



Ministry of Housing,
Communities &
Local Government

Open consultation

Permitted insurance fees for landlords, freeholders and property managing agents

Published 2 December 2024

Applies to England and Wales

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This publication is available at <https://www.gov.uk/government/consultations/consultation-on-introducing-permitted-insurance-fees-for-landlords-freeholders-and-property-managing-agents/permited-insurance-fees-for-landlords-freeholders-and-property-managing-agents>

Scope of the consultation

Topic of this consultation

The Leasehold and Freehold Reform Act 2024 brought in a range of measures to give more powers and protections for homeowners and leaseholders. It established powers to rebalance the legal costs regime and remove barriers that may deter leaseholders from challenging their landlord. It also introduced powers to enhance the transparency of service charges, allowing leaseholders to better scrutinise and challenge unfair costs. These powers will require secondary legislation to give full effect to the Act.

The act also created powers to address longstanding concerns that some leaseholders are being charged for the arranging and managing of insurance by their landlords, freeholders or property managing agents when they cannot properly justify and fully account for the work undertaken.

The concern for our governments is that these leaseholders are being charged significant insurance costs whilst having little influence or ability to scrutinise these costs, or to challenge those costs if they are unreasonable. This could include disproportionate remuneration for services in the arranging and managing of insurance, or even commissions – and other financial benefits – being given to landlords, freeholders or property managing agents that are unconnected to the services provided.

This consultation looks to put forward proposals to address the issues above. Our objective is to ensure that any costs in relation to the management and arranging of insurance charged to leaseholders by landlords, freeholders or property managing agents are fair and transparent.

The Leasehold and Freehold Reform Act 2024 allows for the replacement of the current practice of paying landlords, freeholders and property managing agents for arranging and managing insurance, which at the moment is most commonly done through an insurance broker sharing a proportion of their commission.

The Leasehold and Freehold Reform Act 2024 instead allows for a new permitted fee that landlords, freeholders and property managing agents would charge leaseholders separately from the insurance premium. This fee would be fair, transparent and reflective of the work contributed. We want to understand with the help of responses to this consultation what payments will be permitted within this fee so as to inform secondary legislation.

Throughout the rest of the consultation document, we will use the term “freeholders” as shorthand for “freeholders and landlords”. This is to reflect

that in some cases the landlord for a leaseholder may not be their freeholder, for example where the landlord is a head leaseholder.

Geographical scope

These proposals relate to England and Wales. The consultation will inform UK and Welsh governments who will bring forward separate secondary legislation.

[Mae'r ddogfen yma hefyd ar gael yn Gymraeg / This document is also available in Welsh \(https://www.gov.uk/government/consultations/ymgyngoriad-ar-gyflwyno-ffioedd-yswiriant-a-ganiateir-ar-gyfer-landlordiaid-rhydd-ddeiliaid-ac-asiantiaid-rheoli-eiddo.cy\)](https://www.gov.uk/government/consultations/ymgyngoriad-ar-gyflwyno-ffioedd-yswiriant-a-ganiateir-ar-gyfer-landlordiaid-rhydd-ddeiliaid-ac-asiantiaid-rheoli-eiddo.cy)

Impact assessment

An Impact Assessment was previously published as part of the Leasehold and Freehold Reform Act 2024 which covered the relevant overarching measures. Any regulations brought forward as a result of the consultation will be subject to appropriate assessment.

Our governments are mindful of their responsibilities under the Public Sector Equality Duty to have due regard to the potential impact of its proposals on people with protected characteristics, and their responsibilities to consider environmental principles in any proposals as set out in the Environment Act 2021.

Consideration of these duties informed the passage of the Leasehold and Freehold Reform Act 2024, and we welcome evidence and views on the impact of this policy as part of this consultation. Any regulations brought forward following the consultation will be subject to appropriate assessment.

Basic information

Bodies responsible for the consultation

Ministry of Housing, Communities and Local Government and the Welsh Government.

Duration

This consultation will last for 12 weeks from 2 December 2024 to 24 February 2025.

Enquiries

For any enquiries about the consultation please contact:
commissionsconsultation@communities.gov.uk

How to respond

You may respond by completing an [online survey](https://consult.communities.gov.uk/leasehold-and-freehold-reform/permitted-insurance-fees) (<https://consult.communities.gov.uk/leasehold-and-freehold-reform/permitted-insurance-fees>) on Citizen Space.

Alternatively, you can email your response to the questions in this consultation to commissionsconsultation@communities.gov.uk.

Demographic questions

Are you based in England or Wales?

- England
- Wales
- Other

If you are based in another country, please specify which country [Open]

Name:

Email:

Are you responding on behalf of an organisation?

- Yes
- No

If “Yes” what is the name of the organisation?

If you are responding on behalf of an organisation, which of the following best describes you

- I am responding as a leaseholder representative organisation
- I am responding as a property managing agent organisation (private)
- I am responding as a property managing agent organisation (housing association / local authority)
- I am responding as a freeholder organisation (private)
- I am responding as a freeholder organisation (housing association / local authority)
- I am responding as an insurance broker organisation
- I am responding as an insurer organisation
- Other

[If other] If “Other“, please specify [Open]

Background

Outline of common insurance remuneration practices for multi-occupancy buildings

1. Freeholders of multi-occupancy, residential buildings usually take on the task of insuring the property and will recover the costs through a separate insurance rent or service charge issued to leaseholders.

2. In most cases the only restriction on the costs of insurance comes from the statutory control set out in sections 19 and 27A of the Landlord and Tenant Act 1985. The Landlord and Tenant Act applies a layer of statutory protection, in the form of a “reasonableness test”. This provides that the landlord may only include costs in a variable service charge to the extent that the costs were reasonably incurred and the works or services to which

they relate were carried out to a reasonable standard. In some cases, a lease may restrict the amount that can be recovered in respect of the cost of insurance directly. A leaseholder who pays a variable service charge may challenge the reasonableness of that charge by making an application to the First-tier Tribunal in England, or the Leasehold Valuation Tribunal in Wales.

3. Freeholders often employ a property managing agent to arrange building insurance (alongside other duties not relevant to this consultation).

Whether or not a freeholder uses a property managing agent, the services of an insurance broker are usually required. Brokers work on a commission basis typically negotiated between insurers and brokers.

4. Parties involved in the arranging or management of insurance – usually freeholders and property managing agents - can receive payments in several ways including taking referral fees, commissions, work transfer fees and administration fees on buildings insurance placements. Freeholders and property managing agents are most typically remunerated by brokers sharing commission. The rationale for these payments is that they compensate freeholders and property managing agents for their work in arranging and managing insurance placements.

5. Leaseholders will often be paying, through their service charge, for the insurance premium including remuneration for activities by freeholders and property managing agents in the arranging and managing of insurance.

Problems with insurance remuneration and commissions

6. The insurance supply chain described above incentivises freeholders and property managing agents to choose insurance brokers who secure a product that is not necessarily the best value option for the leaseholder but offers the highest commission return to the freeholder or managing agent. Leaseholders usually pay for the entirety of these premiums, including any commissions shared between brokers and property managing agents or freeholders.

7. The lack of transparency for leaseholders concerning insurance remuneration represents a significant barrier in leaseholders identifying whether they are paying inflated premiums or paying for excessive remuneration of property managing agents or freeholders. This is a barrier to redress as, without the relevant information, leaseholders are not well placed to understand what they are paying for and, if necessary, whether to challenge the reasonableness of these costs.

Financial Conduct Authority reviews and regulatory reform

8. Following the Grenfell tower tragedy in 2017, the cost of buildings insurance to residential leaseholders and other property owners of multi-occupancy buildings increased 125% from 2016 to 2021. This rise in premium – and related percentage-based commissions – made the issues of transparency and value for money of buildings insurance for leaseholders all the more pressing.

9. In response to these increasing premiums, in 2022 the Secretary of State requested that the Financial Conduct Authority (FCA) review increases in building insurance prices and causes of coverage restrictions for multi-occupancy buildings. Later that year the FCA published [their report](https://www.fca.org.uk/publication/corporate/report-insurance-multi-occupancy-buildings.pdf) (<https://www.fca.org.uk/publication/corporate/report-insurance-multi-occupancy-buildings.pdf>) (PDF, 1428 KB). It confirmed that the sharing of remuneration – usually in the form of commission – by brokers with freeholders and property managing agents was widespread (68% of the time).

10. The percentage shares of remuneration were shown to be significant: in 39% of observations, brokers passed on more than half their remuneration to the freeholder or property managing agent. Brokers contributing to the report justified this on the basis that this was payment for services given in areas such as procurement and post-sales services provided. However, average total commission earned by freeholders and property managing agents increased from £880 in 2016 to £1,140 in 2021 – a 30% increase. The report found no clear justification for this increase.

11. In 2023 [the FCA published a further report](https://www.fca.org.uk/publication/multi-firm-reviews/multi-occupancy-buildings-insurance-broker-remuneration.pdf) (<https://www.fca.org.uk/publication/multi-firm-reviews/multi-occupancy-buildings-insurance-broker-remuneration.pdf>) (PDF, 835KB) into broker remuneration for multi-occupancy buildings insurance. This report corroborated the previous report's findings, that absolute levels of remuneration (including commissions) had risen by nearly 40% between 2019 and 2022, driven in part by increases in premiums being reflected in percentage-based commissions. Brokers were often unable to articulate what insurance-related services or benefits of value were provided by the parties they were sharing commission with – including freeholders and property managing agents.

12. The FCA also acknowledged the potential for brokers, freeholders and property managing agents to be incentivised to choose insurance products that maximise their own remuneration rather than what products offer leaseholders best value.

13. Concerns expressed by leaseholder groups, correspondence cases across our governments and the data from the FCA's reports are consistent in highlighting significant concerns about the fairness and transparency of

remuneration and commissions, particularly as they have been exacerbated in more recent years by premium rises. Despite ultimately paying for the overall insurance premium – including remuneration of intermediaries such as brokers, freeholders and property managing agents – leaseholders are often unaware of how their insurance costs break down. They are often not aware of the level or even existence of commissions, limiting their ability to scrutinise and challenge costs.

14. In response to these concerns and findings, in January 2024 the FCA [updated their regulations \(https://www.fca.org.uk/news/press-releases/fca-confirms-leasehold-buildings-insurance-reforms\)](https://www.fca.org.uk/news/press-releases/fca-confirms-leasehold-buildings-insurance-reforms) to strengthen leaseholder protections and transparency. The update ensured that insurance firms will be forced to act in leaseholders' best interests, treat leaseholders as customers when designing products and will be banned from recommending an insurance policy based on commission or remuneration levels. Firms are required to disclose policy information to their customer (usually the freeholder or property managing agent) and must request this information is passed to leaseholders by the customer. Leaseholders have a right to request their policy information directly from firms if this does not happen.

15. Firms must also ensure their insurance policies provide fair value, and any commission shared with third parties – such as freeholders and property managing agents – now requires justification and evidence in line with fair value rules.

Leasehold and Freehold Reform Act 2024

16. These FCA reforms are welcome and significantly improve the regulation of FCA-regulated insurers and brokers. However, issues do remain:

a. Property managing agents and freeholders vary in the extent to which their activities are considered regulated activities and therefore require regulation by the FCA or by the equivalent Royal Institution of Chartered Surveyors Designated Professional Body scheme. This means, for example, that property managing agents or freeholders may not be required to demonstrate fair value considerations for their services.

b. Although FCA rules do enhance disclosure of insurance information by brokers and insurers, property managing agents and freeholders – many of whom are not regulated by the FCA – are not obligated to provide insurance policy information to leaseholders to the same level of detail.

c. The FCA rules require brokers and insurers to provide additional insurance policy information, but they do not extend to all property

managing agents and freeholders.

17. To address these remaining issues – and leaseholder concerns more widely - the Leasehold and Freehold Reform Act 2024 introduced a broad package of measures that gave powers to increase fairness and transparency of costs to leaseholders. This includes improved transparency on service charges and addressing legal costs as a barrier to redress.

18. For insurance specifically, the Leasehold and Freehold Reform Act 2024 contains measures to ban the payments made to freeholders and property managing agents – usually in the form of commissions – being charged to leaseholders altogether. Instead, they would only be able to charge a fair and transparent fee directly to the leaseholder that would be set out in secondary legislation as a permitted insurance fee. This would ensure that remuneration would not be directly linked to premiums, and that freeholders and property managing agents would no longer be incentivised to select insurance brokers on the basis of commission arrangements. It would also improve transparency, through costs being expressed as a separate permitted fee directly to the leaseholder to reflect genuine services being provided. Finally, the Act will also ensure freeholders and property managing agents proactively provide more detailed insurance policy information to leaseholders.

19. This consultation focuses on the measures in Section 59 of the Leasehold and Freehold Reform Act 2024 that will exclude a range of insurance costs for the managing and arranging of insurance, including remuneration for work done in relation to a contract of insurance and insurance generally. Instead, secondary legislation will set out clearly what costs are allowed through a permitted insurance fee.

20. We want to hear from all interested stakeholders on this permitted insurance fee. This consultation is intended to build a greater understanding of current practices and views on what kind of activities should be permitted as part of a permitted insurance fee. We would particularly welcome views from leaseholders, freeholders, property managing agents and parties involved throughout the insurance supply chain such as brokers and insurance companies.

Part 1: Current Practice

21. We are keen to understand experiences from those affected by the current remuneration arrangements for property managing agents and freeholders. That includes parties throughout the supply chain such as freeholders, property managing agents, brokers and insurers as well as leaseholders themselves.

22. Payments for activities relating to the arranging and managing of buildings insurance in multi-occupancy buildings can come in a range of formats, most commonly from insurance brokers to freeholders or property managing agents.

23. Payments in this context could include:

a. Payments made to provide an incentive to enter into contracts of insurance; and

b. Payments as remuneration for work done in relation to insurance, either as part of a specific insurance contract or more broadly. This is often in the form of commissions that are shared by insurance brokers.

24. More broadly, payments could also be made in a broader sense through not passing on benefits or discounts. For example, a freeholder could retain the money from a loyalty discount that they do not pass on to leaseholders.

25. We would be keen to understand as part of this consultation what examples of current payments to freeholders and property managing agents are taking place.

Question 1

To what extent do you recognise the above description of how freeholders, property managing agents, brokers and insurers manage and arrange insurance and how they are remunerated for it? For example – what other intermediaries are involved in the supply chain of building insurance for multi-occupancy buildings, how are they remunerated and what for? [Open]

Question 2

Either from your personal experience, or knowledge of practices more widely, to what extent do you think the current system of remuneration for property managing agents and freeholders for their activities managing and arranging insurance provides fair outcomes for both leaseholders and those supplying these services? Do you have examples or case studies to illustrate? [Open]

Question 3

If you are a leaseholder, are you aware of what payments – if any – your freeholder or property managing agent receives for the arranging or managing of insurance? Payments could take the form of direct remuneration – such as the sharing of commission – or be more indirect such as through retaining money from discounts or non-monetary payments. [Yes / No]

[If yes] Please provide further details. For example – are these payments for particular services in relation to the managing and arranging of insurance? If so, which activities? Do you know what percentage of your insurance costs is accounted for by these payments? [Open]

Question 4

If you are a leaseholder, have you tried to challenge the payment of your freeholder or property managing agent for the arranging or managing of insurance? [Yes/ No]

[If yes] How did you challenge this? What information did you obtain in support of your challenge, and how did you obtain it? What was the outcome? [Open]

Question 5

If you are a property managing agent or freeholder, what type of payments – if any – have you received for arranging and managing insurance? Payments could take the form of direct remuneration – such as the sharing of commission – or be more indirect such as through retaining money from discounts or non-monetary payments. [Open]

Question 6

If you are a property managing or freeholder, for which activities have you been remunerated for through payments – such as commission by the broker? [Open]

Of these, which of these are regulated activities as defined in the Financial Services and Market Act, such as through the FCA or the RICS Designated Professional Body scheme, and which are not? [Open]

Part 2: Permitted Insurance Fee Proposals

26. The Leasehold and Freehold Reform Act 2024 will prevent all excluded insurance costs relating to the arranging and managing of insurance from being charged to leaseholders through a variable service charge with the exception of what is defined as a permitted insurance fee.

27. Excluded insurance costs are defined in the Leasehold and Freehold Reform Act 2024 as any costs that are attributed to payments made to arrange or manage insurance, including remuneration for any work done in relation to a contract of insurance before or after it has been entered or in relation to insurance generally.

28. The Leasehold and Freehold Reform Act 2024 sets out that secondary legislation can be used to define what payments would be able to be charged, in the form of a permitted insurance fee. We propose that this secondary legislation could be used to ensure that property managing agents and freeholders would only be able to charge a separate fee for their services directly to leaseholders, rather than the current practice of commission sharing by brokers. This would improve transparency, as currently such payments are often a hidden part of wider insurance costs.

29. We propose that the banning of insurance payments being charged to leaseholders – with the exception of the permitted fee – should be targeted at freeholders and property managing agents. As set out in the background above, freeholders and property managing agents have often conflicting incentives with their leaseholders which can influence their choice of product and broker. Although there are a range of other insurance intermediaries in the insurance supply chain that are remunerated for their services, such as insurance brokers and reinsurers, they do not have this unique role of procuring on behalf of leaseholders. Furthermore, other intermediaries in the supply chain of buildings insurance are subject to regulation by the FCA, which is not the case for all property managing agents or freeholders.

30. The permitted insurance fee will form part of the variable service charge, which means that leaseholders may challenge its reasonableness under the provisions of the Landlord and Tenant Act 1985.

31. This consultation seeks views on what the parameters should be of this permitted insurance fee charged by freeholders and property managing agents to leaseholders. The criteria of this permitted insurance fee will be set out in secondary legislation.

Question 7

A permitted insurance fee would be defined to only allow remuneration for specific activities being provided by freeholders and property managing agents, and prevent leaseholders being charged for any other payments to freeholders and property managing agents relating to the managing and arranging of insurance. Do you agree with this approach? [Yes / No]

Please explain your answer

Question 8

What specific activities relating to the management and arranging of insurance do freeholders and property managing agents currently carry out and are remunerated for? Please define these activities as fully as possible. [Open]

Question 9

What specific activities relating to the management and arranging of insurance should freeholders and property managing agents be permitted to carry out and be remunerated for through a leaseholder's service charge? [Open]

Question 10

Are there any specific activities relating to the management and arranging of insurance that freeholders and property managing agents should not be permitted to carry out and be remunerated for through a leaseholder's service charge? [Open]

Question 11

Do you think the permitted fee should be calculated in prescribed ways – such as specific percentages, maximum charges and / or fixed fees for the arranging and managing of insurance or activities therein – or that a transparent fee subject to the reasonableness measures in the Landlord and Tenant Act 1985 would be sufficient? [Open]

Question 12

Are there any exceptional cases or circumstances you would suggest merit different treatment with regards to what is permitted or not permitted? [Open]

Part 3: Additional Criteria for Permitted Insurance Fees

32. Whatever payments are permitted to be charged to leaseholders for activities relating to the management or arrangement of insurance by freeholders and property managing agents would – like all components of a variable service charge – be subject to sections 19 and 27A of the Landlord and Tenant Act 1985.

33. The Landlord and Tenant Act 1985 applies statutory protections in the form of a “reasonableness test” that provides that costs in the service charge must have been reasonably incurred and that the works or services to which they relate are carried out to a reasonable standard.

34. Leaseholders have used this test to challenge insurance costs – including remuneration and commissions – through First-tier Tribunals in England and the Leasehold Valuation Tribunal in Wales.

35. FCA rules require firms to assess their products and ensure they provide fair value to customers (including leaseholders). The price of the product must have a reasonable relationship to the benefits provided, considering the costs incurred in providing it. These rules apply to firms who manufacture insurance products, which includes all insurers and also some brokers who are responsible for product design.

36. Where brokers are responsible for distributing products, they must ensure that commission and other payments they receive provide fair value to customers (i.e. there is a reasonable relationship between the payments they receive and the benefits they provide to customers).

37. This currently applies to brokers in the UK, but not to all freeholders or property managing agents, and not to all of the insurance-related activities freeholders or property managing agents are remunerated for.

38. The questions below seek views on whether the definition of permitted insurance fees set out in secondary legislation should include criteria relating to fair value.

Question 13

Do you consider that the existing framework for challenging unreasonable service charges – such as the Landlord and Tenant Act 1985 – is sufficient to ensure that if freeholders or property managing agents charge excluded insurance costs to leaseholders, that they could be challenged and that any permitted insurance fees would be proportionate? [Yes / No]

Please give your reasons [Open]

Question 14

Do you think a permitted insurance fee – however calculated – should be subject to additional criteria to ensure it is proportionate and fair, or that the “reasonableness test” set out in the Landlord and Tenant Act 1985 would be sufficient? [Yes / No]

Question 15

If additional criteria were included in the definition of permitted fees to ensure fair and proportionate remuneration for activities by freeholders and property managing agents, what criteria do you think would be most effective and how could they be calculated?

- That the price of permitted fees for services paid by the leaseholder should provide fair value to leaseholders [Open]
- That the price of permitted fees for services paid by the leaseholder should have a reasonable relationship to the benefits provided, considering the costs incurred in providing it [Open]
- That any conflict of interest with related parties in the insurance supply chain, such as the broker, can be shown to have been considered [Open]
- Other (please set out alternate / additional criteria) [Open]

Question 16

If additional criteria referred to above were applied to permitted fees to ensure fair and proportionate remuneration for activities by freeholders and property managing agents, what evidence should be required to prove this? What costs or challenges would there be in gathering and providing that evidence? Which are singular implementation costs and which would be recurring? [Open]

Part 4: Implementation Considerations

Impact of transition

39. A permitted insurance fee, however defined, would represent a significant change in how freeholders and property managing agents are paid for their services in managing and arranging insurance. It would involve charging a specific fee direct to leaseholders.

Question 17

What implementation changes, challenges and/ or costs do you anticipate landlords, freeholders and property managing agents will face in moving from existing remuneration practices for the managing and arranging of insurance – such as commission sharing – to a new permitted fee structure charged directly to leaseholders? [Open]

Impact on insurance premiums and costs

40. Insurance Premium Tax is typically charged at 12% on commissions derived from procuring (i.e. the arranging and managing of) insurance on behalf of another party. It is proposed that property managers and freeholders would be required to include the service of arranging and managing insurance as part of the supply of their management services rather than receiving commission for this service. If VAT registered, this supply of management services could be subject to the standard rate of VAT (at 20%), subject to normal rules.

41. Leaseholders have expressed concerns about other methods of freeholders and property managing agents capturing profits in insurance supply chains. For example, through the use of “captive” insurance and reinsurance companies.

Question 18

Do you anticipate that a permitted insurance fee to remunerate property managing agents and freeholders will lead to higher or lower insurance costs for leaseholders? [Open]

Question 19

What impact will the removal of the ability to share commission with freeholders and property managing agents have on overall commissions received by brokers? [Open]

Question 20

What impact will the removal of commission sharing have on insurance premiums more widely? [Open]

Question 21

If you are a freeholder or property managing agent, how do you currently structure your services relating to arranging and managing insurance? [Open]

Question 22

Do you anticipate that the ending of percentage-based commissions for remuneration could lead to alternate ways of securing profits in relation to the arranging and managing of insurance? [Yes/No]

If so, what are they? [Open]

Impact on environment and protected characteristics

42. In addition to the more specific policy design questions above, we are keen to understand perceived impact in a range of areas.

43. The Public Sector Equality Duty, set out in the Equality Act 2010, requires we have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relationship between different groups. The following questions seek views on potential impacts on those groups.

Question 23

Do you believe any of the proposals put forward could negatively or positively impact individuals who have a protected characteristic? Please explain your rationale, and evidence your thinking where possible.

[Yes / No] Age

[If Yes] Please explain your rationale

[Yes / No] Disability

[If Yes] Please explain your rationale

[Yes / No] Sex

[If Yes] Please explain your rationale

[Yes / No] Gender Reassignment

[If Yes] Please explain your rationale

[Yes / No] Marriage or civil partnership

[If Yes] Please explain your rationale

[Yes / No] Pregnancy and maternity

[If Yes] Please explain your rationale

[Yes / No] Race (colour, nationality, ethnic or national origins)

[If Yes] Please explain your rationale

[Yes / No] Religion or Belief

[If Yes] Please explain your rationale

[Yes / No] Sexual orientation

[If Yes] Please explain your rationale

44. The Environment Act 2021 established a legal duty to also have due regard to five Environmental Principles. Their purpose is to prevent environmental damage and enhance the environment. We are keen to hear views on any perceived environmental impacts of this policy.

Question 24

Do you anticipate any environmental impacts from this policy, either positive or negative? [Yes / No]

[If yes] Please elaborate. How could positive impacts be maximised or negative impacts be mitigated or minimised?

45. We are keen to understand any anticipated impacts on the justice system as a result of this policy. Consideration of these impacts is important in ensuring that service provision within the justice system is not negatively affected.

Question 25

Do you anticipate that this policy would be likely to impact the judicial system? Examples could be an increase or decrease in applications to court or tribunals, increasing the length or complexity of cases, and new requirements on judicial recruitment or training. [Yes / No]

[If yes] Please elaborate

Question 26

Do you anticipate that this policy would disproportionately impact local authorities? [Yes / No]

[If yes] Please elaborate.

Differences between England and Wales

46. The subordinate legislation making powers in this consultation are exercisable by the Secretary of State in relation to England and by the Welsh Ministers in relation to Wales. Our governments are interested in understanding whether there are differences between England and Wales

which could merit a different approach in making new rules around permitted insurance fees in each country. The answers to these questions will assist us in understanding what practices may be different in each country, and therefore whether a different approach is required.

Question 27

If you are a leaseholder, where is your property located? [England / Wales / I own properties in both]

Question 28

If you are a property management agent, freeholder, broker, insurer, or other interested party, where are the properties that you deal with located? [England / Wales / both]

Question 29

Are you aware of any differences in the operation of buildings insurance for multi-occupancy residential buildings between England and Wales? [Yes / No]

[If yes] Please elaborate [Open]

Question 30

What, in your opinion, would be the likely effects of these proposals on the Welsh language? We are particularly interested in any likely effects on opportunities to use the Welsh language and on not treating the Welsh language less favourably than English. [Open]

Do you think that there are opportunities to promote any positive effects? [Open]

Do you think that there are opportunities to mitigate any adverse effects? [Open]

Question 31

In your opinion, could these proposals be formulated or changed so as to have positive effects or more positive effects on using the Welsh language and on not treating the Welsh language less favourably than English? [Yes / No]

[If yes] Please elaborate [Open]

Question 32

In your opinion, could these proposals be formulated or changed so as to mitigate any negative effects on using the Welsh language and on not treating the Welsh language less favourably than English?

[If yes] Please elaborate [Open]

About this consultation

This consultation document and consultation process have been planned to adhere to the Consultation Principles issued by the Cabinet Office.

Representative groups are asked to give a summary of the people and organisations they represent, and where relevant who else they have consulted in reaching their conclusions when they respond.

Information provided in response to this consultation may be published or disclosed in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000 (FOIA), the Environmental Information Regulations 2004 and UK data protection legislation. In certain circumstances this may therefore include personal data when required by law.

If you want the information that you provide to be treated as confidential, please be aware that, as a public authority, the Department is bound by the information access regimes and may therefore be obliged to disclose all or some of the information you provide. In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.

The Ministry of Housing, Communities and Local Government will at all times process your personal data in accordance with UK data protection legislation and in the majority of circumstances this will mean that your personal data will not be disclosed to third parties. A full privacy notice is included below.

Individual responses will not be acknowledged unless specifically requested.

Your opinions are valuable to us. Thank you for taking the time to read this document and respond.

Are you satisfied that this consultation has followed the Consultation Principles? If not or you have any other observations about how we can improve the process please contact us via the [complaints procedure](https://www.gov.uk/government/organisations/ministry-of-housing-communities-local-government/about/complaints-procedure) (<https://www.gov.uk/government/organisations/ministry-of-housing-communities-local-government/about/complaints-procedure>).

Personal data

The following is to explain your rights and give you the information you are entitled to under UK data protection legislation.

Note that this section only refers to personal data (your name, contact details and any other information that relates to you or another identified or identifiable individual personally) not the content otherwise of your response to the consultation.

1. The identity of the data controller and contact details of our Data Protection Officer

The Ministry of Housing, Communities and Local Government is the data controller. The Data Protection Officer can be contacted at dataprotection@communities.gov.uk or by writing to the following address:

Data Protection Officer
Ministry of Housing, Communities and Local Government
Fry Building
2 Marsham Street
London
SW1P 4DF

2. Why we are collecting your personal data

Your personal data is being collected as an essential part of the consultation process, so that we can contact you regarding your response and for statistical purposes. We may also use it to contact you about related matters.

We will collect your IP address if you complete a consultation online. We may use this to ensure that each person only completes a survey once. We

will not use this data for any other purpose.

Sensitive types of personal data

Please do not share [special category](https://ico.org.uk/for-organisations/guide-to-data-protection/guide-to-the-general-data-protection-regulation-gdpr/lawful-basis-for-processing/special-category-data/#scd1) (<https://ico.org.uk/for-organisations/guide-to-data-protection/guide-to-the-general-data-protection-regulation-gdpr/lawful-basis-for-processing/special-category-data/#scd1>) personal data or criminal offence data if we have not asked for this unless absolutely necessary for the purposes of your consultation response. By 'special category personal data', we mean information about a living individual's:

- race
- ethnic origin
- political opinions
- religious or philosophical beliefs
- trade union membership
- genetics
- biometrics
- health (including disability-related information)
- sex life; or
- sexual orientation.

By 'criminal offence data', we mean information relating to a living individual's criminal convictions or offences or related security measures.

3. Our legal basis for processing your personal data

The collection of your personal data is lawful under article 6(1)(e) of the UK General Data Protection Regulation as it is necessary for the performance by MHCLG of a task in the public interest/in the exercise of official authority vested in the data controller. Section 8(d) of the Data Protection Act 2018 states that this will include processing of personal data that is necessary for the exercise of a function of the Crown, a Minister of the Crown or a government department i.e. in this case a consultation.

4. With whom we will be sharing your personal data

MHCLG may appoint a 'data processor', acting on behalf of the Department and under our instruction, to help analyse the responses to this consultation. Where we do we will ensure that the processing of your

personal data remains in strict accordance with the requirements of the data protection legislation.

5. For how long we will keep your personal data, or criteria used to determine the retention period

Your personal data will be held for two years from the closure of the consultation, unless we identify that its continued retention is unnecessary before that point.

6. Your rights, e.g. access, rectification, restriction, objection

The data we are collecting is your personal data, and you have considerable say over what happens to it. You have the right:

- a. to see what data we have about you
- b. to ask us to stop using your data, but keep it on record
- c. to ask to have your data corrected if it is incorrect or incomplete
- d. to object to our use of your personal data in certain circumstances
- e. to lodge a complaint with the independent Information Commissioner (ICO) if you think we are not handling your data fairly or in accordance with the law. You can contact the ICO at <https://ico.org.uk/> (<https://ico.org.uk/>), or telephone 0303 123 1113.

Please contact us at the following address if you wish to exercise the rights listed above, except the right to lodge a complaint with the ICO:

dataprotection@communities.gov.uk or

Knowledge and Information Access Team
Ministry of Housing, Communities and Local Government
Fry Building
2 Marsham Street
London
SW1P 4DF

7. Your personal data will not be sent overseas

8. Your personal data will not be used for any automated decision making

9. Your personal data will be stored in a secure government IT system

We use a third-party system, Citizen Space, to collect consultation responses. In the first instance your personal data will be stored on their secure UK-based server. Your personal data will be transferred to our secure government IT system as soon as possible, and it will be stored there for two years before it is deleted.

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