



Llywodraeth Cymru
Welsh Government

WRITTEN STATEMENT BY THE WELSH GOVERNMENT

TITLE **Leasehold and Freehold Reform Bill**

DATE **28 November 2023**

BY **Julie James MS, Minister for Climate Change**

The UK Government introduced the Leasehold and Freehold Reform Bill into UK Parliament on 27 November.

The Bill will legislate for England and for Wales. It is my view that working together with the UK Government represents the best way to achieve these changes. In doing so we will be able to reduce complexity, maximise the clarity and coherence of the law and ensure the new fairer reformed system applies to all.

I will be laying a Legislative Consent Memorandum in respect of the Bill, given housing is within the legislative competence of the Senedd.

The Bill addresses serious deficiencies in the operation of leasehold which have long blighted homeowners in England and Wales and implements many of the recommendations of the Law Commission's reports on Enfranchisement and the Right to Manage. This will make it simpler, easier and cheaper for leaseholders to exercise these important rights. Additionally, the Bill introduces requirements for enhanced transparency in the operation of service charges, reforms to the legal costs regime and a ban on taking commissions for arranging buildings insurance paid for by leaseholders. Together, these will ensure that leaseholders can much more easily understand what their service charges pay for and can better challenge poor practice where it occurs.

Furthermore, this Bill introduces much needed protections for freeholders subject to estate management charges. These charges often apply on housing developments where maintenance arrangements for open spaces and facilities must be paid for by homeowners. My call for evidence in 2020 revealed many instances of poor practice in the operation of such charges. I am pleased to see that the UK Government has acted on my request that they fulfil their commitments to address the situation of freeholders on these estates. Until this point, homeowners subject to the charges have had minimal legal protection. This Bill will address that deficit by requiring transparency in the levying of charges and by introducing a right for freeholders to challenge their reasonableness via the tribunal.