

CYNGOR SIR POWYS COUNTY COUNCIL
PORTFOLIO HOLDER DELEGATED DECISION
by
COUNTY COUNCILLOR RICHARD CHURCH
CABINET MEMBER FOR A SAFER POWYS

Date: 1st March 2023

REPORT AUTHOR: James Munro

REPORT TITLE: Leasehold Reform (Ground Rent) Act Enforcement Policy

REPORT FOR: Decision

1. Purpose

To seek approval for the adoption of a new enforcement policy for the purposes of the Leasehold Reform (Ground Rent) Act 2022.

2. Background

The Leasehold Reform (Ground Rent) Act 2022 puts an end to ground rents for new, qualifying long residential leasehold properties and is part of the most significant changes to property law in a generation.

The legislation places a statutory duty on local authorities in England and Wales to enforce the provisions of the Act. This enforcement duty usually falls to the Trading Standards Service.

The Act came into force on 30th June 2022, except for retirement properties where it will come into force on 1st April 2023. Ground rent in most new leases cannot legally be for anything more than “one peppercorn per year”. This “peppercorn rent” means that no money can be legally charged or paid as ground rent on leases regulated by this Act.

The Act bans freeholders from charging administration fees for collecting a peppercorn rent. Fines of up to £30,000 may be levied where ground rent is charged in contravention of the Act.

3. Advice

The Welsh Government has issued [statutory guidance](#) which states (at paragraph 6.1) that enforcement authorities in Wales should document and publish their own policy for undertaking enforcement action under the Act, including determining the appropriate level of financial penalties and/or need for a recovery order. The policy is based on a standard template policy which

has been developed by National Trading Standards for use by local authorities in England and Wales.

4. Resource Implications

The are no resource implications in relation to the policy.

5. Legal implications

Principal Solicitor (Estate Agency & Public Protection) - The report can be supported from a legal perspective.

Deputy Monitoring Officer notes the legal comment and has nothing further to add.

6. Data Protection

The policy itself does not involve the processing of personal data.

7. Comment from local member(s)

No views have been sought from local members; the policy is not particular to specific areas of Powys.

8. Integrated Impact Assessment

An online impact assessment has been completed and noted.

8. Recommendation

The author recommends the enforcement policy be approved to ensure that the Council is able to take effective action where required under the Act.

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