



# Right to manage policy

## 1.0 Purpose and scope

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The Commonhold and Leasehold Reform Act 2002 gives leaseholders (including shared owners) the right to apply for the transfer of management functions from their landlord to a company that they have set up themselves or appointed.

This policy applies to leaseholders who live in a block where Notting Hill Genesis are the freeholders and wish to form a RTM company. This policy does not apply where Notting Hill Genesis is not the superior landlord.

Leaseholders should seek their own advice when setting up a RTM company.

## 2.0 Definitions

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**Right to manage (RTM):** A legal right for leaseholders to take over the management of their building without proving fault by the landlord.

**RTM company:** A company formed by leaseholders to manage their building.

## 3.0 Exercising the right to manage

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### 3.1 Qualifying criteria

Residents do not require our permission as a landlord to take over management functions, but they must comply with legislative requirements for a transfer to be legal. The following criteria must be met:

- The block is capable of independent redevelopment and there must be a possibility for it to be separated from shared services in the estate.
- The building must be made up of flats (houses do not qualify)
- At least two-thirds of the flats in the building must be leasehold, with leases that were for more than 21 years when they were granted
- At least 50% of the building must be residential – for example, if there's a shop in the building, it can't take up more than 50% of the total floor area
- At least half of the leasehold flats in the building must be members of the RTM company before it can take over management although the number of Directors of the RTM can be fewer than this number.

- Directors of the RTM don't have to be leaseholders in the block although members of the RTM can only be leaseholders living in the block.

### **3.2 Formation of RTM company**

The RTM company must be registered with Companies House. Once the RTM company is registered, the company must serve a notice of invitation to participate to all residents in the building.

### **3.3 Responding to the claim**

The RTM company must serve a notice of claim to us, detailing the intention to take over management. We will respond to the notice within the specified period, either accepting the claim or disputing it by serving a counter-notice. Where we dispute the claim, we will clearly set out why we think the qualifying criteria above have not been met

### **3.4 Transfer of management**

If we accept the claim or do not serve a counter-notice, the management responsibilities will transfer to the RTM company on the specified date. We will work with the RTM company to make sure all reasonable requests for documentation are handed over to the company so that they can effectively manage the building.

Notting Hill Genesis is bound by data laws that prevent us from disclosing any personal data until the acquisition date unless a data sharing agreement is signed between parties.

We will not charge the RTM company the costs included during the transfer process, even if the claim fails.

Any disputes arising from the RTM company about the process will be handled through mediation or, if necessary, referred to the first-tier tribunal (property chamber).

## **4.0 Responsibilities of the RTM company**

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### **4.1 Management**

The RTM company will take over all Landlord obligations and legal duties specified in the lease which typically include:

- Maintaining financial records and providing annual accounts to leaseholders
- The upkeep of the structure of the building and provision of services to the common parts
- Collecting and managing the block & core service charge
- Demonstrating compliance with health and safety regulations and providing Notting Hill Genesis with any certification or proof of compliance when requested.
- Dealing with complaints about the building in accordance with the terms of the lease

- Queries from leaseholders and tenants will be reverted to the RTM company as they are the management's responsibility.

#### **4.2 Informing us of changes**

The RTM company must inform us 30 days before approving any:

- Assignments
- Sublets
- Charges to leaseholders

Where the lease stipulates that our consent is needed, the RTM company must inform us 30 days before approving any changes to the structure of the building or changes to the use of the building.

#### **4.3 Building safety responsibilities**

The RTM company and Notting Hill Genesis should set out in the agreement the legal responsibilities that meet regulatory requirements, such as for the relevant Accountable Person and the Principal Accountable Person duty holder roles under the Building Safety Act 2022. These details must ensure clear accountability for all parties, as exemplified in section 5 of our [building safety policy](#).

## **5.0 Right of Notting Hill Genesis**

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### **5.1 Board of an RTM**

At any point Notting Hill Genesis is entitled to become a member of the RTM company and be present at all RTM meetings. This can take place after the acquisition date.

If taken up, who fills this position will be considered on a case-by-case basis but it will usually be held by the local officer of the estate or the manager of that team unless we decide otherwise.

As a sitting board member, Notting Hill Genesis will exercise their power as a single vote holder as landlord, although where a block is mixed tenure Notting Hill Genesis will have as many votes as the flats Notting Hill Genesis owns.

## **6.0 Ending the RTM**

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The RTM may be ended in the following circumstances:

- With our agreement
- Through the collapse of the RTM company
- Where the First Tier Tribunal appoints a manager to run the building

Where the RTM is terminated, no further application can be made to exercise the right for another four years.

## **7.0 Reference**

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- The Commonhold and Leasehold Reform Act 2002
- Leasehold and Freehold Reform Act 2024

### Document control

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Policy owner	Rachel Dow, Head of Operations

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