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Consultation – summary of response

Strengthening leaseholder protections over charges and services

November 2026

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Overview

Strengthening leaseholder protections over charges and services: consultation: Summary of responses.

Action Required

This document is for information only.

Further information and related documents

Large print, Braille and alternative language versions of this document are available on request.

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Additional copies

This summary of response and copies of all the consultation documentation are published in electronic form only and can be accessed on the Welsh Government's website.

Link to the consultation documentation: Strengthening leaseholder protections over charges and services | GOV.WALES

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Government response

1. The Leasehold and Freehold Reform Act 2024 represents a significant improvement in rights and protections for leaseholders. This government's ambition is to deliver meaningful improvements in housing rights, fairness and affordability, and this is what we want to achieve through the implementation of this Act, ensuring that leaseholders in Wales can benefit from these protections as soon as possible.
2. The previous government undertook consultation over summer 2025 to inform a significant portion of the subordinate legislation required to give effect to enhanced leaseholder rights in relation to service charges. The consultation took place jointly with the UK Government, and this has allowed us to consider whether a separate or common approach to implementing the reforms across England & Wales would be best for leaseholders in Wales.
3. On many issues the consultation demonstrated common difficulties and frustrations and similar responses to the proposals were received from stakeholders across England and Wales. As such our intention is to align closely with the approach indicated by UK Government in their response to the consultation where that is right for leaseholders in Wales. There are clear benefits to taking a common approach in some areas where this will accelerate the delivery of reform, deliver the same beneficial outcomes for leaseholders, help keep costs down for leaseholders, make rights and responsibilities easier to understand, and ensure that leaseholders in Wales can benefit from strengthened protections as soon as possible.
4. However, in aligning our approach to achieve these benefits, there are several areas where an alternative or distinct Welsh approach is or may be required.
5. **Building Safety**: Significant legislation has recently been passed by the Senedd to take a distinctly different, bold and ambitious approach to building safety in Wales. Our legislation has a different scope and concentrates on different issues, and therefore, where the provisions of the LFRA interact with that regime, it will necessitate a different approach. We will make specific provision to deal with the building safety context in Wales when implementing this package, including in the service charge demand, the annual report and in relation to information on request.
6. **Social housing**: Social housing operates differently in Wales than in England, in particular there are no for-profit private providers. We consider that it is appropriate that leaseholders of social landlords in Wales should be supplied with sufficient information to be able to hold their landlord to account for service charge administration and therefore believe it is important to apply the principal elements of the 'transparency package' outlined in this consultation to them. However, in recognition of the existing operating environment of social landlords we will consider the context in Wales when setting out requirements which will apply to them.

7. Additionally, while we are supportive of tenants of social landlords being given sufficient information to understand any service charges they are subject to, in Wales our Rent and Service Charge Standard already places an emphasis on service charge transparency. We will therefore carefully consider what part regulations under LFRA could or should play in respect of transparency for RSL tenants in Wales.
8. **Welsh language**: In Wales, our language has a distinct status, which must be considered as part of the development of the SI package to implement the LFRA. While we will not seek to introduce new language requirements where they are not already in place, we will ensure that where landlords are bound by Welsh language standards or commitments we give them the tools to provide information effectively in the language of their leaseholders' choice.
9. **Tribunals**: The enforcement context in Wales operates differently to that in England particularly in relation to tribunal structures and the redress landscape; these are issues which we will take into consideration when developing the subordinate legislation to implement this part of the Act.
10. In this work, our guiding principle will be to pursue reforms which are in the leaseholders' best interests.

Part 2: New additional service charge reforms

11. As well as providing detailed evidence in response to implementation of specific reforms in the LFRA covered in Part 1 of the consultation, Part 2 of the consultation contained questions about other potential reforms which could further improve the experience of leasehold service charges. As in Part 1, responses to Part 2 provided limited evidence that Wales needs to take a different approach to England on these wider service charge and leasehold management issues. Instead, the evidence broadly supports alignment where that is in leaseholders' interests, with Welsh-specific provision only where necessary to reflect our distinct legal, policy or delivery context.
12. Although UK Government have yet to specifically identify which of these reforms they will pursue and via what method, our approach here will be similar to that to those issues discussed under Part 1. Where UK Government identify action to take which appears to be in the best interests of leaseholders in Wales, we will discuss with them the potential for action to be taken on an England and Wales basis, subject to any necessary changes required to honour our distinct Welsh context and priorities. If such action is not forthcoming, we will consider whether it is appropriate to take Wales-only action, where it aligns with our ambitions of improving Welsh resident's rights and experiences, and in the context of our focus on affordability and taking action to alleviate the cost of living.

Summary of responses

About You – Questions 1–16

13. Responses included in the consultation analysis are those from respondents based in Wales, or owning/dealing with property in Wales, or from representative bodies with a Welsh remit; however, for the questions about whether Wales should take a different approach to England (Q195–201) the analysis includes all responses, regardless of Welsh association.
14. The respondent mix is weighted toward leaseholders (24) and representative organisations (15), with private freeholders (10) and managing agents/companies (8) also forming a sizeable share; social landlords/freeholders (4) and other (3) are smaller groups. The “other” category includes freeholders paying estate management charges and a solicitor.
15. The early questions show that responding managing agents and freeholders vary widely in portfolio size (staff counts; numbers of blocks and units; properties responsible for), and that variable service charges dominate across respondent landlord/agent groups. Landlords/agents report that they generally collect and provide information themselves rather than outsourcing, and they describe data being spread across systems, with significant work needed to compile budgets, demands, and reconciliations—sometimes over long timeframes (including references to reconciliation/major works processes extending well beyond a year).
16. Experience of legal proceedings is common among managing agents and private freeholders (both bringing and facing claims), while leaseholders report some involvement, but a majority have not been involved in tribunal/court proceedings.

Part 1: Implementing the Leasehold and Freehold Reform Act 2024 Annual Report – Questions 17–23

17. Across the annual report proposals, the dominant theme is strong demand for transparency, with leaseholders overwhelmingly supportive of minimum information requirements, standardised formats, strict timeframes, and minimal exemptions. The clearest divergence is between leaseholders, who want maximum transparency and very limited discretion, and managing agents/freeholders, who broadly accept transparency goals but argue for flexibility and practical exemptions—particularly where information is not readily available, where buildings are small, or where arrangements are complex (mixed-use, superior landlord chains, self-managed blocks). Proportionality is repeatedly raised as a core design issue, including calls to scale requirements by block size.
18. On Q17 (minimum information), leaseholders and representative bodies mostly agree with the proposed minimum content, while managing agents, private freeholders and social landlords are more divided. Suggested improvements include greater financial granularity (insurance, management fees, overheads), clearer visibility of funds (reserve funds and account access), and better clarity on planned works and on who does what (roles, responsibilities, decision rights,

contact points). Providers caution against rigid templates that may not fit all building types, and social landlords flag burden relative to expectations and interaction with other regimes.

19. On Q18 (standardised presentation), support is high across all respondents, but divergence appears in how rigid standardisation should be. Leaseholders view standardisation as essential to stop obfuscation and enable year-on-year comparisons; agents often support standardisation to reduce disputes but propose a baseline template plus optional schedules for complex sites. Some freeholders caution about “one size fits all” and cost impacts, and a small minority oppose standardisation outright.
20. On Q19 (inclusion of retirement properties with fixed charges and event fees), most groups are supportive, while leaseholders are more mixed. Support arguments emphasise vulnerability and equal access to detail; critiques include general hostility to event fees and calls for fuller disclosure of what event fees fund and how they are calculated.
21. On Q20–Q21 (situations with superior landlords with different accounting periods) many respondents either lack experience or report delays and poor communication where superior landlords exist. Preferences between exemption Options 1 and 2 are mixed, with substantial “neither” responses in some groups; leaseholders often argue for no exemptions and for aligning accounting periods, while others caution that ownership structures vary and rigid requirements may cause delays or duplicative communications.
22. On Q22–Q23 (exemptions based on information availability and other exemptions), leaseholders again tend to reject delay rationales and oppose further exemptions; providers list typical causes of delay (third-party invoices, superior landlord schedules, major works timing, management handovers) and suggest narrow exemptions (IT failures, disasters, very small blocks, resident self-managing freeholders). Leaseholders insist that if exemptions exist, they must be very narrow and enforceable.

Service Charge Demand Form – Questions 24–35

23. This section shows a consistent pattern: leaseholders favour prescriptive, detailed standard forms as a tool for transparency, scrutiny and comparability, while landlords/agents accept the principle but press for operational feasibility, proportionality, and transition time. There is agreement around the concept of transparency but disagreement between whether there should be tight prescription with minimal discretion or minimum standards with flexibility so the regime works across complex portfolios and systems.
24. On Q24 (contents of initial demand form), there is broad support among leaseholders and representative bodies, while managing agents and private/social landlord freeholders are more evenly split. Leaseholders who oppose typically argue the proposal does not go far enough—seeking clearer breakdowns and enforceable justifications. Providers’ objections focus on practical issues: some data may be meaningless or misleading, and in some

cases existing budgets are already more detailed than the proposed template (meaning a rigid template might actually reduce detail). Social landlords note structural differences in service charges compared with private blocks. Representative bodies emphasise aligning templates with recognised cost coding frameworks (e.g., RICS) and warn against losing information if the template is treated as a ceiling rather than a floor.

25. On Q25 (England-only building safety information placement), responses show strong support across most groups for providing building safety information, but disagreement about whether it belongs in the demand or annual report. Leaseholders want early inclusion; agents worry about accuracy at budget stage and duplication with Building Safety Act-related duties; representative bodies often prefer annual report placement for narrative context and to avoid duplication.
26. On Q26 (cost headings breakdown options), most groups favour Option 2 (more detail), except social landlords who prefer Option 1. Leaseholders' preference for Option 2 is framed around accountability and avoiding catch-all headings; providers caution against "shoehorning" complex estates into rigid headings. Representative bodies push for standard cost codes and alignment with professional standards.
27. On Q27 (budget details with initial demand vs annual report), there is strong support across all groups for providing budget details with the initial demand, with caveats about avoiding duplication by requiring it be provided with every interim demand. Social landlords raise volatility of reactive works and the potential for excessive queries if the budget is provided often.
28. On Q28 (interim and reconciliation forms), there is broad support in principle but providers want templates to allow narrative explanation and schedule-based detail. Managing agents resist re-providing full budget detail with each interim demand. Social landlords flag burden and note existing reconciliation practice in some contexts.
29. On Q29–Q30 (exemptions and flexibilities), leaseholders strongly oppose exemptions; managing agents favour targeted exemptions for small/simple/fixed-charge contexts or conflicts with lease terms; social landlords also seek exemptions for fixed charge properties or small blocks. On flexibilities, most groups support continuing existing flexibilities, but leaseholders largely oppose them due to fear of avoidance and accessibility issues, while providers emphasise practical system constraints.
30. On Q31–Q35 (data collection, systems, transition), providers describe data spread across multiple systems and anticipate significant system adjustments. Many say a 12-month transition period is acceptable (leaseholders, representative bodies, private freeholders), while managing agents and social landlords say it is not and argue for 18–24 months due to systems, training, procurement, and alignment with business cycles.

Future Service Charge Demands – Questions 36–38

31. This section is polarised around rigidity and sanctions. Leaseholders broadly support a more structured notice with firm expectations; private freeholders see it as rigid and high-risk; managing agents are mixed; representative bodies tend to seek plain English and accessibility plus flexibility for complex sites.
32. On Q36 (structure/content of future demand notice), leaseholders, social landlords and several representative bodies show strong support, while managing agents are mixed and private freeholders are sceptical. Leaseholders want more detail and clearer link to expected works; agents/freeholders argue the template is too rigid for mixed-use or multi-schedule estates and risks noncompliance if third-party information is late. Representative bodies support the proposed structure but emphasise clarity and accessibility.
33. On Q37 (grounds for extending estimated demand date), most groups generally support tightly controlled extensions, but private freeholders seek wider grounds (superior landlords, audits, contractors). Leaseholders support only narrow grounds, fearing extension becoming a cover for mismanagement. Representative bodies also favour strict grounds (force majeure type scenarios).
34. On Q38 (legislating unrecoverable costs / caps if late or exceeded), there is a strong divide in responses: leaseholders strongly support caps and limits as accountability; managing agents, private freeholders, social landlords and most representative bodies oppose, citing factors outside their control and contractual concerns. Providers propose alternatives like “reasonable endeavours,” grace periods, or tolerance ranges; leaseholders resist additional exemptions.

Enhanced Rights to Request Information – Questions 39–46

35. Responses to questions in this section show broad agreement on the principle of strengthening leaseholders’ access to information, but disagreement about scope, timescales, cost, and protections against misuse. Leaseholders frame the proposals as overdue safeguards against opaque practice; providers frame them as operationally heavy, potentially duplicative, and vulnerable to vexatious behaviour. A recurring compromise idea is digital portals for centralised access to reduce repeat requests.
36. On Q39 (list of information requestable), most leaseholders and some representative bodies and social landlords support the proposed list, while most managing agents and all private freeholders responding oppose. Leaseholders argue comprehensiveness and reject commercial sensitivity carve-outs; providers argue the list is too long, duplicates annual reports/safety duties, requires extensive redaction, and risks confusion due to outdated documents (e.g., historic safety assessments).
37. On Q40 (six-year right to request historic docs), support is strong across most groups except managing agents, who are largely negative. Leaseholders argue historic issues emerge later and six years may be too short; providers cite archived/lost data, agent changes, time/cost burdens, and request that leaseholders provide reasons for older requests to prevent “fishing expeditions.”

38. On Q41 (suggested changes), leaseholders want penalties for non-compliance and information free of charge; providers ask for limits on repeat requests, realistic treatment of paper archives, justification requirements, and protections against coordinated mass requests; they warn costs would feed back into service charges.
39. On Q42–Q43 (28 days timeframe and extensions), leaseholders tend to accept 28 days (some want 14), while providers argue 28 days is only feasible for readily available information; historic/third-party documents and redactions take longer. Many providers propose working days, tiered timeframes, or GDPR-style extensions (one month plus up to two extra months). On extensions, leaseholders fear exploitation; providers say 7 days is often insufficient and suggest longer for complex cases.
40. On Q44–Q46 (receiving party response time, inspection window, exemptions), reactions vary by group: there is mixed support for the 15-day receiving party response time; views on three months for inspection vary, with many pushing digital-first rather than physical inspection. On exemptions there is divergence—leaseholders often oppose exemptions; providers want exemptions for vexatiousness, confidentiality, data protection, and genuinely unavailable information.

Application to Those Who Rent – Questions 47–50

41. This section addresses whether tenants of PRPs/RSLs should receive annual reports and information rights. Leaseholders who respond tend to support parity, but other groups—especially social housing stakeholders—raise duplication concerns and argue the Leasehold and Freehold Reform Act may not be the right route for enforcing tenant transparency in the social sector. A notable theme is that cost and administrative impacts could be substantial due to scale and legacy systems.
42. On Q47, leaseholders unanimously support annual reports for RSL tenants, while other respondents are mixed and many do not answer. Key themes include fairness, duplication with existing social housing transparency regimes, resource/system implications, and the need for clarity on scope and interaction with tenancy rules and service charges. As the representative body for RSLs in Wales, Community Housing Cymru's (CHC) position is recorded as not agreeing with annual reports for RSL tenants via this route, while still supporting transparency principles.
43. On Q48, most respondents choose "no modifications," suggesting support for the proposed structure, but comments stress not overwhelming tenants, digital-first access, flexibility for complex estates, and consistency with social housing consumer standards.
44. On Q49–Q50, cost themes include system integration, staffing/training, secure data handling, and the risk costs pass to tenants. Transition period views diverge similarly to earlier sections: leaseholders lean toward 12 months; social landlords and managing agents tend to argue for 18–24 months.

Administration Charge Schedule – Questions 51–53

45. Overall, there is majority support for a standard administration charge schedule, especially among leaseholders and private freeholders, with managing agents and social landlords more likely to object due to duplication, prescriptiveness, and system burden. The value clarity on what admin fees are and how they are calculated is widely recognised but respondents disagree about how to implement without creating disproportionate cost.
46. On Q51 (structure and contents), leaseholders are strongly supportive, viewing standardised schedules as a meaningful improvement given historic confusion about administrative fees. Managing agents are divided but lean more negative, citing duplication with existing documentation, prescriptiveness, and unclear definitions. Representative bodies want clarity on how prescriptive it is and how it aligns with industry guidance. Social landlords are mixed: supportive of transparency but concerned about burden and systems.
47. On Q52 (making schedule available on request), most respondents agree schedules should be available on request in addition via the annual report, though managing agents are split.
48. On Q53 (when to provide schedule), a common suggestion is at point of sale and when new charges are introduced/changed. There is also discussion of what "publishing" means, with many proposing online portals as cheaper than post.

Information on Insurance – Questions 54–69

49. There is unanimous agreement that conflicts of interest in the insurance chain should be declared. The major debates relate to how much information is "right", whether to anchor disclosures in the FCA framework to avoid duplication, what templates should look like (and who completes them—brokers vs landlords/agents), and how to balance digital-first delivery with inclusion.
50. On Q54 (conflicts of interest), all groups unanimously agree landlords and agents should declare conflicts with brokers and insurers. Respondents note FCA obligations already cover some of this, but want clarity of definitions and comprehensive disclosure.
51. On Q55–Q57 (other conflicts, FCA definition, alignment with existing FCA requirements), leaseholders emphasise hidden commissions, integrated relationships, referral fees and incentives; many want more granularity (policy documents, itemised fees, exclusions, claims guidance). However, many respondents say the FCA-required information plus conflicts/claims details is the "right amount," with a minority calling it too much due to duplication and cost.
52. On Q58 (exemptions), there is debate on circumstances where duties should not apply and whether third parties should have exemptions. Many oppose exemptions, but some propose carve-outs for portfolio policies with redactions or where data is not held, and warn about GDPR concerns.
53. On Q59–Q61 (proposed template, provision by email), most support templates, but with strong caveats: avoid duplicating FCA packs; many suggest broker-completed standard packs distributed by landlords/agents. Digital-first delivery is

widely supported, but email-only is more mixed among leaseholders and social landlords, prompting calls for safeguards (receipt confirmation, portal access, opt-out postal).

54. On Q62–Q69 (deadlines for provision, onward information requests, transition arrangements), 30 days is generally viewed as sufficient, but many want the clock to start when the insurer/broker provides full documents. Views on requiring landlords to request third-party information "in a set way" are mixed, and there is mixed appetite for fixed third-party response deadlines (suggestions often cluster around 14–30 days). Transition views diverge: leaseholders often think three months is enough; other groups often argue for 6–12 months aligned to renewal cycles.

Standardised Service Charge Accounts – Questions 70–88

55. This section shows broad support for standardised accounts (minimum information, recognised standards, wider pool of qualified preparers), but significant disputes over granularity (especially balance sheets per schedule), exemptions for social landlords, and transition periods. A recurring proposed compromise is a mandatory baseline with optional additional detail, plus proportionality by size/complexity and alignment with professional guidance.
56. On Q70 (proposed contents), a majority across groups support requiring accounts to include balance sheet, income/expenditure with notes, reserve and deficit statements. Leaseholders push for more detail (some to invoice level); providers raise concerns about confusion and whether balance sheets should be per block vs whole development, plus the dynamic nature of deficits.
57. On Q71 (balance sheet per schedule), leaseholders are unanimous in support, while most managing agents and freeholders oppose; other groups are mixed. Providers argue this adds major burden and may not help leaseholders, advocating instead development-level balance sheets with schedule-level income/expenditure.
58. On Q72–Q75 (ISRS4400 as default, other relevant reporting standards, proposed statement of declaration, extension of group qualified to prepare the report), there is majority support for ISRS4400 as default and for expanding qualified persons (ACCA/ICAEW/RICS/CIMA/AAT etc.), with comments about needing enough qualified people and the risk of conflicts of interest (e.g., in-house accountants). Some support differentiated standards (ISRE 2400 for large/high-risk blocks) but others want one standard for consistency.
59. On Q76-Q77 (current social landlord practice) responses indicate variation in what social landlords currently provide. Several leaseholders report accessing detailed breakdowns only via freedom of information request. Responses also indicate that standards are inconsistent, and that while some social landlords use qualified persons to compile and sign off accounts, some do not. CHC reported that RSLs have internal processes which include internal audit and reporting to

board or audit committees, as well as requirements due to external audits and periodic audit by the regulator.

60. On Q78–Q79 (exemptions for LAs/RSLs), leaseholders and private freeholders oppose exemptions; some managing agents support exemption due to existing regulation; social landlords and CHC support exemption or modified assurance approaches due to duplication and burden.
61. On Q80–Q88 (current practice and transition), respondents say accounts already take months to prepare; many anticipate increased costs from IT upgrades, staff time and verification requirements. Transition period is contested: managing agents and social landlords largely say 12 months is insufficient and propose 18–24 months; leaseholders and private freeholders often say 12 months is enough. Longer transition may spread rather than reduce costs for many.

Litigation Costs – Questions 89–115

62. Responses to this section highlight the need to balance efficiency against oversight. Many respondents support allowing landlords to recover costs more easily in uncontested debt cases, but leaseholders and some representatives fear exemptions incentivise aggressive recovery and discourage challenges. A strong area of cross-group alignment is parity: giving leaseholders clearer rights to apply for costs (aligning with landlord rights), subject to court/tribunal scrutiny. Resident-led building issues (RMC/RTM) were further area of comment—cashflow practicality vs governance/capture risks.
63. On Q89-Q91 (admitted and undefended claims, evidence of current practice) most respondents supported an exemption from the requirement for landlords to apply to the court or tribunal before recovering litigation costs as an administration charge where a leaseholder has either admitted a debt claim or failed to defend it. Those opposing the exemption emphasised concerns around fairness, transparency and the potential for disproportionate or aggressive debt recovery practices.
64. A recurring theme across responses was the importance of maintaining effective service charge collection. Managing agents, freeholders and some representative organisations argued that restrictions on recovering costs associated with debt collection could undermine the financial viability of building management. This concern was particularly acute in relation to resident-led management structures, where respondents warned that delays, complexity or limitations on cost recovery could increase the risk of financial instability or insolvency. Some respondents also suggested that tighter restrictions could result in the withdrawal of no-win, no-fee debt recovery services, potentially increasing costs for leaseholders more generally.
65. Evidence submitted on the prevalence of undefended or admitted debt claims (Q90) suggested that such cases make up a substantial proportion of debt recovery activity. Freeholders and managing agents reported very high rates of settlement or non-defence, with examples indicating that most cases are resolved before court proceedings conclude and that only a small minority proceed as

defended claims. Respondents argued that requiring a separate costs application in every case would therefore create unnecessary administrative burdens and additional expense.

66. Evidence from leaseholders regarding litigation costs already incurred (Q91) varied considerably. Some respondents reported never having been charged litigation costs, while others described paying amounts ranging from several hundred pounds to substantially larger sums. Concerns were raised about charges perceived as disproportionate and about historic legal costs being passed through service charges to leaseholders who were not involved in the original dispute.
67. On Q92 (exemption to the landlord requirement to apply in order to recover their litigation costs as an administration charge), responses were mixed. Managing agents and freeholders proposed a number of additional circumstances where automatic recovery of litigation costs might be appropriate. These included high-value debts, repeated breaches by the same leaseholder, anti-social behaviour cases, enforcement linked to urgent building safety matters, and cases brought by Resident Management Companies (RMCs) or Right to Manage (RTM) companies which do not hold a proprietary interest in the building.
68. Leaseholders and representative organisations generally opposed the creation of further exemptions. They argued that debt recovery cases may often involve underlying disputes concerning service standards, building management practices or the accuracy of service charge accounts, and therefore should continue to be subject to scrutiny.
69. Views were similarly divided on Q93 (whether exemptions should apply where the terms of a lease do not permit recovery of litigation costs from an individual leaseholder as an administration charge). Many freeholders and managing agents supported such an exemption, arguing that older leases may not adequately address modern management and enforcement requirements. Some suggested that, without a mechanism for recovering costs, financial burdens could ultimately be spread across other leaseholders or hinder effective building management.
70. By contrast, leaseholder and representative respondents strongly opposed overriding existing lease terms. They argued that the lease should remain the primary source of rights and obligations between the parties and that restrictions within the lease may represent an important safeguard. Some respondents suggested that facilitating targeted lease variations would be a more appropriate solution than creating a new exemption.
71. On Q94 (social landlord considerations), responses from social landlords themselves highlighted the importance of ensuring that litigation costs are attributable only to the leaseholder responsible for the dispute and noted the potential operational benefits of a streamlined approach to recovering costs in uncontested debt cases. Other respondents, including leaseholders, emphasised that leaseholders should be treated consistently regardless of whether their

landlord is a social landlord, private freeholder or another type of landlord. A common theme was that any exemptions should be applied within a framework that maintains fairness and consistency across the leasehold sector.

72. Responses were mixed regarding circumstances in which landlords should be exempt from applying to recover litigation costs (Q95-Q100). On Q95-Q96 (partially admitted debt claims), leaseholders generally opposed an exemption, whereas freeholders, managing agents and some other stakeholders supported allowing costs recovery at least in relation to the admitted part of the claim. Supporters argued that costs are incurred in pursuing uncontested debts and should therefore be recoverable. Concerns were raised that leaseholders may be discouraged from partially admitting claims if doing so increases their exposure to costs. Stakeholders also warned that separating admitted and disputed elements could increase complexity, costs and delays in the court system. Evidence on the prevalence of partial admissions was limited, although freeholders suggested they are uncommon and leaseholders argued that the current regime discourages challenges.
73. On Q97-Q98 (default judgments and set-aside applications), most leaseholders, representative bodies and social landlords considered that where a default judgment has been successfully set aside, landlords should not benefit from automatic cost recovery because the dispute has become contested. Many respondents considered that costs should instead be assessed in light of the eventual outcome. Conversely, most respondents, other than leaseholders, supported an exemption where a set-aside application is unsuccessful, arguing that the claim remains effectively undefended.
74. On Q99-Q100 (automatic strike-outs), most respondents supported an exemption where a leaseholder's case is struck out because of their own procedural failure. However, respondents stressed that the exemption should not apply where the strike-out results from landlord fault. Evidence provided suggested that such cases are rare.
75. Evidence submitted on Q101 (litigation funding in resident led situations) highlighted that many resident-led bodies have limited reserves and rely on service charge income, successful cost recovery or no-win-no-fee arrangements to fund litigation. Some respondents reported that unrecoverable litigation costs have put resident-led organisations under severe financial pressure.
76. Views were divided on Q102-Q109 (proposals to suspend the requirement to apply for litigation costs). Freeholders generally opposed any suspension, while most other respondent groups supported it on practical grounds. Supporters argued that resident-led bodies may otherwise struggle to enforce lease obligations because of cashflow constraints. Opponents emphasised the importance of equal treatment for all landlords, alongside concerns regarding governance and oversight.
77. A majority of respondents outside the freeholder sector supported limiting any suspension to resident-led buildings and broadly agreed with the proposed

definition covering RTM companies, RMCs and managers appointed under section 24 of the Landlord and Tenant Act 1987 (Q103-Q104). However, concerns were raised that some organisations may not be genuinely resident-controlled due to the involvement of managing agents, non-resident directors or more complex ownership structures.

78. Most respondents also supported requiring any formal costs application to be made at the point the substantive proceedings are determined, withdrawn, struck out or concluded through a consent order (Q105). Similar support was expressed for re-suspending the requirement where an appeal is permitted and consideration of costs is stayed pending the appeal outcome (Q109).
79. Suggestions for extending suspension powers beyond resident-led buildings included enfranchised buildings, embedded managers, resident-owned freeholds, landlords who receive no ground rent and small charitable landlords (Q106-Q108). However, views remained divided and some respondents favoured a single framework applying to all entities undertaking enforcement action.
80. There was near-universal support for the principle that leaseholders should have rights broadly equivalent to landlords when seeking recovery of litigation costs. Most respondents agreed that landlord and leaseholder rights should align (Q110), viewing symmetry as fair and consistent. Some concerns were raised about the financial implications for resident-led management bodies and about how any rights would operate in the small claims court. Freeholders generally supported alignment of rights, while continuing to raise concerns about the wider landlord cost-recovery reforms.
81. Most respondents also agreed with the proposed categories of proceedings in which leaseholders should be able to seek recovery of litigation costs (Q111). Suggestions for expansion included proceedings relating to failures to comply with section 20 consultation requirements and any case in which a landlord has been found to have acted unreasonably. Some respondents preferred a more discretionary approach based on the circumstances of individual cases.
82. Responses regarding lease variation proceedings under section 35 of the Landlord and Tenant Act 1987 (Q112-Q113) revealed differing views on whether existing lease terms generally permit landlords to recover costs. Freeholders often argued that leases do not confer such rights, whereas other respondents considered many leases to contain sufficiently broad recovery provisions. Stakeholders also differed on who should pay for lease variations. Some argued that costs should fall on the party benefiting from the variation, while others considered it unfair for leaseholders to fund corrections to historic defects or drafting errors. Leaseholders, social landlords and representative bodies generally supported granting leaseholders a right to recover costs incurred when bringing or defending lease variation proceedings, whereas managing agents and freeholders were more likely to oppose the proposal.
83. Although responses from the social housing sector were limited, respondents generally supported extending these rights to leaseholders of social landlords

(Q114). Some respondents noted that the proposals could benefit leaseholders but might also increase costs for social landlords, with potential indirect implications for rents and service charges.

84. Respondents held significantly different views on the appropriate transition period for implementation (Q115). Leaseholders generally favoured implementation within one to six months, while freeholders, managing agents and representative bodies almost universally sought a period exceeding six months, with some advocating up to twelve months. The most commonly cited reasons were the need to update systems, procedures, templates and staff training, concerns about court capacity, and the practical difficulties of introducing reforms part way through financial or service charge accounting periods.

Part 2: New Additional Service Charge Reforms

Mandating Reserve Funds & Asset Management Plans (AMPs) – Questions 116–127

85. This section has broad support for the policy direction: mandating reserve funds (especially for new leases) and introducing AMPs/forward planning to improve predictability and reduce financial shocks. Where divergence emerges, it is around proportionality, governance protections (ringfencing and rules on use), capacity and cost, who signs off AMPs, and how enforcement would work without generating disputes about "quality." Reserve funds and AMPs are presented as complementary: AMPs explain why contributions are needed; reserve funds smooth the financial impact.
86. On Q116–Q118 (mandating and other comments on operation), there is almost unanimous agreement on mandating reserve funds for new leases, and majority support for encouraging/mandating reserve funds for existing leases where leaseholders want them. The dominant implementation ask is ringfencing (separate account/trust-style), clear rules on permitted use, visibility of balances and interest, and safeguards against misuse.
87. On Q119–Q121 (asset management plans), AMPs are almost universally supported for new leases and supported by a smaller majority for existing leases. Communication preferences converge across respondent groups: plain language summaries with optional technical detail, digital availability (portals/email), and linkage to the rationale for reserve funds; proportionality in detail is emphasised to avoid unnecessary cost.
88. On Q122–Q126 (transition and costs), transition period suggestions vary widely—from as soon as possible/6–12 months to 12–24 months and even longer in some views—reflecting surveyor capacity and budgeting cycles. Costs are expected to be passed to leaseholders; cost estimates cited range from around £1,000 to £25,000 depending on complexity, with one leaseholder citing ~£7,000 for professional inputs. Almost all respondents say they would pass AMP preparation costs to leaseholders.
89. On Q127 (enforcement via tribunal), views are mixed: leaseholders and private freeholders are more supportive; managing agents and representative bodies are

more split and focus on definitional clarity ("accepted quality" vs "substandard"), accountability, and "reasonable steps/best endeavours" approaches.

Reforming the Major Works Consultation Process – Questions 128–140

90. The overall trend in responses is conditional support for modernising Section 20—particularly through digitalisation, standardised information, and shorter timescales—paired with strong concern about not weakening leaseholder protections. Leaseholders and their representatives worry that raising thresholds or expanding exemptions reduces accountability, especially in small blocks; agents/freeholders emphasise that the current regime is burdensome and delays works, including safety works.
91. On Q128 (threshold change to £600/£300), support exists but is not universal; many argue thresholds are outdated and should be index-linked and/or tiered. Leaseholder-side opposition focuses on reduced consultation and potential for a power imbalance, citing poor practice and lack of transparency.
92. On Q129 (removing some energy/utility contracts from Section 20 if criteria met), support is near-unanimous. Conditions suggested include strict criteria (no conflicts, reasonableness tests, justification).
93. On Q130 (other removals/exemptions), responses are split: leaseholders/social landlords/representatives tend to oppose additional exemptions, while managing agents/freeholders tend to support more. Suggestions for additions included emergency works, fire risk assessment, insurance products, compliance works, or categories where consultation adds delay without meaningful choice. Suggestions were also made about the potential for small blocks, or all blocks with sufficient majority view, to opt out of the need to consult.
94. On Q131 (notification mechanism when removed), there is near-unanimous agreement across groups that leaseholders should still be notified of costs.
95. On Qualifying Long Term Agreements (QLTAs) (Q132–Q134), respondents note QLTAs are resource-intensive and sometimes gamed by keeping contracts under 12 months. Improvements suggested include disclosure of connected-party relationships and commissions, digital delivery, simplification, and regular market testing. Market testing receives broad support.
96. On Q135–Q140 (suggested improvements to section 20), "shorter consultation periods" is a popular proposal for speeding up the process; leaseholders are supportive of standardised forms. Additional reform ideas stress digitisation/portals, transparency (publishing quotes, responding to feedback, conflict disclosure), proportionality, and clearer urgent/emergency pathways. Most respondents, apart from private freeholders, supported the proposal for resident and intermediate leaseholders to be consulted. Most respondent groups supported the dispensation reform proposals, but again, private freeholders were opposed. Concerns raised related to reductions in flexibility, issues of proportionality, difficulty reaching proposed thresholds and some general opposition to dispensation in general. Respondents also highlighted lived problems: delays escalating costs, stress/financial shock, conflicts of interest, and

disproportionate admin fees. Support exists for urgent safety flexibility, but with transparency and accountability.

Protecting Leaseholders' Money – Questions 141–145

97. Respondents describe difficulties around visibility and control of service charge/reserve funds, particularly during management handovers, where records and monies may be missing or delayed. There is some agreement around stronger transparency (clear statements, fund visibility), standardised handover requirements, and stronger regulation/oversight of managing agents. A distinct divergence is noted from a social landlord representative perspective, which argues additional ring-fenced banking requirements in the social sector would be duplicative and costly given existing controls and audits.
98. On Q141–Q142 (leaseholder experiences), most leaseholders responding report difficulty obtaining proof of balances and a majority report experiencing "missing monies" concerns.
99. On Q143 (issues during management transfer), managing agents and private freeholders almost unanimously report difficulty recovering monies from previous parties during handovers; leaseholders are split (about half report difficulties).
100. On Q144–Q145 (other issues and suggestions for change), evidence cited includes refusals to share account information, delayed or annual-only accounts, inconsistent standards, and the limits of voluntary guidance (e.g., non-compulsory handover guidance). Social landlord representative CHC argued existing governance and audits already provide assurance and opposed extra ring-fenced banking requirements for RSLs. Proposed measures with cross-group traction include statutory/compulsory handover standards, standardised data formats, clearer ringfencing/trust expectations, and regulating managing agents.

Protections for Fixed Service Charges – Questions 146–148

101. Respondents identified gaps in protections for those paying fixed charges, particularly limited transparency and lack of a clear route to challenge reasonableness. There is strong support for enabling challenge rights (via the tribunal or other body). Divergence appears in how challenges would work without destabilising funding or requiring frequent lease variations. Industry-side respondents stress workability and tribunal capacity, while consumer-side respondents stress parity with variable service charge protections.
102. On Q146 (evidence that fixed service charge payers lack sufficient protection), leaseholders and representatives argue fixed charges lack effective challenge routes and can be opaque. Some providers say fixed arrangements are rare; one highlights harms where heating is bundled as a fixed charge and recommends unbundling. TPI notes risks if fixed charges don't rise and costs can't be covered, suggesting tribunal processes to enable variation where needed.

103. On Q147 (should fixed service charge payers be able to challenge reasonableness), almost all respondents agree there should be a means to challenge fixed charges.
104. On Q148 (suggested protections), a shared theme is parity with variable charge protections (accounts, transparency, tribunal access). Providers emphasise practical design, potential consequences, and the need for tribunal resourcing.

Powers to Appoint/Replace Managing Agents – Questions 149–154

105. Respondents widely recognise that current mechanisms (notably Section 24) can be slow, complex and costly. There is common ground that reform should focus on clarity, efficiency and enforceability.
106. On Q149–Q150 (experience of section 24, suggestions to improve sections 21 to 24), Section 24 is described as a difficult remedy and a "last resort." Suggestions for improvement include clearer steps and evidence requirements, faster resolution, ability to appoint firms not individuals, higher fees, fast-track variation of orders, approved manager lists, and stronger integration with ADR and other mechanisms. Respondents link reforms to broader regulation/qualification of managing agents as a systemic fix.
107. On Q151–Q152 (right to veto/switch), leaseholders are almost unanimous in support for veto/force-change rights; providers oppose and emphasise that management responsibility and liability must remain aligned. Providers caution leaseholders may focus on costs over standards; they propose safeguards if pursued (thresholds for poor performance, landlord challenge, limits on frequency, continuity protections).
108. On Q153 (enforcement), there is broad acceptance that an independent forum is needed (often tribunal/courts, ombudsman, regulator, ADR), but with clarity on roles to avoid confusion. Cost and speed are emphasised.
109. On Q154 (unintended consequences), respondents warn of disruption, tactical challenges, cost pass-through, reduced agent appetite for high-risk blocks, factional disputes, and tribunal delays without resourcing.

Digital Provision of Information/Services – Questions 155–157

110. Digitalisation attracts near-universal support, but the consensus is for "digital by default, not digital only." Respondents repeatedly emphasise safeguards: opt-out paper routes, accessibility adjustments, audit trails and proof of delivery, portal alerting, and robust data protection/cybersecurity.
111. On Q155, there is almost unanimous support for more electronic exchange. On Q156, suggestions for encouraging digitisation include statutory changes to allow digital service unless leaseholders request hard copy, national standards for digital communication, and integration with Land Registry to keep contact details current. Respondents also caution that electronic service may not suit all legally significant documents, calling for guidance.
112. On Q157, safeguards suggested emphasise choice and accessibility (including large print and hard copy options on demand), the need for audit

trails/acknowledgement/proof of delivery, portal alerts, need for robust security measures, and duties to keep contact details current.

Qualifications of Managing Agents – Questions 158–169

113. There is very strong support for requiring qualifications and accountability across the sector, including extension to estate management in freehold contexts—though respondents stress proportionality by role and risk. The main disputes are about the minimum level (Level 4) and how to treat basic roles, high-risk roles (e.g., building safety responsibilities), and self-managed/RTM contexts. Respondents also strongly support Ofqual-regulated or equivalent qualifications and mandated CPD but worry about costs being passed through to consumers.

114. On Q158–Q160 (individual qualifications, firm oversight, application to estate management), there is unanimous agreement that individuals should be accountable for gaining qualifications, firms should ensure staff hold them, and estate managers should be treated similarly. Respondents note the need for a different syllabus or lower requirements for estate-only functions, and possible exemptions for very small self-managed estates.

115. On Q161 (minimum level), Level 4 as the minimum is almost unanimously supported except by managing agents, where just over half disagree. On Q162–Q164 (other levels depending on circumstances), most accept lower qualification levels for basic functions and higher for directors/safety-critical roles; some suggest PAS 8673-level requirements for high rise contexts. There is concern that very high thresholds could undermine volunteer RTM directors; training tailored to RTM directors is suggested instead.

116. On Q165–Q169 (qualifications and CPD), TPI and RICS are identified as main qualification providers; Ofqual or equivalent regulation is supported; respondents emphasise stakeholder input into syllabus design, regular review, CPD with meaningful quality measures, and monitoring to avoid tick-box compliance. Cost pass-through is a consistent theme.

Implementation & Enforcement Models – Questions 170–182

117. Most respondents support a model involving designated professional bodies (DPBs) and membership requirements for individuals and firms, with local authorities playing at most a limited/last resort enforcement role. There is scepticism about local authorities having sole enforcement responsibility due to resource and expertise constraints, and concerns about relying on redress schemes in Wales given differences in redress scheme requirements. Welsh adaptation themes include bilingual materials and aligning with Welsh legal/regulatory context, with some proposals suggesting Rent Smart Wales as a potential vehicle for registration/licensing.

118. On Q170–Q171 (DPB membership), there is a clear majority for requiring DPB membership and professional qualifications, including firm membership and public registers. Respondents emphasise supervision routes for new joiners, proportionality by role, and DPB sanctions.

119. On Q172–Q174 (DPB conditions to be appointed, existing bodies, support needs), DPB conditions include governance, independence, robust compliance, capacity, transparency, and publishing complaints data. RICS and TPI are the most popular suggested bodies which could perform the role. Many say DPBs need additional support/resources, and that a legislated role would help sanctions withstand challenge.
120. On Q175–Q180 (LA enforcement, costs, use of redress schemes), views on local authority roles proposed under option 1 and 2 are mixed to negative: many worry LAs lack specialist expertise and resourcing; most oppose LA sole enforcement (option 3). Respondents agreed that both option 1 and 2 would increase costs for managing agents, which would likely be passed on to leaseholders, although some noted reputable managing agents would already be meeting similar standards which would mitigate costs for them. Redress scheme involvement (Option 2) is mixed and appears coloured by Welsh context differences.
121. On Q181–Q182 (Wales applicability/adaptation), there is strong support for similar minimum qualifications in Wales (only one social landlord says no). Some respondents stress Wales cannot simply copy England due to legal/redress differences, and they highlight Welsh language requirements and potential use of Rent Smart Wales for a register. Others argue for parity to avoid a two-tier system and jurisdiction shopping.

Transition Arrangements (183–185) and Grandparenting (186–188), Costs/Impacts (189–192)

122. Across these sections, respondents generally accept transition concepts but debate duration and the practicalities of training capacity. Grandparenting receives very high support, with calls for top-up routes and CPD to ensure ongoing competence. Cost discussions acknowledge that qualification and compliance costs will likely flow through into service charges/fees, with concerns about disproportionate impact on small firms and potential market consolidation.
123. On Q183–Q185 (transition periods), most say transition periods are appropriate, with some calling for shorter firm membership transitions (e.g., 12 months) and longer periods where Level 5/7 type requirements apply (e.g., four years suggested for higher qualifications). “In training” membership concepts are floated so codes of practice apply immediately while qualifications are completed.
124. On Q186–Q188 (grandparenting), grandparenting is almost universally supported, with universal support for topping up qualifications. Respondents want equivalence assurance, role-specific certificates for support staff, and CPD.
125. On Q189–Q192 (costs and other issues), costs are acknowledged and expected to be passed to leaseholders; mitigation might come from efficiency and fewer errors. Respondents provide some indicative data on existing qualification levels and stress proportionality, apprenticeship levy use, and the risk that overly demanding requirements reduce competition.

Differences between England and Wales – Questions 193–201

126. Most respondents report no major operational differences between England and Wales in service charges, insurance transparency, or litigation costs regimes, though a minority note differences tied to building safety regimes, tribunal structures, redress scheme requirements, and bilingual ground rent notices. Where respondents do suggest Welsh divergence, it is usually framed as implementation mechanisms (enforcement structures, language requirements) rather than different core principles.
127. On Q195–Q197 (differences in service charges, insurance, litigation costs), most say no differences; the key differences raised include building safety regimes, tribunal cost powers, redress scheme requirements, and the absence of an updated Welsh RICS service charge management code beyond the first edition approved pre-devolution.
128. On Q198 (is an alternative approach needed for part 2 reforms in the consultation), only a very small number argue for alternative approaches, but the discussion includes Welsh language, the smaller Welsh sector profile, and the potential role for Rent Smart Wales. Others emphasise a desire for parity to avoid a two-tier system and confusion for cross-border firms.
129. On Q199–Q201 (Welsh language), most respondents say the proposals lead to no effect on the Welsh language, but several stress potential for bilingual documents and the cost of translation; respondents suggest designing digital platforms bilingually from the start and ensuring Welsh-speaking staff in enforcement/tribunals.

Impact on environment & protected characteristics – Questions 202–205

130. A minority of respondents identify impacts on protected characteristics, with most discussion focused on age and disability, particularly risks of digital-only systems excluding older or disabled people and risks that qualification requirements could affect staffing in retirement/onsite management contexts. There are also comments about maternity/parental leave and the need for flexible qualification timelines. Environmental impacts are generally seen as positive if digital-first reduces paper, but respondents repeatedly stress the need for inclusive alternatives. Judicial system impacts are widely anticipated (potential initial spike in disputes as transparency rises, plus additional compliance/cost-recovery applications), and local authority impacts depend heavily on whether LAs are included as enforcement bodies under qualification proposals.
131. Respondents note potential positive equality impacts from clearer information and improved ability to challenge unfair charges but warn of exclusion risks where processes become complex or digital-only. Environmental suggestions emphasise digital-first with opt-in paper, secure digital sharing, and using transparency to support greener choices. On judicial impacts, respondents anticipate either reduced disputes long-term (through better standards) or increased pressure short-term (as leaseholders become more empowered), and many call for ADR/mediation and tribunal resourcing. For local authorities, many stress that enforcement roles without funding would be onerous and inconsistent;

where enforcement of minimum qualifications is placed with DPBs, LA impact is expected to be minimal.