in response to internal or external changes for example changes in legislation. Prompt and effective action will be taken where improvements are identified.

Data for lease extension requests and completions will be produced as required.

The Service Charge Review Groups and Homeownership Team monitor the ongoing performance of the service charge review against the objectives outlines in this policy.

On an annual basis, a report will be presented to the Board to update them on the service charge review and progress made.

We will seek opportunities to benchmark and network to ensure its service charges and associated practices are comparable with other landlords in its peer group.

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**Related policies**

- Anti-Social Behaviour and Neighbourhood Management Policy
- Complaints Policy
- Data Protection and Confidentiality Policy
- Fixed Service Charge Policy
- Homeownership Income Management Policy
- New Sales Policy
- Rent Setting Policy
- Variable Service Charge Policy

## Part 5

# Appendices

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### **A. Associated documents – Internal procedural document, colleague use only**

- NA.
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### **B. Scope of Service – List of Service Charge Items (Leaseholders)**

The following list contains items which can be recovered through the service charge; however, this list is not exhaustive:

#### **Common parts and communal services**

- Grounds maintenance contracts
- Tree renewal provisions
- Communal heating, lighting, and water charges
- Communal cleaning services
- Communal window cleaning services
- Cleaning materials
- Refuse disposal (where the Local Authority do not provide the service within the provision of the Council Tax)
- Communal lighting repairs
- Emergency lighting maintenance
- Communal TV aerial maintenance
- Communal fire alarm/smoke detection maintenance/servicing
- Door entry systems – maintenance/servicing
- CCTV equipment – maintenance/servicing
- Emergency Call Equipment – maintenance/servicing (sometimes classed as support services), including provision of telephone line.
- Emergency Call Monitoring (sometimes classed as support services)
- Firefighting equipment maintenance
- Provision of communal laundry equipment
- Lift maintenance and insurance
- Car Parking facilities
- Pest control contracts
- Communal telephone rental (such as Scheme Managers telephone)
- Communal furniture, including a provision for its future replacement (depreciation)
- Ventilation and air conditioning equipment maintenance
- Portable appliance tests (communal equipment)
- Provision of a public telephone
- Servicing of extractor fans
- Property Insurance and other liabilities
- Communal contents insurance, including employer's liability

### **Property Repairs/Services:**

- Annual gas safety check and/or servicing – as determined by the lease
- Repairs to storage heaters/electric heating systems – as determined by the lease
- Guttering cleaning/repairs – as determined by the lease
- Servicing of extractor fans – As determined by the lease
- Repairs to windows and external doors – as determined by the lease

### **Onsite Employees:**

This includes employees that are based at a scheme or estate, such as Scheme Managers and Caretakers.

Gross employment costs include:

- Pension contributions
- Employer's NIC
- Vehicle costs
- Costs of providing employee's accommodation where agreed
- Travel expenses
- Cost of any relief cover, such as agency staff

### **Reserve Fund/Sinking Funds:**

#### Repairs/Renewals to the property structure (as determined by the Lease):

- External redecoration of properties and communal areas
- Replacement of external doors and windows
- Replacement of heating systems – gas and electric
- Replacement of gutters, fascia's and soffits
- Replacement of extractor fans

The above do not apply to all properties, and the lease / transfer must be referred to as the first point of reference in these matters.

#### Replacement/Renewals to communal items:

- Internal redecoration of communal areas
- Lift replacement
- Car Park Barrier replacement
- CCTV equipment
- Door entry systems
- Firefighting equipment
- Communal TV aerial
- Communal extractor fans
- Communal laundry equipment (washers and dryers)
- Fire Alarm equipment
- Emergency Lighting
- Roads, Paths, Car Parks – resurfacing

- Replacement of shrubs and garden areas
- Communal Fencing
- Drainage

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## C. Definitions

There are various options available to purchase a home under affordable home ownership to help first time buyers and those on low to middle incomes. For the purposes of this policy, we offer the following types of products for home ownership:

**General Shared Ownership** - properties where buyers initially purchase between 25% and 75%, whilst paying rent on the remaining amount. After the first 12 months shared owners can then acquire additional shares in the property through 'Staircasing'. Shared owners of houses will be on a lease until they staircase out to 100%, when they will then own the freehold of a house. Shared owners of a flat or protected area lease of a house, or any properties subject to an under lease will remain leasehold.

**New model for Shared Ownership** – homes delivered through the Affordable Homes Programme 2021-26, where the minimum share purchased is 10% although potential purchasers to be encouraged to buy the maximum share that they can afford. Staircasing is permitted at the current larger amounts, as well as the option to buy being limited to 1% increments each year, with this offer being available for a minimum of 15 years. There is also the 10-year repair free period offered to pay for essential repairs which are to be capped at £500 each year, which can be rolled over for 1 year only where there is an unused repairs allowance. Shared owners of houses will be on a lease until they staircase out to 100%, when they will then own the freehold of a house. Shared owners of a flat or protected area lease of a house, or any properties subject to an under lease will remain leasehold.

**Right to Shared Ownership** – applies to all new rented homes delivered through the Affordable Homes Programme 2021-26 allowing eligible tenants to purchase their social or affordable rented home on shared ownership terms. Ability to purchase between 10% and 75% of their property and buy further shares and staircase to full ownership.

**Shared Ownership for the Elderly** - homes specifically for people aged 55 or over. It works in the same way as general shared ownership, but buyers are only able to purchase a maximum share of 75%. Once ownership is at 75% no rent is payable on the remaining 25% share.

**Leasehold for the Elderly** – leasehold homes specifically for people aged 55 or over. A service charge is payable.

**Rent to Buy** – new build properties which are let to working households who are looking to buy a home but have been unable to save for a deposit. These properties will be let at an intermediate rent for a minimum period of 5 years, providing the opportunity for customers to save for a deposit to buy.

**Right to Buy** – customers renting their home with us may qualify for a discount of the full market valuation of the property if they have been a secure council tenant for at least 3 years. These customers will be issued a lease.

**Freehold** – a property that is purchased with full rights of the property and land. These customers are issued a Transfer Title and often pay a service charge.

**100 % Leasehold** - homes that the current owner bought on a long lease.

**Leased Garages** – we own the freehold of the block, but the garage is issued on a lease usually to the freehold houses not owned by Amplius.

**Market Rent** – homes rented on assured shorthold tenancy agreement at market value.

**Protected Area Leases** – Homes with leases that contain protective restrictive covenants throughout the occupancy, ownership and resale.

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Part 6

## Changelog

Amended date	Summary of changes	Version №