

Rt Hon Robert Jenrick MP  
Secretary of State for Housing, Communities  
and Local Government  
2 Marsham Street  
London  
SW19 4DF

BY E-MAIL

Date: 13 November 2020

Your Ref:

Our Ref: HSGCTTEECHAIR/LEASEHOLDREFORM/MCHLG

Service: Housing Committee

Dear Robert,

**Re: LEASHOLD REFORM**

You will no doubt be aware of the situation in which many thousands of people find themselves in having entered leasehold arrangements when purchasing their new homes. The use of escalating ground rents, disproportionate management fees and unreasonable restrictive covenants has left many residents trapped in costly housing which they simply cannot sell.

Whilst the government has condemned this and the Competition Markets Authority are investigating a number of companies on the potential of mis selling, to date there has been little practical assistance offered to existing residents and there has been no further clear direction on the Government moving forward on reforms in this regard.

On 21 December 2017, following a consultation exercise, the Government announced plans to tackle the growing problem of newly built houses being sold as leasehold rather than freehold, and to limit ground rents on newly created lease agreements. Leasehold reform was included in the Law Commission's 13th Programme of Law Reform – this work includes identifying ways to make buying a freehold or extending a lease “easier, faster, fairer and cheaper.”

The 2017 Government's consultation paper on Implementing reforms to the leasehold system, published on 15 October 2018, sought views on implementing the commitments set out above, specifically:

- How to ban the unjustified use of leasehold for new houses.
- How to reduce future ground rents to a nominal value.

- How to bring about fairer and more transparent service charges for freehold properties.
- How to improve the process of selling leasehold properties.

The outcome of this consultation exercise was published on 27 June 2019 and Government stated that they would aim to legislate “as soon as Parliamentary time allows”.

On 13 January 2020, you specifically, referred to the publication of a draft bill shortly. Whilst we appreciate the timing of this is likely to have been impacted by the need to tackle the Covid-19 outbreak, this is an area which the Government has been saying for some time will be addressed.

A recent Parliamentary question on 6<sup>th</sup> October 2020 was put to Kelly Tolhurst by a Labour MP asking the Secretary of State for Housing, Communities and Local Government, when the Government plans to respond to the Law Commission report on leasehold reform, published in July 2020. The following response was received: -

The Government asked the Law Commission to make recommendations on a range of leasehold reforms, including reviewing current enfranchisement arrangements to make them easier, faster, fairer and cheaper, as well as reinvigorate commonhold and make it easier for homeowners to take control of the management of their block of flats or an estate. The Law Commission reports on the enfranchisement process, commonhold and Right to Manage were published in July, following their January report on valuation. We are considering these in detail and will set out our preferred way forward in due course.

It is good to see that Government has recognised the need to do something in this area which currently has no regulation, however at the recent first meeting of Wirral’s recently appointed Housing Committee, all of our public questions were on this issue. These were raised by local residents who along with their families are being impacted both financially and mentally by problems they have encountered in Wirral developments, which involve companies currently being investigated by the CMA. On behalf of the Committee and a commitment to these residents, it was unanimously agreed that the spokespersons for the three political groups should write to you to raise the plight of these Wirral residents who are still suffering from leasehold restrictions and charges.

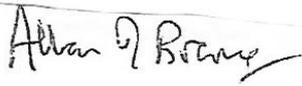
This must stop and there appears to be no clear action by Government still on a timescale for this to be addressed. We are sure you will agree that there needs to be a clear response and timetable for action from Government as failure to do so is leaving residents with unreasonable leasehold, ground rents and maintenance arrangements. This is an issue that committee members across the political divide agree upon and we call upon you to ensure these families are protected and ensure that an end to leasehold occurs, where possible, and that those who have been affected are able to ensure they have redress.

We would welcome your response on the timetable for significant change in this area of reform and look forward to your response clearly setting out the government’s plans in this regard.

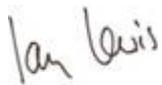
Yours sincerely,



Cllr Julie McManus (Labour)  
Chair of Wirral Council Housing Committee



Cllr Allan Brame (Liberal Democrat)  
Vice Chair of Wirral Council Housing Committee



Cllr Ian Lewis (Conservative)  
Conservative Spokesperson of Wirral Council Housing Committee