



RIGHT TO MANAGE CONSULTATION – KEY FACTS

THIS CONSULTATION



What are we doing?

Conducting a public consultation on our provisional proposals to reform the Right to Manage (“RTM”) regime.



What is our aim?

We are seeking views on our provisional proposals to make the RTM process simpler, quicker and more accessible, particularly for leaseholders. Your views will be carefully considered when we decide on our final recommendations.



How can I find out about it?

We have summarised our proposals in a 22-page summary. The current law, and our provisional proposals for reform, are set out in full in our consultation paper.



What is the deadline?

The consultation closes on 30 April 2019.



What happens next?

After reviewing all responses, we will decide on our final recommendations for law reform, which we will publish in a report.

WHAT IS RTM?

RTM allows leaseholders of flats to form an RTM company and take over the management of their building from their landlord. If leaseholders gain the RTM, they become responsible for management functions relating to services, repairs, maintenance and insurance. RTM is a “no-fault” right, which leaseholders can exercise without having to prove mis-management by their landlord.

WHAT ARE THE CURRENT PROBLEMS WITH RTM?

Stakeholders have told us that RTM is:

Too technical – Small errors in complying with the procedural requirements can lead to significant delays, and even prevent leaseholders acquiring the RTM.

Too slow – There are often delays in RTM companies receiving information necessary for them to manage the building effectively, such as the insurance history.

Too restrictive – RTM is currently unavailable to owners of leasehold houses, those who want estate-wide RTM, and those whose building has more than 25% non-residential space.

Too uncertain – RTM companies often don’t know the extent of the management functions they have become responsible for, particularly in relation to shared property like gardens and car parks.

Too expensive – The leaseholders have to pay most of the landlord’s costs.



HOW CAN THESE PROBLEMS BE SOLVED?

Our provisional proposals are intended to make RTM:

More accessible. By:

- relaxing the qualifying criteria, so that leasehold houses, and buildings with more than 25% non-residential space qualify for the right;
- permitting multi-building RTM on estates; and
- requiring each party to bear its own costs of any tribunal action, and exploring options for the landlord's non-litigation costs.



Simpler. By:

- reducing the number of notices that leaseholders must serve; and
- giving the tribunal the power to waive minor procedural mistakes made by the RTM company when claiming the RTM.

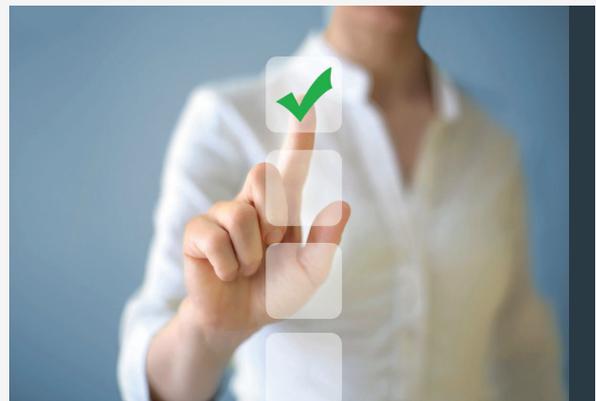
Quicker. By:

- introducing deadlines by which the landlord must:
 - provide information on certain topics, like insurance, to the RTM company; and
 - transfer service charges to the RTM company.



Less uncertain. By:

- proposing education for prospective RTM company directors about their responsibilities;
- suggesting a new "information notice" procedure which makes clear the extent of the management functions being transferred to the RTM company; and
- giving the tribunal exclusive jurisdiction over RTM disputes.



RESPONDING TO OUR CONSULTATION

The consultation paper, summary and online response form are available on our website at <https://www.lawcom.gov.uk/project/right-to-manage/>.