

Ground Rent Policy

Document ID/Version:	V1 new integrated policy			
Executive Lead (Owner):	Chief Financial Officer			
Policy Author:	Director – Financial Operations			
Strategic alignment:	Supports compliance with statutory obligations and reinforces transparency and fairness in resident charging.			
Review frequency:	Every 3 years	☒	Other (state period)	
Previous review date:	Paradigm August 2024 & Settle (N/A)			
Date policy approved:	28 May 2026			
Policy approved by:	Executive Board			
Next policy review date:	The policy will be reviewed every three years, or earlier in response to legislative changes.			
IMPACT ASSESSMENTS				
Equality Impact Assessment				
Completed?	No	☐	Yes	☒
	If not required, state reason:			
Resident Impact Assessment				
1) Is this one of the agreed policies requiring resident consultation? Please refer to:	Yes	☐	No	☒
2) If yes, please confirm resident consultation has taken place	☐	Briefly detail changes arising from resident feedback:		
APPROVAL - To show transparency and accountability, specify whether policies have been approved by the Board/Executive/Committee. Clear approval lines strengthen governance, ensuring assurance and accountability.				
Approval journey:	Executive Team	Committee		Board
		Yes	Committee name(s)	
	☒	☐	Add name, otherwise state N/A	☐
Which Regulatory Standard does this Policy support?	Economic			
	Governance & Viability	Rent		Value for Money
	☒	☒		☒
	Consumer			
	Neighbourhood & Community	Safety & Quality	Tenancy	Transparency, Influence & Accountability
	☐	☐	☐	☒

Associated legislation	Commonhold and Leasehold Reform Act 2002 (Section 166) Leasehold Reform (Ground Rent) Act 2022 Leasehold and Freehold Reform Act 2024, in relation to provisions currently in force		
Associated procedures			
Where is this policy to be published?	Website	Intranet	Both
	☐	☐	☒

Ground Rent Policy

1. Policy Statement

SettleParadigm will set, manage, and recover ground rent in a fair, transparent, and legally compliant manner, ensuring residents clearly understand their obligations.

2. Objectives, desired outcomes and strategic alignment

This policy is designed to:

- Ensure full compliance with relevant legislation
- Provide a consistent and transparent framework for setting and collecting ground rent
- Support residents in understanding their lease obligations
- Minimise financial and legal risk to the organisation
- Promote fairness in the treatment of leaseholders

3. Scope

This policy applies to all residents across the Group who are subject to ground rent within their lease.

4. Policy Principles

Ground Rent Overview

Ground rent is a payment made by a leaseholder in relation to the land on which a property is built.

We will:

- Apply ground rent charges strictly in accordance with lease agreements and legislation
- Ensure clarity and transparency in all communications with residents

New Leases (from 30 June 2022)

We will:

- Comply with the Leasehold Reform (Ground Rent) Act 2022
- Apply a peppercorn rent (nil financial value) to all qualifying new leases
- Not charge administration fees for collecting peppercorn rent

Existing Leases (pre-30 June 2022)

We will:

- Apply ground rent charges in line with individual lease agreements
- Ensure residents are aware of their obligations

Lease Extensions and Renewals

We will:

- Apply a peppercorn rent to all statutory and voluntary lease extensions
- Ensure compliance with legislative requirements

Ground Rent Demand and Recovery

We will:

- Issue ground rent demands in compliance with statutory requirements (Section 166)
- Use clear and legally compliant notices
- Recover arrears in line with the Resident Arrears Management Policy

Onerous Ground Rent

We recognise that some ground rent terms may impact a resident's ability to sell or remortgage.

We will:

- Review cases where ground rent is considered onerous
- Consider lease variations where appropriate
- Work with freeholders (where applicable) to seek reasonable adjustments

Examples of potentially onerous terms may include:

- Ground rent exceeding 0.1% of property value
- Increase applies more frequently than once every 10 years
- Increase is linked to an index that is greater than the increase in RPI
- Doubling clauses less than every 20 years

Communication

We will:

- Provide clear ground rent information before residents enter into a lease
- Ensure all demands and communications are easy to understand
- Respond to enquiries in line with Customer Care Standards

Complaints

We will:

- Handle complaints in line with the Complaints Policy

- Provide clear, timely, and fair responses

5. Equality, Diversity & Inclusion

SettleParadigm is committed to ensuring that this policy is applied fairly and consistently to all residents.

We will:

- Treat all residents with dignity and respect
- Ensure no group is disadvantaged
- Provide accessible and clear information
- Regularly review the policy to identify and remove any unintended bias

6. Roles and responsibilities

Executive Board

- Approve and oversee the policy

Chief Financial Officer

- Overall accountability
- Ensure adequate resourcing

Director Financial Operations

- Ensure legal and regulatory compliance
- Monitor risks and legislative changes

Head of Rent and Service Charge

- Ensure correct setting and administration of charges
- Oversee compliance and operational delivery

Rent and Service Charge Team

- Set and administer ground rent charges
- Issue compliant notices

Sales Team

- Provide clear pre-sale information to residents

Income Recovery Team

- Manage arrears in line with policy

Homeownership Team

- Ensure compliance with legislative and lease requirements relating to ground rent changes following lease extensions
- Ensure relevant teams are updated following receipt of a lease extension completion statement, enabling them to update the system accordingly

7. Compliance/Key Performance Measures

We will ensure effectiveness of this policy through:

- Regular checks on ground rent notices for legal compliance
- Monitoring and reporting timeliness of demand issuance
- Staff training to ensure consistent application
- Resident feedback and complaints
- Arrears trends and support requests

8. Related Policies, Procedures and Key Documents

Related Policies:

- Rent Setting Policy
- Administration Fee Policy
- Lease Extensions Policy
- Resident Arrears Management Policy
- Complaints Policy

Key Documents:

- Lease Agreements
- Ground Rent Demand Notices

9. Version Control

Version control			
Date	Version	Approved By	Details of Amendments
28 May 2026	V1	Executive Board	New integrated policy for the Group