Consultation on strengthening leaseholder protections over charges and services

G15 Response

September 2025

The G15 is made up of London's leading housing associations. The G15's members provide more than 880,000 homes across the country, including around one in ten homes for Londoners. Delivering good quality safe homes for our residents is our number one priority. Last year our members invested almost £2bn in improvement works and repairs to people's homes, ensuring people can live well. Together, we are the largest providers of new affordable homes in London and a significant proportion of all affordable homes across England. It's what we were set up to do and what we're committed to achieving. We are independent, charitable organisations and all the money we make is reinvested in building more affordable homes and delivering services for our residents.

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The G15 members are:

- A2Dominion
- Clarion Housing Group
- The Guinness Partnership
- Hyde
- L&Q
- MTVH
- Sovereign Network Group
- Notting Hill Genesis
- Peabody
- Riverside
- Southern Housing

G15 members provide housing for over 880,000 Londoners, which includes over 150,000 leaseholders and shared owners. We're committed to providing quality homes and services to all residents and welcome the policy intent of leasehold reform.

We support the principle of greater transparency and fairness for leaseholders. However, we are concerned that, as currently drafted, these reforms will push additional financial pressures onto social landlords and our residents. This is particularly concerning for shared owners, many of whom are already struggling financially, and who this policy is designed to protect. We do not think the proposals represent a proportionate or cost-effective method of providing transparency with residents, which could be achieved through other means.

The disclosure of more information will come at a cost, some of which will need to be absorbed by housing associations, and some of which will be paid for by leaseholders. We believe more resident engagement is needed to understand what information residents would find useful, to help ensure value for money as costs ultimately increase. Many of the documents proposed to be proactively shared with residents are long and technical in nature. From members' experience working with residents, these long-form written documents are not always the best way to share information, nor do we believe that all residents would fully read and engage with them.

Members will have to decide whether to pass these costs on to leaseholders or absorb them in place of other priorities. As not-for-profit housing associations, G15 members reinvest every penny of income into improving homes, delivering services, and building much-needed new affordable housing. Any increase in costs, whether through compliance, administration, or penalties, directly impacts these priorities.

We're concerned that the proposals, as drafted, will increase costs substantially, and may not have positive impacts for residents. Members predict that the policy proposals could push leaseholders' annual management fees up by 25-30%.

The financial impact on organisations is also significant. Some members anticipate that meeting the requirements would necessitate doubling staff, at a cost of over £1 million per member. One member has estimated that the technology costs alone to implement a new system could reach approximately £3.3 million, including the additional data team required to manage this process.

We recommend a more streamlined and proportionate information regime that achieves the government's objectives without driving up service charges.

Cost of compliance and unintended outcomes

We are particularly concerned about the scale of compliance burden created by the proposals. For example, the requirement to provide six years of historic information to leaseholders on request is disproportionate. Meeting this obligation would require significant new staffing and administrative capacity, and the costs of this would need to be recovered through higher service charges.

We believe a one-year requirement would be a more realistic starting point, with the option to extend the timeframe following review of how leaseholders are using the information.

The proposed 28-day deadline for providing this information would be extremely challenging and, in many cases, unworkable. Information provided will also inevitably lead to more enquiries from residents. Where third-party responses are needed, seven days is too short a turnaround time. Fourteen days would be more achievable. Without adjustments of this kind, there is a real risk that landlords will be set up to fail, leading to increased disputes and costs for all parties.

It is also not clear what the consequences would be if third parties fail to meet this deadline. The reforms should specify the responsibilities and liabilities of third parties to ensure landlords are not penalised for factors beyond their control.

Further consultation with the sector is essential to ensure the proposals are practical and reflect the realities of delivering services at scale.

Oversight and litigation costs

We acknowledge we don't always get things right the first time and are working to address the ongoing challenges faced by leaseholders.

The proposed changes and fines for landlords who fail to comply with requirements would, in practice, divert money away from investment in homes and services. These costs cannot be absorbed without consequence: they reduce the finite financial resources we have to repair, maintain, and improve homes.

Some members support the principle that leaseholders should be able to recover costs in appropriate circumstances. However, strong safeguards are essential to prevent misuse of the system by claims management companies. Without this, there is a real risk of claims farming that could create unnecessary disputes, consume landlord resources, and ultimately delay resolution for residents.

Other members believe that social landlords should be given an exemption where the case is undisputed or where we feel that they are driven by unscrupulous claims farming activity.

It is also vital that the First-tier Tribunal has the capacity and resources to manage an inevitable increase in caseloads. Even without the involvement of claims management firms, the proposed changes are likely to drive more applications, and the system must be properly resourced to avoid lengthy delays and uncertainty.

Compulsory sinking funds

We support the introduction of mandatory reserve funds for both new and existing leases. This would provide greater certainty for leaseholders, reduce the likelihood of unexpected large bills, and enable landlords to plan works more effectively. However, they must be flexible and regularly reviewed so they can cover emerging works or cost increases.

We recommend a minimum three-year transition period to allow landlords to establish the necessary systems and to give leaseholders time to prepare for the new payments. A rushed timetable would risk confusion and could lead to financial hardship for residents.

To support consistency, we also suggest the government publishes best practice guidance on how to calculate reserve funds. This would help landlords develop robust and transparent processes, and ensure leaseholders understand how their contributions are being set.

Furthermore, we wish to flag that at present not all component repairs within a buildings long-term Asset Management Plan (AMP) will be covered within its sinking fund. However, as the proposals currently stand, we would need to reflect everything from an AMP in full. This would fundamentally lead to increases in service charges and impact resident affordability.

We again urge the Government to consider the difficulties of balancing transparency, affordability, and fairness and ultimately the trade-offs involved.

Section 20 thresholds

We agree that a review of Section 20 thresholds is overdue. The current levels no longer reflect the costs of major works or long-term agreements, which undermines their effectiveness.

We recommend that thresholds be set between £750 and £1,000 for qualifying works and £500 for qualifying long-term agreements, with provision in legislation for these figures to increase in line with inflation (CPI).

Some members also favour introducing a cap for the maximum spend without consultation. This would ensure that there would still be consultation on larger buildings, which would support transparency with residents in those homes.

This approach would provide a fairer balance between ensuring residents are consulted on significant costs and avoiding unreasonable administrative burdens for both landlords and residents.

Implementation timeline

The proposed 12-month period for landlords to implement these reforms is insufficient. The changes involve not only new reporting and disclosure requirements, but also substantial adjustments to financial and asset management systems, staff training, and resident engagement processes. Implementing these reforms without adequate preparation would risk errors, confusion, and unintended cost increases.

We recommend a minimum two-year period for implementation, with three years likely required for larger and more complex organisations. This extended timetable would allow for proper system updates, meaningful engagement with residents, and a smoother transition overall. It would also provide landlords with sufficient time to pilot new approaches, and adapt processes before full implementation.

Complexity of mixed tenure blocks

Many G15 members manage large, mixed-tenure developments where multiple managing agents and freeholders are involved. This already creates complexity in how service charges are structured, and information is shared. The proposals, as currently drafted, risk adding further layers of duplication and confusion.

For example, if landlords are required to produce different annual reports for leaseholders and tenants within the same block, this would double the administrative cost. It could also lead to inconsistent or overlapping information, which undermines the intention of transparency. We encourage the government to take into account these complexities and provide flexibility in how information is produced for mixed-tenure blocks.

We urge the government to recognise these operational realities and provide flexibility in how requirements are applied. A one-size-fits-all approach is unlikely to succeed in practice.

Annual report format and content

We support the principle of reporting to leaseholders. However, the current template is overly prescriptive and goes too far in mandating information that is not relevant or proportionate.

Section 1 of the template, which provides an overview of building conditions, planned works, and costs, is clear and meaningful for residents. We feel the additional sections, by contrast, add complexity without providing tangible benefits.

Some members also question the value of producing reports for residents paying fixed service charges. In these cases, the report may not inform meaningful decisions and could divert resources from activities that directly improve homes or services.

We therefore recommend that only Section 1 is required, with landlords given discretion to include further information where it is relevant and adds value for residents. This would ensure consistency in reporting while avoiding unnecessary duplication of effort and cost.

A less expensive and potentially less wasteful way to share this information than a written physical report would be to set up an online portal. This approach would still be costly, with higher upfront costs, but it would be more manageable over time, allowing us to show more up-to-date information and also be more accessible.

Another issue is what evidence is prescribed to be included in the report. Large, mixed-tenure developments are further complicated for housing associations that undertake large-scale procurement through regional contracts. These arrangements allow us to achieve value for money, but make demonstrating cost splitting extremely difficult. The scale and complexity of these contracts also mean we cannot easily rely on rigid templates or standardised approaches when reporting costs or allocating charges across different blocks or tenures.

In this context, we support including miscellaneous fees in service charge demands, provided these are clearly broken down and transparent for residents. This approach balances the need for clarity and accountability with the practical realities of managing complex, large-scale housing portfolios.

Scope of Mandatory Qualifications and Training Requirements

We support the principle of professionalisation and proportionate training to ensure consistent, high-quality service to residents. However, we do not believe that introducing overly prescriptive mandatory qualifications is the most effective route.

Managing leasehold properties involves a wide range of roles beyond managing agents, including finance, compliance, and customer service. A programme would need to be proportionate to one's involvement, to avoid becoming overly resource intensive.

Instead, we recommend that the government focus on the implementation of the new Competence and Conduct Standard, which is a more appropriate mechanism for ensuring consistent professional standards across the sector. This approach allows for flexibility in training and development while maintaining oversight and accountability, without imposing potentially unnecessary regulatory requirements on staff.

We also note that housing associations face significant recruitment challenges, with salaries generally lower than in the private sector. Introducing mandatory qualifications could exacerbate these challenges, creating a risk that trained staff leave for better-paying roles elsewhere, further reducing capacity and potentially undermining service quality. Any reform programme must take account of these operational realities to ensure that professionalisation initiatives are effective and sustainable.

Digital Communication and Efficiency Gains

We recommend that government explicitly supports and enables digital communication as the default method for delivering annual reports and other leaseholder information (with the discretion to provide information in other formats for those who need it). This would significantly reduce administrative burden and costs, especially for landlords managing large portfolios with tens of thousands of residents. Digital delivery also aligns with broader sustainability goals and resident expectations for modern, accessible services.