

# Leasehold handbook

# Contents

<b>Leasehold handbook</b> .....	<b>1</b>
<i>Contents</i> .....	2
<i>Translations and interpretation services</i> .....	3
1 <i>Introduction</i> .....	4
2 <i>About us</i> .....	4
3 <i>Involving the community</i> .....	6
4 <i>The lease</i> .....	7
5 <i>Quick guide to the services that we provide</i> .....	11
6 <i>Service charges each year</i> .....	12
7 <i>Administration and management charge</i> .....	19
8 <i>Ground rent</i> .....	20
9 <i>Insurance</i> .....	21
10 <i>Repairs</i> .....	23
11 <i>Making alterations to your home</i> .....	28
12 <i>Antisocial behaviour</i> .....	29
13 <i>Selling your home</i> .....	31
14 <i>Buying the freehold and lease extensions</i> .....	35
15 <i>Subletting your home</i> .....	36
16 <i>Major works</i> .....	37
17 <i>Your right to put forward a contractor</i> .....	43
18 <i>Paying for major works</i>	
19 <i>How to reduce service charges</i> .....	49
20 <i>Summary of costs and inspecting accounts</i> .....	49
21 <i>What to do if I'm unhappy with the service</i> .....	50
22 <i>Leasehold Valuation Tribunal (LVT)</i> .....	51
23 <i>Legal Notices – Notice of Rights and Obligation, Notice of Ground Rent and table of leasehold acts</i> .....	52
<i>Useful contacts</i> .....	57

## Translations and interpretation services

If you have difficulty understanding written or spoken English, we can arrange for someone to interpret for you over the phone or provide a translation of written information about Leasehold Services. If you take this notice to any of our housing offices and show it to a member of staff, we will make the necessary arrangements.

### Translation and other format request

- *This information is about your home. For translation, please provide your details below:*
- Ky informacion është për shtëpinë tuaj. Për përkthim, ju lutemi të jepni detajet tuaja më poshtë:
- Ces informations concernent votre logement. Veuillez nous donner vos coordonnées pour l'envoi de la traduction:
- 这是关于您家庭的信息。为了翻译起见，请提供如下详情:
- Macluumaadka ku saabsan gurigaaga. Haddii aad tarjamad rabto fadlan bixi macluumaadka hoose:
- இந்தத் தகவல் உங்கள் வீடு பற்றித்தான். மொழிபெயர்ப்புக்காக, உங்களைப் பற்றிய விபரங்களைக் கீழே அளியுங்கள்:
- Bu bilgiler evinizle ilgilidir. Tercümesi için lütfen aşağıdaki detayları verin:
- Thông tin này là về nhà của quý vị. Để dịch, xin cung cấp các chi tiết dưới đây:

Name, Emri, Nom, 姓名, Magac, பெயர், Isim, Tên:

Telephone No, Numri i telefonit, Numéro de téléphone, 电话号码, Lambarka telefoonka, தொலைபேசி எண், Telefon no, Số điện thoại:

Address, Adresa, Adresse, 地址, Cinwaanka, முகவரி, Adres, Địa chỉ:

- Gjuhët/Albanian
- 中文/Mandarin
- தமிழ்/Tamil
- Tiếng Việt/Vietnamese

- Français/French
- Soomaali/Somali
- Türkçe ve/Turkish

For other formats tick the appropriate box below:

- Large Print
- Audio tape
- Braille

Return to:  
Dërgojeni tek:  
À renvoyer à:  
寄至:  
Ku soo celi:

அனுப்ப வேண்டிய முகவரி:  
Şu adrese geri gönderin:  
Gửi trả lại cho:

**Freepost**  
**Lewisham Homes**  
**9 Holbeach Road**  
**Catford**  
**London SE6 4TW**

# 1 Introduction

## **This handbook aims to give you information about:**

- us;
- your rights and responsibilities as a leaseholder;
- our responsibilities as the freeholder;
- the services that we will provide as part of managing your building and estate;
- your yearly and major works service charges; and
- how to access services.

We have designed this handbook to give you general information. However, not all leases are the same and it is the terms of **your** lease that shows your and our rights and obligations. If you are in any doubt about the terms of your lease, you can ask for advice from Lewisham Homes Leasehold Services but you may also want to get independent legal advice.

We hope that you will find this handbook useful.

## **How to use this handbook**

We and the Council consider it important to keep you as up to date as possible on changes to the way services are carried out and to laws that govern residential leaseholders. We will try to keep you informed when these changes take place.

We will let you know about changes in leasehold newsletters and update the version of the handbook on our website and those available in our housing offices and other public places.

**If you would like to receive a printed copy of the new handbook, you can get this from us for a cost of £15.**

# 2 About us

**We are an ‘arm’s-length management organisation’ (ALMO) set up by Lewisham Council in January 2007 to manage, maintain and improve their Council homes and estates. We are a private, non-profit company of which the Council is the only shareholder.**

We are managed by a board made up of 15 members - seven residents, three Councillors and five independent members of the community with relevant skills and experience. Lewisham Council still own the freeholder of the leasehold properties.

We manage 12,000 social-housing tenancies and 4800 leasehold properties in the borough.

## Our mission statement

‘To deliver great housing services for thriving neighbourhoods.’

## Our aims

We want to:

- improve services to an excellent standard;
- improve customer satisfaction;
- create a value-for-money culture throughout the organisation and show how efficient we are each year; and
- improve our homes to a Decent Homes Standard.

## Our equal opportunities commitment

We are committed to providing equal opportunities for everyone. Our strategy makes sure that everyone has access to the information and services we provide.

You can download our equal opportunities’ strategy at [www.lewishamhomes.org.uk](http://www.lewishamhomes.org.uk).

What we are responsible for	What Lewisham Council is responsible for
<ul style="list-style-type: none"> <li>• Dealing with the Right to Buy scheme (except valuations and approvals)</li> <li>• Dealing with antisocial behaviour</li> <li>• Assessing and managing all housing</li> <li>• The condition of the properties</li> <li>• Repairs Service</li> <li>• Collecting rent and service charges</li> <li>• Shared repairs</li> <li>• Enforcing tenancy and lease conditions</li> <li>• Managing our estates and caretaking</li> <li>• Managing our finances</li> <li>• The Housing Revenue Account</li> <li>• Dealing with people who are in our properties illegally</li> <li>• Leaseholder services</li> <li>• Letting and managing garages</li> <li>• Modernisation and improvements</li> <li>• Planned maintenance</li> <li>• The Resident Compact and consultation</li> <li>• Repairs and gas servicing</li> <li>• Signing up new tenants</li> <li>• Tenant matters such as successions, assignments and exchanges</li> <li>• Empty properties</li> </ul>	<ul style="list-style-type: none"> <li>• Abandoned vehicles</li> <li>• Homelessness</li> <li>• Housing Benefit</li> <li>• New housing developments</li> <li>• Regeneration projects</li> <li>• Setting the rent</li> <li>• Setting service charges</li> <li>• ‘Homesearch’, the choice-based lettings scheme</li> <li>• Sheltered-housing support</li> <li>• Cleaning streets</li> <li>• Maintaining grounds and carrying out work on trees</li> <li>• Sweeping estate roads and paths</li> </ul>

## 3 Involving the community

We aim to provide flexible options for residents to get involved, to suit people's different lifestyles and preferences. We welcome your involvement and know that by giving your time, you are helping us to improve the way we provide services to your block and the local area.

We think that it is important that leaseholders and tenants work with us to shape the services we deliver and improve the environment of our buildings and estates. With this aim we welcome leaseholders involvement in all our community involvement activities. We also recognise that leaseholders have additional rights and obligations. With this in mind we offer leaseholders the opportunity to attend the Leasehold Improvement Group and leasehold focus groups focus.

### Especially for leaseholders

You will receive copies of the Homes magazine, every three months, telling you what is happening in Lewisham Homes. You will also receive leasehold newsletters with your annual service charge bill and 'actual cost' statements. These will include details of the leasehold improvement group topics and leasehold focus group discussions. These groups cover topics about leaseholder ownership and are decided by the leasehold improvement group. Lewisham Homes Leasehold Services' staff attend every meeting and there are often guest speakers from other services in Lewisham Homes and the Council. Information about the groups is also on our website.

### How can I get involved?

You can contact the Community Involvement team to choose which topics you are interested in and the type of involvement that suits you. This information is stored on a database, which we will use to contact you to take part in focus groups, surveys, Improvement groups and email discussion groups that may interest you.

By phone: 0800 028 2 028 (It may be cheaper to call 020 8613 4000 from a mobile).

Email: [getinvolved@lewishamhomes.org.uk](mailto:getinvolved@lewishamhomes.org.uk)

Community Involvement team, Holbeach Housing Office, 9 Holbeach Road, Catford. SE6 4TW

### How would you like to be involved?

#### ***a. Giving my ideas***

These involvement opportunities are informal and require a low level of commitment. Examples include: Completing a survey, taking part in a one-off focus group, or attending an event like our annual Open Day.

#### ***b. Making recommendations***

Involvement opportunities that require you to make recommendations are formal forums. They are higher level than those that only require sharing of ideas and tend to feature more consultation. They require low to medium level of commitment and include joining an

improvement group, becoming a Resident Inspector or starting a local group in your area to resolve an issue.

***c. Making decisions***

Involvement opportunities that require you to make decisions are more formal and usually require a medium level of commitment. These tend to be more regular meetings and participation is usually governed policies and procedures. Examples include starting a Residents' Association, joining an Area Panel, selecting contractors, or reviewing a service.

***d. Having delegated authority for budgets/decisions***

This is a strategic level of involvement that requires a high level of commitment. Examples include becoming a Lewisham Homes Board member or starting a Tenant Management Organisation (TMO).

***The involvement opportunities currently available are listed below:***

- Area Panel
- Board Member
- Community Forum
- Conferences
- Estate inspections
- Improvement Groups
- Joint Partnership Board
- Local issues group
- Local Management Agreement
- Neighbourhood Watch
- Neighbourhood Agreements
- One-off focus group
- Online Consultation
- Open Day and other one-off events
- Reading group
- Residents' Association
- Residents' Business Plan
- Resident Inspector programme
- Service review
- Selecting contractors and procurement involvement
- Shadowing a service
- Telephone, postal, or face-to-face survey
- Tenant Management Organisation (TMO)
- Text us
- Training and employment initiatives

## **4 The lease**

### **The freeholder and the leaseholder**

This section provides a general handbook to the contents of our standard leases. If you would like any of this information to be explained further, please contact our Leasehold Services team. There may be some instances where you may wish to take independent advice. (See the useful contacts section at the back of this handbook for all contact details).

## **What is leasehold?**

A lease is a legal agreement between the landlord (the freeholder) and the person buying the lease (the leaseholder). It gives the leaseholder the rights over the property for a fixed number of years. For Right to Buy leases, this is usually 125 years from the date that the first lease was granted in the block or building. The lease also sets out the rights and obligations between the leaseholder and the freeholder. We explain these obligations further in this section on the lease.

Buying a long lease on a property gives you the right to live in that property for the number of years that are left on the lease. During that time you can sell the lease of the property to another person or company. (See also 'First Right of Refusal' in the 'Selling your home' section 13) You can also let your property to another person. (See section 15 on 'Subletting your home').

Whether you bought your home from another leaseholder or from the Council under the Right to Buy, you will have bought the lease on your home. Although you will own a long lease for your property, there is a landlord and tenant relationship between you and the Council. So, in some documents and laws you may find that you will be referred to as a tenant. The landlord may appoint a managing agent to carry out some or all of the landlord's duties. We are the managing agents for Lewisham Council.

When the lease ends, the property once again returns to the freeholder. In most cases the lease can be extended, but there is a cost for this. In some circumstances, you can also apply to buy the freehold. (We cover 'Buying the freehold' in section 14).

## **Who is my freeholder?**

In most cases, the London Borough of Lewisham is the freeholder of your home. There are a very small number of homes where the London Borough of Lewisham is also the leaseholder and have sold you a 'sub-lease'. You will have been told this before you bought, if this was the case.

## **Will the Council always be the freeholder?**

It is possible that in the future the freeholder will not be the Council. However, before any changes take place, we will consult you.

In most cases, any new freeholder would be a registered social landlord. There may be some instances where the freehold is bought by leaseholders under the Right of Collective Enfranchisement. (We explain this in the section on 'Buying the freehold' in section 14.)

## **General terms of the lease**

The London Borough of Lewisham has two main types of lease. These are:

- flats that have been converted from large houses; and
- flats in purpose-built blocks.

Below we have set out the main terms of leases issued by the Council. The information is based on standard leases, but some leases may have different conditions. Always check your own lease for the exact details.

If you have any questions about your lease, you can talk to us or get independent advice from a solicitor, Citizens' Advice Bureau, local law centre or LEASE. (See the useful contacts section on the last page of this handbook of this handbook.

#### ***a. Leaseholders and landlords agreements***

The lease sets out the obligations and responsibilities of the landlord and the leaseholder. This is particularly important when it comes to repairing and improving the property. These obligations and responsibilities are set out in the lease and referred to as lease covenants. Some covenants place obligations on either you or us to do certain things, others prevent you or us from doing certain things.

#### ***b. The leasehold property***

The lease also defines what is included as part of the leasehold property including gardens, land and fencing. We call this the 'demised premises' and it is shown in the 'lease plans'.

You should note that your window frames are not in the definition of the leasehold property. This means we are responsible for maintaining and repairing window frames.

#### ***c. Important points of your lease agreement***

This is a brief summary of the lease agreement.

##### *The Particulars*

- Your name and address;
- The start date of the lease;
- The end date the lease ends;
- The registered address of the landlord; and
- The purchase price and discount figures.

##### *Definitions of:*

- the estate (schedule 1);
- the building (schedule 2);
- the reserved property (schedule 3); and
- the demised premises - the flat (schedule 4).

##### *Rights you have (schedule 5)*

- Rights of Way, access and so on;
- Right to use shared services to the property;
- The right to enjoy the property without interference; and
- Any rights on other matters such as parking, rubbish and aerials.

*Rights we have (or the freeholder if different) (schedule 6)*

- Right of access to carry out repairing and maintenance duties;
- Right to alter or rebuild the building;
- Right to alter services provided; and
- Estate boundaries.

*You agree (schedule 7):*

- to pay ground rent;
- to repair and maintain the property in good condition and take reasonable steps to prevent pipes and so on from freezing or bursting;
- not to make any alterations to the structure or appearance of the premises without our written permission;
- not to cause a nuisance or allow anyone visiting or living at the flat to do so;
- not to overload electrical installations of the property and not to use any bottled-gas or paraffin heaters;
- not to use the property for trade, business or immoral purposes;
- to repay the Right-to-Buy discount (where this applies), unless the lease is assigned for specific reasons;
- to allow us access to the property;
- to give notice of any sale or mortgage;
- to pay all expenses if we have to serve a146 notices; and
- to allow access to other leaseholders if they need it to maintain their property.

*Regulations and standards of behaviour (schedule 8)*

These are regulations and standards of behaviour which are not stated in the lease but which we may decide on from time to time, in line with schedule 8. For example, this could be when the parking arrangements on an estate change.

*The Freeholder agrees to (schedule 9):*

- repair and keep the building, shared parts and services in order;
- insure the common parts and structure of the building;
- keep the property lit;
- paint the outside of the property;
- maintain estate roads and pathways;
- maintain district heating systems; and
- manage the estate and building in a proper way.

The freeholder may also

- withdraw or change the services provided; and
- employ a managing agent (like Lewisham Homes).

*Service charges (schedule 10)*

This gives:

- examples of the services provided for which we may raise a service charge bill;
- the formula for working out your contribution towards the costs of providing repairs and maintenance, services and improvement work;
- allows service charge bills to be raised at the beginning of each financial year and later adjusted when we know the actual costs for the year; and

- the option for us to ask you to pay into a reserve fund for work needed in the future.

#### *The declaration*

The last part of the lease agreement is called the declaration. You, as the leaseholder, must sign this declaration to say that you understand and will keep to the conditions of the lease. The freeholder will also sign it to say that, as the landlord, it fully accepts responsibilities under the agreement.

Once both sides have signed the declaration, it becomes legally binding. You should always keep your copy in a safe place. If you have a mortgage, it is likely that your mortgage lender will keep your copy of the lease.

## 5 Quick guide to the services that we provide

Lewisham Homes has a freephone number for all housing enquiries 0800 028 2 028 (It may be cheaper to call 020 8613 4000 from a mobile)

Repair Service - Press 1

To pay your rent or to speak to someone about your rent - Press 2

Caretaking team - Press 3

Antisocial Behaviour team - Press 4

Leasehold team - Press 5

For all other enquiries simply hold the line and we will transfer you to our Customer Services team.

### **Repairs Service**

We will repair the shared areas of the building and estate and the outside and structure of the building.

### **Caretaking service**

We will clean and care for the shared areas inside the building.

### **Insurance**

We will deal with any claims leaseholders may have on buildings insurance for shared areas. (See section 9)

### **Technical services**

We will maintain communal electrical and mechanical services and equipment within the building. This includes lifts, entry phones, shared aerials, pumps and so on.

## Customer Services

Customer Services is based in the following Housing Offices:

Pepys Housing Office, 1A Eddystone Tower, Oxestalls Road, Deptford, London, SE8 3QU.

Holbeach Housing Office, 9 Holbeach Road, Catford, London, SE6 4TW.

Home Park Housing Office, 129 Winchfield Road, Sydenham, London, SE26 5TH.

Honor Oak Housing Office, Spalding House, Turnham Road, London, SE4 2HT.

If you want to make a complaint or give a compliment about our services, phone us or email us at [complaints@lewishamhomes.org.uk](mailto:complaints@lewishamhomes.org.uk) (see the useful contacts section as the back of this handbook)

## Community Involvement

We hold events and training for residents and make sure they have the opportunity to influence the way in which services are provided. (See section 3 'Involving the community' for more information).

## Leasehold Services

This is your main point of contact (except for reporting shared repairs). Leasehold Services manages service charge accounts, works-out bills, consults leaseholders on major works, deals with general enquiries and deals with situations when the lease has been broken.

Leasehold Services, Home Park Housing office, 129 Winchfield road, London, SE26 5TH  
For any queries please phone us or email us at [leasehold@lewishamhomes.org.uk](mailto:leasehold@lewishamhomes.org.uk)

# 6 Service charges each year

**We bill you for service charges to recover our costs in providing services to blocks, buildings and estates. You pay service charges only for the services and work for your block and estate, including our management services.**

What we can (and cannot) charge for, and how your share of the charge is worked out, is all set out in general terms in the lease.

We will send you a bill each year for services provided to the shared areas of your building, block and estate. We, as the Council's managing agent, have a duty to collect your share of these costs.

The cost of building insurance (for the shared areas, structure and outside only) is included in your service charge bill.

## Examples of the services we charge you for:

- general maintenance and repairs in communal areas;
- central heating if supplied from a central boiler;
- lift maintenance;
- lighting in communal areas;
- cleaning communal areas;
- grounds maintenance;
- dealing with antisocial behaviour;
- resident involvement;
- customer services at our housing offices; and
- leasehold management charge (please see section 7 on 'Administration and management charge').

The lease also allows us to collect contributions from you each year for a 'sinking fund'. The purpose of the sinking fund is to provide for the cost of future work. At the moment, we do not have a sinking fund.

## The services you receive

The services to buildings and estates we manage are carried out by:

- staff we employ;
- contractors we appoint and manage; and
- staff and contractors appointed and managed by the Council.

## Services we supply

### ***a. Caretaking and cleaning***

We supply this service to the communal areas inside a building. It includes:

- reporting damage to shared areas;
- washing shared areas;
- replacing light bulbs and covers to lights in shared areas;
- making sure that public areas in buildings are safe;
- sweeping and cleaning lifts;
- dealing with blocked rubbish chutes where possible; and
- working with the antisocial behaviour team to tackle antisocial behaviour which affects the building and estate.

### *Working out the service charge for caretaking and cleaning*

We multiply the average number of hours spent on a building over the course of a year by the cost to us per hour. This gives us the yearly cost of supplying the service to the block. The hourly cost includes wages, equipment, materials, supervision, uniforms, phones and so on, plus the other overhead costs of running the service. We then divide the cost equally between the total number of properties in the building benefiting from the service. So, the more work that the building needs from the caretaking service, the higher the cost to the building.

### ***b. Building maintenance***

This service is the day-to-day repairs and maintenance work we carry out to the structure and shared parts of your building and the estate. Although we carry out repairs with our own workforce, there are instances where we appoint specialist contractors to carry out the work. Building maintenance includes work to:

- shared parts, for example, the roof, shared doors, main storage tanks etc.;
- drains and gutters, including jetting,
- rubbish chutes' clearance;
- repairs to shared lighting; and
- estate roads and paths.

#### *Working out the service charge for building maintenance*

We divide the cost of the work, plus the overheads of running the service, by the number of properties in the building or on the estate. In some cases the repair may only be relevant to one part of an estate, in which case we take this into account in the calculation.

### ***c. Antisocial behaviour (also see section 12)***

All leaseholders on estates and in purpose built blocks contribute towards this service. We do not charge leaseholders in street properties (houses converted into flats) as these are dealt with on an individual basis.

All leaseholders pay towards this service. The cost of the service is shared equally between all the properties that we manage excluding street properties.

### ***d. Customer services***

Leaseholders are able to use the facilities in our housing offices, including internet and access. Customer Services staff in these offices will be pleased to answer leaseholders enquiries taking advice from Leasehold Service where needed. However, we recognise that in general, leaseholders make less use of this service than tenants and this is reflected in the service charge.

### ***e. Community Involvement (also see section 3)***

Leaseholders and tenants have the opportunity to take part in the various involvement activities that are provided by Lewisham Homes, section 3 of this handbook gives more information about these. The leaseholders service charge for resident Involvement is based on the cost shared equally over all of the properties that we manage.

## **Services supplied by a contractor working for us**

### ***Entry phone maintenance***

This service maintains and repairs entry phone door systems in buildings or blocks as required.

#### ***Working out the service charge for entry phone maintenance***

The cost in your service charge is for the communal (shared) parts of the system and does not cover the cost of handsets which are inside flats

If the handset inside your home needs repairing, you will have to pay the full cost of the repair. We also have to add VAT as the repair is not to a shared part of the building.

We divide the cost of the work, plus the overheads of running the service, by the number of properties in the building.

#### **f. Lift maintenance**

This service includes regular checks, servicing and maintenance, and call-outs to repair a broken-down lift.

##### *Working out the service charge for lift maintenance*

The lift charge includes the cost of the electricity used to run and light the lift, regular checks, servicing and maintenance, and the cost of call-outs to repair a broken-down lift.

We work out the charge for each lift and divide it equally by the number of properties in the building (but not ground-floor properties).

#### **g. Other technical services**

These include:

- water-storage tanks;
- lightning conductors;
- fire safety equipment; and
- aerials.

##### *Working out the service charge for technical services*

We divide the cost of the work, plus the overheads of running the service, by the number of properties in the building or on the estate. In some cases, the repair may only be relevant to one part of an estate, in which case we take this into account when working out the charge.

#### **h. Window cleaning in shared areas**

In 09/10 we introduced a window cleaning service for windows in communal (shared) areas. This work is carried out by a contractor appointed by Lewisham Homes.

##### *Working out the service charge for cleaning communal (shared) windows*

The cost of providing the service for your block is divided by the number of properties in the block. Each communal (shared) window is cleaned twice per year.

#### **i. Pest control**

This is the service provided to buildings where there are known problems with pests such as cockroaches, pharaoh ants or rats. A service charge is made where treatment of the whole block is required. If only some properties in a building need treatment the individual resident who needs the service pays for the work.

Before block treatment work is carried out, you will be notified by letter and asked to provide access to your home. This type of treatment can only be properly effective if all properties and communal (shared) areas in a building are treated. If necessary, Lewisham Homes will take enforcement action to ensure that access is gained to every property in the building.

***j. Heating and hot water***

You are charged for this service if your property is connected to a central boiler shared by a number of properties.

***k. Shared lighting***

This service includes all shared lighting in the block, for instance in corridors and stairwells.

*Working out the service charge for shared lighting*

This charge is for the cost of electricity. We work out the charge for shared lighting by dividing equally the cost of electricity used to provide lighting to entrances, staircases and shared areas between all the properties that benefit. It does not include the cost of repairs as we charge for these separately. We use the bills we receive from the energy company for your building to work out the charges.

## **Services supplied by the Council**

***a. Sweeping estate roads and paths***

The Council carries out this service using their workforce.

*Working out the service charge*

The Council works out the cost of providing the service to each estate or group of properties, including the cost of supervision, materials and equipment. We then divide the cost by the number of properties on the estate.

This charge is only for estate roads and paths that are not part of the highways. Where the road is a highway, you pay for this service in your Council tax.

***b. Maintaining the grounds***

This service is carried out by contractors appointed and managed by the Council. A 10-year contract was let in March 2010 following a competitive tendering process.

The service includes maintaining grassed areas, flower beds etc. The contract is priced for each of the grass and shrubbed areas that are maintained. As a leaseholder, we charge you for your share of the costs for those areas that benefit your estate.

*Working out the service charge*

We divide the total cost for the area, including the cost of managing the contract, by the number of properties benefiting from the service. In some cases the block will not be part of an estate. If this is the case, the costs will be for maintaining the green areas around the block.

***c. General***

The services shown above are the most common services that leaseholders receive. Your building and estate may receive some or all of these services and may receive other services not listed above.

## Why you must pay your service charge

When you accepted your lease you agreed to pay a share of the costs of providing services, works and insurance. We use the service charge that you pay each year to pay for the day-to-day services provided to your building or estate.

The lease sets out how we work out your share of the costs. Most Council leases say the cost of the service must be shared equally between all the properties which benefit from the service.

Leaseholders make up an increasingly high percentage of the properties that we manage. Income from leaseholders' service charges is an important contribution to paying for the services that are provided.

We do not make a profit from service charges.

## Your service charge bill

### *Each year you will receive:*

- a service charge bill including ground rent and insurance; and
- a statement of the actual costs.

As set out in your lease, you will receive a service charge bill at the beginning of each financial year (1 April) based on the estimated cost of the services for the coming year. We send you a statement about six months after the end of the financial year. This tells you the actual amount spent on each service. We will work out the difference between the amount we charged you at the beginning of the year and the amount that we actually spent during the year. We then include this difference in your next service charge bill.

We send out the service charge bills in March and they cover the 12 months from 1 April to the following 31 March. When preparing the service charge bills, we look at the amount we spent in previous years and the budget for the service in the coming year. We try to make your service charge bill as accurate as possible to lessen the difference that will be included in the next year's bill.

Your bill will be different each year as it includes the coming year's service charge and the actual cost adjustment for the last year for which we know the actual costs.

The most difficult charge to estimate is the charge for day-to-day repairs. It is this service that most often results in large extra costs at the end of the year.

## Paying your service charge bill

Under the terms of your lease you should pay the bill within 21 days of the date you receive it. If you cannot afford to pay the bill in one lump sum, you can arrange to pay by up to 10 monthly instalments. It is important that you contact Leasehold Services to agree your instalment plan. We send out contact details with the bills.

The bill, and the information sent with it, set out the details of various payment methods. You can pay:

- by standing order;
- online;
- by phone using a debit or credit card;
- using the plastic service charge payment card at the cashiers in the Town Hall in Catford or at the post office;
- by sending a cheque to the leasehold team; or
- Direct Debit is being introduced in April 2010.

## Actual cost adjustment

Every year in September, we send you a summary of the 'actual cost' of providing the services to your building or block and estate in the previous financial year.

If the actual cost is more than the amount we estimated at the beginning of the financial year, we will ask you to pay the extra amount which we will add to your next service charge bill. If the costs are lower, we will pay the extra money from the estimate into your service charge account. By including the actual cost adjustment in your next year's bill, we firstly save the cost of raising two bills each year, and secondly remove the need for you to amend your standing orders or other monthly instalment plans part way through the year. We pass on this saving to leaseholders by reducing the management charge. It also gives you the opportunity to ask any questions you may have about your actual costs before you pay any additional service charges.

Before you receive your actual service charge bill, an independent audit is carried out on a sample of service charge accounts. The audit checks the service charge accounts to make sure that they are a fair reflection of the costs for the services.

## Difficulties in paying your service charge

If you have difficulties paying your service charge, you should immediately contact us to arrange a repayment plan. You can also make an appointment with one of our Leasehold Caseworkers. Or, if you have difficulty coming to our offices because of mobility or health problems, we can arrange for a home visit.

### ***If you don't pay***

It is a condition of your lease that you pay for the services that you receive. This money, along with the rent paid by Council tenants and any subsidies from central Government, pays for the services we deliver to Council properties and estates. It is important that you pay your share of the costs. Acting as the Council's managing agent, we have a duty to make sure that we collect the money you owe.

**If you refuse to pay your service charge, we will take legal action to recover your debt. This could result in you having to pay extra costs. You could even lose your home.**

Also see section 21 on 'What to do if I'm unhappy with the service'.

## 7 Administration and management charge

### Management charge – annual service charges

This charge is for work that has to be carried out to provide a management service to leasehold properties, it includes overheads. It does not include any costs we pay just to manage rented properties.

The management charge this year (09/10) is £140 for purpose build blocks and £49 for flats in converted houses. This charge is for the management of leasehold properties, it includes employee costs and the cost of support services - sometimes called overheads. Typical overhead costs include:

- office accommodation;
- printing;
- stationary;
- phones;
- postage;
- equipment;
- building running costs;
- IT software, equipment, licenses and support;
- finance services;
- receipts system and cashier services;
- audit costs and training;
- HR costs; and
- using network systems (for example, email, Word, Excel etc.)

#### ***Some costs are only incurred in managing leasehold properties***

We pay costs which only affect leaseholders. These are:

- staff employed specifically to work on leasehold matters;
- working out some estimated and all actual service charges each year;
- printing service charge bills;
- keeping information up-to-date on leaseholders service charge accounts;
- developing the service charge IT systems;
- recovering service charges;
- responding to your enquiries about the lease, insurance and service standards;
- responding to requests on adaptations work, installing replacement windows and so on;
- going to Tenants and Resident Association meetings to deal with your concerns;
- holding Leasehold Improvement Group meetings and leasehold focus groups;
- providing an expert advice service for other sections and departments in Lewisham Homes on matters which affect leaseholders;
- issuing consultation notices when we are arranging long-term contracts for services; and
- keeping up to date with changes in leasehold laws and amending procedures when needed.

## Management charge - major works

Managing major works is often a complicated process involving a number of staff. We charge leaseholders their share of these and other costs when major works is carried out in a building or block containing leasehold properties. It is currently 10% of the major works bill.

The 10% charge includes everything listed for the cost of the service charge each year plus:

- issuing all consultation notices needed by law when major works is proposed;
- responding to leaseholders' questions;
- advising leaseholders on payment options;
- paying salaries and overheads of the staff and to manage the projects;
- tendering the major works scheme;
- going to consultation meetings on major works;
- working out the estimated and actual major works service charges;
- keeping information on the service charge IT system;
- contributing to developing the service charge module;
- recovering service charges, which have not been paid on time;
- going to meetings with residents about major works to tackle leaseholders' concerns; and
- keeping up-to-date with changes in leasehold laws and amending procedures when needed.

As well as the management charge, there are also professional fees that cover the costs of outside consultants such as surveyors, architects and engineers, these costs are shown separately on your service charge bill.

We are not a profit-making organisation. Our charges are based on recovering the money we spend in supplying services to leaseholders.

## Administration charges

These charges are for work that is usually carried out to benefit one leaseholder, for instance when:

- providing information when you want to sell your lease; and
- granting permission when you want to make changes to your home which needs our permission. (See section 11 on 'Making alterations to your home'.)

## 8 Ground rent

Because as a leaseholder you have a tenancy, you have to pay the Council a small rent fee each year to use the ground on which the building stands. We call this rent the ground rent. It is a specific condition of the lease and must be paid on the due date.

The demand or notice of ground rent due will give:

- the amount of rent due;

- the date on which you must pay it, or if the demand is sent after the due date, the date on which it would have been due under the terms of the lease; and
- at least 30 days between the notice of ground rent being given and the date the payment must be made.

## 9 Insurance

**For insurance purposes we divide the building into areas that the Council insures and those, which you as leaseholder, are responsible for insuring.**

Lewisham Council are responsible for insuring the shared parts of the building (defined as the 'reserved' premises in your lease). This includes the roof, foundations, and shared areas of the building.

You are responsible for insuring your leasehold property (defined as the 'demised' premises in your lease). This is the flat and its contents and includes the fixtures and fittings inside the property, for example a fitted kitchen units.

Insurance does not cover everyday wear and tear, it only covers specific insured risks as listed in the paragraphs below.

### **You must buy insurance of the demised premises (your own flat)**

You can choose your own insurer. However, you must serve a notice of cover on the Council as your landlord, no later than 14 days after buying the insurance (or within 14 days of any request by the Council as your landlord). You should send a copy of the policy to the Council's insurance section at Lewisham Town Hall in Catford.

The policy must:

- be with a reputable insurance company;
- provide comprehensive cover for all risks which can be insured;
- be in the joint names of you and the Council; and
- be for the full reinstatement value in terms of the cost of rebuilding, cleaning the site, costs for finding other temporary accommodation, professional fees and so on.

The Council's insurance section can give you information on an insurance company they have agreed will provide insurance for the demised premises. However, you may still wish to get several quotes to make sure that you get insurance at the best rate. You will find the contact number for the insurance section in the useful contacts section on the last page of this handbook.

Many Lewisham leaseholders are insured with Ocaso SA, who has arranged a policy specifically written for our leaseholders. The premium depends on the sum insured and the

number of rooms in the property. If you are interested in this scheme, please contact Ocaso direct on 020 7377 8285, making it clear that you are a Lewisham Council leaseholder.

## **The Council must insure the reserved property (structure and shared parts of the building)**

Your share of the premium for insuring the building is included in your service charge bill each year. The Council currently has a mix of insurance cover with insurance companies and self-insurance.

The 'reserved property' is insured under the Council's 'blanket' policy for :

- fire;
- lightning;
- explosion;
- aircraft and other impact (but not by Council vehicles), and
- malicious damage.

Cover under this policy applies to all our housing as a whole, and not just to leasehold properties.

As well as this policy, the Council arranges to 'self-insure' for some risks, such as water and storm damage and subsidence. This means that rather than paying a premium to another insurer, the premium goes into a fund managed by the Council. If damage is caused to the property by a risk which the Council has chosen to self-insure, the cost comes out of this fund.

As a leaseholder, you or the secretary of a recognised Tenants' Association can ask the Council, as landlord, for a written summary or copy of the insurance policy. Your request must be in writing.

If your request is for a summary of the insurance policy, the Council will respond within 10 days of receiving your request. The Council only has to provide the summary once in each insurance period (usually a year).

If you ask to see the insurance policy, the Council will provide reasonable access so you can inspect the policy and facilities for copying it.

When asking for a copy of the 'blanket' fire policy, please remember to quote the address of the leased property. Please see the contacts section of this handbook for the address and phone number.

If you have any questions about buildings insurance, you can ask for help from the Council's insurance section.

## **Making an insurance claim**

If you need to make an insurance claim, you should do the following.

**a. For your flat**

Tell your insurers and get a claim form and ask the insurer to agree any emergency work.

**b. For the reserved property - the communal (shared) areas and the outside of building**

Tell us so we can arrange for the Council to make a claim from their policy or pay for the repairs themselves. (See the contacts section on the last page of this handbook for details).

**c. Claims for both the reserved property and your flat**

Tell us and your insurers.

**d. Damage by another person**

If your home is damaged because of someone else's negligence (for example, flood damage), you can claim against the other person, or their household insurance policy.

In most cases, the claim should go to your own insurers first and you should ask them to make a claim against that person. You may need to do this if, for example, would be if water leaked into your property from a washing machine in the flat above you. If the leak has occurred from the roof, in the first instance you should make a claim against your buildings insurance. If your insurer believes that we have been negligent in carrying out a repair promptly they will make a claim against us.

**e. Others claiming against your insurance**

There may be times where we or other residents will make a claim against your insurance. This most often happens where water from your property has damaged another resident's home or the shared area of the building, for instance from a washing machine, bath or shower leak.

## 10 Repairs

### Leaseholders responsibilities

Generally, you are responsible for repairs in the flat including floorboards, plaster to walls and ceiling, doors and doorframes but not the window frames. These items are included in what the lease refers to as the 'demised premises', and it is your responsibility to maintain the demised premises in good repair. It also includes any pipes, drains or wiring used only for your property.

### Landlord responsibilities

The 'reserved property' includes the structure and shared parts of the building, and the land it stands on. The Council as the landlord owns these. We, as the housing management providers for the Council, are responsible for maintaining and repairing these parts of the building.

## Summary of repair responsibilities

	We are responsible for	You are responsible for
Inside your property		
Gas appliances		X
Boiler		X
Electrical wiring		X
Drains		X
Windows - glass		X
Windows - double-glazed sealed unit fitted by us	X	
Pipes		X
Cables		X
Fixtures and fittings		X
Ceilings		X
Walls - non-structural and non-party (not shared with next door)		X
Doors		X
Bathroom and kitchen units		X
Skirting boards		X
Floors - tiles, laminate flooring, carpet		X
Joists and beams	X	
All plasters		X
Glazing and outside doors		X
Window frames	X	
Locks and fasteners		X
Floors - structural elements	X	
Balcony doors	X	
Outside your property		
Walls - party (shared with next door) and structural	X	
Foundations	X	
Shared doors (such as front doors)	X	
Roof	X	
Heating systems - to more than one property	X	
Shared drains - gutters, downpipes	X	
Shared electrics	X	
Shared plumbing	X	
Shared areas	X	
Decorations outside	X	

## Paying for the repairs to the shared parts of the building and estate

You will pay a share of any repairs carried out to the structure, the outside of the building and shared areas of the building and the estate. In most cases we work out your share of the cost by dividing the cost by the number of properties which benefit from the work.

We include repairs that cost you less than £250 in your yearly service charge bill. (See section 16 'Major works').

If the cost to you is more than £250 for a repair, other than in an emergency, we will consult you before carrying out the work. We will then send you a separate bill for the repair. We cover details of the consultation in a separate section of this handbook.

You should not carry out, or make your own arrangement to carry out, repairs to the shared areas, structure or outside of the building. You should let us know about any work that needs to be done by phoning the repairs service. The phone number is in the contacts section on the last page of this handbook.

## **Insurance**

The insurance premium that you pay in your service charge only covers repairs to shared areas and to the structure and outside – if they are needed as a result of an insured risk, such as fire, flood or storm damage. It does not cover normal wear or tear.

If you have any questions about what is covered, please see the information in this handbook about insurance in section 9.

## **Repairs inside your home**

The only repairs that we usually carry out inside your home are to entry phone handsets and heating systems that are supplied to more than one property. We will send you the bill for the full cost of the repair. In most cases we will need to add VAT and a management charge to the cost of the repair.

If you receive heating from a shared heating system and minor work is needed to the equipment inside your home, our contractor will usually carry out the repairs. If the work is substantial, you will receive a written quote before the work is carried out.

There may be some occasions where we need to carry out work inside your home such as to water pipes or drainage. This will only be the case if work is needed to pipes, conduits (the channels the piping or wiring run through) or wiring that serve more than one property.

We are investigating the possibility of offering a repairs service to leaseholders for work inside their flat. This service will not be available until 2010-2011.

## **Water leaking into your home**

If water leaks into your home, you should first of all try to see where it is coming from. If you are certain that the water is coming from the flat above:

- if possible, talk to the person living in the flat – they may be able to solve the problem by finding the faulty piece of equipment like a washing machine or dishwasher and getting it repaired or replaced; or

- if the person in the flat cannot identify or cannot sort out the cause of the leak, you will need to phone the repairs service. If possible, you should have the number of the property from which you think the water is coming and any contact details that may help the repairs service.

If you are not sure where the water is coming from, or you believe it is coming from the roof, guttering, through walls etc., phone the repairs service. Explain that you are a leaseholder and that water is leaking into your home and explain where you think it is coming from. We will then make arrangements to carry out the repair if the water is leaking from an area of the building that we are responsible for repairing.

You may also want to discuss with your own buildings insurer any claim for damage resulting from the water leak. In some cases you may be able to claim against the Council's building insurance.

You will have to pay a share of the cost of the work to sort the problem out if the problem was from a shared area, structure or equipment, for instance guttering or a main water storage tank.

## **Water leaking from your home**

If water is escaping from your property and damaging other parts of the building, you are responsible for sorting the problem out. If other residents or the Council have suffered damage to their property or possessions, they may be able to claim against your buildings insurance. If you do not have buildings insurance for your flat, you will have to pay the costs of any successful claim made against you. If you do not have buildings insurance, you will have also broken the terms of your lease.

If water is leaking from your property and you do not carry out the necessary repair within a reasonable time, we may ask the Council to take action against you under the Environmental Protection Act. This will involve extra charges to you for the time the Environmental Enforcement Officer spends on the matter and any relevant court costs. Alternatively we may seek a court injunction requiring you to carry out the work, this may also result in extra costs for you.

## **Gas checks**

We do not carry out gas checks in leasehold properties. It is your responsibility to make sure that your gas appliances are in safe working order and arrange for any testing and servicing needed. This includes any central heating boiler, even though the Council may have installed it before you bought your property.

We strongly recommend that you arrange for a Gas Safe-registered engineer to inspect all of your gas appliances each year.

You can choose to use one of the contractors we employ to carry out the gas checks each year on tenants' homes. You can arrange and make payments direct to the contractors. You can find details of the scheme on our website [www.lewishamhomes.org.uk](http://www.lewishamhomes.org.uk). You may wish to get quotes from a number of companies to make sure that you get the best value for money.

## **Electrical equipment and wiring inside your property**

As the leaseholder, you are responsible for the electrical supply inside your home. You must make sure that the wiring inside the property is safe and meets the demands of the electrical equipment you use. Any work must be carried out by a properly registered electrician, registered with NICEIC. We are responsible for supplying electricity from where it enters the building to the point where it enters your property. These cables are called the lateral mains. If work is needed to the lateral mains, as a leaseholder you must pay a share of the cost.

## **Drains**

If the blockage has happened inside your property, it is your responsibility to have the drain cleared. If your leasehold property includes a garden, you are responsible for the drains within it if they serve only your property.

If the blockage has happened outside your property, but the drain is only for your use, we may carry out the repair and charge you the full cost of the work.

If the drain serves more than your property and the site of the blockage is outside your home, we are responsible for carrying out the repair. As a leaseholder, we will charge you a share of the cost of the work.

If you have not been able to find out where the blockage has happened, you should ring the repairs service as we may need to arrange for someone to investigate and then carry out any work that we are responsible for. Depending on what the investigation reveals, we may charge you the full or shared cost of the work. We will only charge you the full cost of the inspection if it reveals that the repair is your responsibility.

## **Windows**

As a leaseholder, you are responsible for repairing broken glass to the windows of your home. You may be able to claim against your own buildings insurance for the cost of repairing the broken glass.

We are responsible for carrying out repairs to the window frames, which are considered part of the structure and outside.

If the windows are a double-glazed sealed unit fitted by the Council, or us, in most cases we will repair the whole window unit. This repair includes the glass, but we will charge you for the work. You will share the cost of any repairs carried out to window frames and to windows in shared areas.

## 11 Making alterations to your home

**You must get written permission from us before you carry out any work to the your property (the demised premises) that will:**

- alter the construction;
- alter the height of the property;
- alter the architectural appearance; and
- alter or cut any of the main walls or timbers.

You must also get our written permission before you:

- put up or build any extra or substituted building;
- enclose a porch; and
- put up any fences, poles, wires, aerials or other similar item.

### Unauthorised building alterations

Unauthorised alterations can cause problems when you try to sell your home. The person buying it will want to make sure that the alterations that have been carried out do not break the terms of the lease.

Alterations that you carry out without our permission may mean that the layout of your home no longer matches the lease plan which forms an important part of the lease.

If you do not have our permission to carry out the alteration we ask you to return the property to its original state.

### What should I do if I want to make alterations?

You should send your initial request to carry out improvements or alterations to Leasehold Services.

When you send in your request, you should include as many details as possible about the work you want to carry out. Depending on the type of work, you may be asked to provide professionally prepared plans.

You should be aware that you might have to pay costs in providing information to support your application. However, this does not guarantee that permission will be granted.

As explained in 'Administration charges' (see section 7) we will charge you for the work we have to do in considering and progressing your application to carry out the alterations.

One of our surveyors may need to visit your home to see what you plan to do, before we make a decision.

Once you have our permission to carry out the work, you are responsible for getting all other permissions needed for the work. This will be a condition of our permission.

## Planning permission and building control

Depending on the type of work that you plan to carry out, you may also need planning permission. You should also let building control know as they may need to inspect the work while they are in progress to ensure that you are meeting current building regulations. If you do not get the correct planning and building control permission, it can have serious consequences. We could make you return your home to its original condition if the work fails to meet the requirements. You can find contact details for these sections in the contact section on the last page of this handbook.

If we refuse permission, we will tell you why we do not consider the work to be appropriate. You then have the right to appeal. To appeal you will need to write to:  
The Head of Housing, London Borough of Lewisham, Laurence House, Catford, SE6 4RU.

If you go ahead with work without the permission, you will be breaking the terms of your lease. It could also affect your buildings insurance cover.

## 12 Antisocial behaviour

We are committed to making sure that all residents enjoy their right to peace and security in and around their homes. We know that antisocial behaviour can have a severe effect on residents and that we have a duty to take action to reduce this as far as possible. As a result, we are using a range of measures to both prevent antisocial behaviour happening in the first place and taking action to stop it.

### What is antisocial behaviour?

***The Crime and Disorder Act 1998 describes antisocial behaviour as 'acting in an antisocial way that caused, or is likely to cause harassment, alarm or distress to one or more people not of the same household'. Examples of antisocial behaviour include:***

- noise nuisance - shouting, dogs barking, noise from hi-fis;
- intimidation and harassment;
- local environmental quality issues - litter, fly-tipping, dog fouling;
- aggressive and threatening language and behaviour;
- violence against people and property;
- hate behaviour that targets members of certain groups such as race, ethnic background, disability or religion; and
- using housing accommodation for illegal or immoral purposes.

## Your responsibilities

By signing your lease, you agree to accept the conditions in it and we expect you to keep to it. In most leases you will have promised:

- not to allow any act or thing that may be or may become a nuisance to us or other residents of the building or estate; and
- not to obstruct shared access ways, hallways, passageways and paths, or allow this to happen.

If you choose to sublet your property as a leaseholder, you are responsible for making sure your tenant keeps to the terms of the lease. ***If there are problems with your tenant's behaviour and you do not take action to prevent the antisocial behaviour from continuing, we will take action against you.***

The action we take will depend on the antisocial behaviour that is taking place. This includes getting a court injunction. If we did this, we would aim to get the court costs back from you. As a last resort, we may end your lease. This means that the property will return to the Council and you could lose any investment you had made in buying the lease.

In all cases, we will aim to work with you to sort out the dispute before taking legal action.

If you are experiencing antisocial behaviour in your building or on your estate, please report it to us. We will not give your details if you do not want us to.

## Contact us

By phone: Lewisham Homes Antisocial Behaviour team 0800 028 2 028 – Press 4. (It may be cheaper to call 020 8613 4000 from a mobile)

Housing Emergency Support Team (out of hours only) 020 8314 6000

Email: [asb@lewishamhomes.org.uk](mailto:asb@lewishamhomes.org.uk)

Fill in a form anonymously online at [www.lewishamhomes.org.uk](http://www.lewishamhomes.org.uk)

## How we will deal with your complaint

As part of our promise about antisocial behaviour, we will give you a safe environment where you can discuss your complaint. We will also provide support for you as long as you need it and it is reasonably practical. We will also make sure that all complaints are treated seriously and thoroughly investigated in a non-judgmental way.

We aim to have all cases either resolved or have a plan of action agreed within one month from the date of the initial complaint.

## Our teams responsible for tackling antisocial behaviour are:

- Our Antisocial Behaviour team; and

- Our Tenancy Officers.

These teams work with:

- The Council's Antisocial Behaviour Action Team (ASBAT);
- The Council's neighbourhood wardens;
- The Housing Emergency Support Team (HEST);
- Community police; and
- Wardens.

## What we can do to tackle antisocial behaviour

We will use a number of measures to tackle antisocial behaviour, along with other agencies.

These include:

- abatement notices;
- acceptable behaviour contracts;
- allocation and new tenant induction visits;
- antisocial behaviour injunctions;
- antisocial behaviour orders (ASBOs);
- closure notices and orders;
- demotion orders;
- designated public place orders;
- dispersal orders;
- diversionary projects;
- individual support orders;
- intervention orders;
- mediation;
- parenting contracts and orders;
- penalty notices;
- possession proceedings;
- rehabilitation of perpetrators and support for vulnerable groups;
- surveillance;
- tenancy sustainment;
- voluntary reparation agreements; and
- written warnings.

## 13 Selling your home

### Home information pack

When selling your property, you will need to provide a home information pack (HIP). All homes on the market in England and Wales must have this pack. The pack is a set of documents that gives the buyer important information about the property. The seller or the seller's agent must provide this before the property goes for sale on the market. The average cost of a HIP is between £300 and £350, but the price depends on the property.

Documents that you should include in your HIP:

- a home information pack index;
- an energy performance certificate (EPC);
- sustainability information (needed for newly built homes only);
- a sale statement;
- evidence of title (ownership);
- standard searches (local authority, drainage and water); and
- a copy of the lease.

The pack should not contain any advertising or marketing material, only official information. To get a HIP, contact a solicitor, an estate agent, a specialist HIP provider, or you can put one together yourself. For the last two options and more information, please see [www.direct.gov.uk](http://www.direct.gov.uk).

## Pre-assignment pack

We provide a sellers 'pre-assignment pack' which gives information about the property. We charge for this service. Your solicitor will normally ask for this as part of the sale process. A pre-assignment pack contains the following information.

- Three years service charge statements, including the current year
- The insurance schedule
- Details of major works and long-term agreements that will affect the property
- The conditions for transferring ownership of the property
- Policy and procedures for managing asbestos
- Details of outstanding balances on major works and annual service charge accounts
- Details on breaking any of conditions of the lease.
- A draft deed of covenant

To ask for a pre-assignment pack, please contact the Leasehold Services team on 0800 028 2 028 – Press 5 (It may be cheaper to call 020 8613 4000 from a mobile). We will send out the pack within 10 working days of receiving the payment. Please see the table below for the costs of the pack.

### ***Pre-assignment price list (prices may change in the future)***

<b>Title</b>	<b>Price (£) + VAT</b>
Full pre-assignment standard pack	75
A copy of rent charges	30
Remortgage enquiry	35
Copy of insurance	30
Leasehold handbook	15
Any other questions after providing the standard pack	30

## Repaying the discount if you bought under the Right to Buy

If you bought your home under the Right to Buy scheme, you may have to repay some or all of the discount that you received.

As long as you applied for your Right to Buy before 18 January 2005, you will only have to repay some or all of the discount if you sell within three years of buying your home. You will repay the discount at the following rate.

Property sold within	Amount of discount you will have to repay
One year of buying it	100%
Two years of buying it	66.6%
Three years of buying it	33.3%

You are exempt from paying back the discount in the first three years if:

- the property is transferred to a husband or wife as part of a divorce settlement as ruled by the courts;
- you sell as a result of a compulsory purchase order from the Council; or
- the property has been transferred to you under a will. However, if you want to sell an inherited property, you will have to repay the discount if the sale takes place within three years of the date that it was originally sold under the Right to Buy.

If you applied for your Right to Buy after 18 January 2005, different rules apply to you for repaying the discount. These are more complicated and affect sales taking place within five years of buying under the Right to Buy. The amount we ask you to repay depends on how much discount you received in the first place. We work out the discount as a percentage of the value of your home at the time that you bought it. We use this calculation to work out how much you must repay.

You can get further information on this from Leasehold Services. (See the useful contacts section on the last page of this handbook of this handbook.)

## **The right of first refusal regulations**

If you applied for your Right to Buy after 18 January 2005 and want to sell your property within the first 10 years after buying it, you must, in the first instance, give the Council (or your landlord if different) the opportunity to buy your property back from you.

You must do this before you offer the property for sale on the open market. The Council would have to pay the market value for your property.

The Council or other landlord does not have to buy your property, but you must give them the option to do so.

There will be a condition in your lease that says that you must offer the property for sale to the Council or other landlord during the first 10 years after you bought it originally. If you are selling your property your solicitor will be able to advise you about this or you can contact our Leasehold Services team.

## **Paying service charges when you are selling your lease**

When you are selling your property, the solicitor of the person buying it will ask a number of questions. These will include information on your service charge account to make sure that you have not missed charges for either the yearly service charges or major works. If you have missed payments on your service charge account, this may prevent the sale from completing.

### **What happens if major works has been carried out but I do not receive the bill before I sell?**

The buyer's solicitors will make enquiries about any bills due and any major works planned for the future. Once your solicitor and your buyer's solicitor know that there is a bill due for work carried out or to be carried out, they will agree payment with you and your buyer. This can be by asking you, as the seller, to leave an amount with your solicitor. This amount, often called 'the retention', is usually the full estimated cost of the major works.

If you have received notice that major works is to be carried out, you must tell the person planning to buy your home. You should pass to them a copy of any consultation notice or letter that you have received about the work.

### **Who is responsible for the annual service charge for the year that I sell?**

When you are selling your property, you should pay the whole year's service charge. On the completion date, your solicitor should then collect, from the person buying the property, the percentage of the service charge for which they are responsible. This is usually worked out on a daily rate. An example is below.

Service charge each year is £600  
You sell on 30 September  
You pay for 183 days = £300.82 ( $600/365 \times 183$ )  
Your buyer pays for 182 days = £299.18 ( $600/365 \times 182$ )

Your solicitor may also ask you to leave an amount to cover any extra amount that may become due when we know the actual cost of service charges for the year in which you sell. We explain actual cost adjustments in this handbook under the service charge section.

## **Changing ownership**

If you sell your home, you or the new owner must, under the terms of the lease, tell the Council within one month about the change of ownership.

## 14 Buying the freehold and lease extensions

### Buying the freehold of the building

The Council welcomes applications from leaseholders to buy the freehold of their home when all the properties in the building are leasehold.

You have a Right to Buy the freehold if:

- at least two-thirds of the flats in the building are held on long leases; and
- the number of leaseholders who want to buy the freehold equals at least half of all the flats in the building.

You may hear this referred to as the referred to as the 'right of collective enfranchisement'. If there are only two properties in a building, the law says that the leaseholders of both properties must want to buy the freehold for the 'right to collective enfranchisement' for it to apply.

There are restrictions on buying the freehold if more than 25% of the property is not for residential use.

If leaseholders buy the freehold in a building that has Council tenants left in it, the Council must take a 999-year lease back on those properties. Council tenants in buildings where the leaseholders have bought the freehold will keep their Right to Buy their home in the same way as other secure tenants.

The cost of buying the freehold depends on the property and legal costs. If you would like more information on buying your freehold, please contact Lewisham Council Property Services or contact us for more information. (See the useful contacts section on the last page of this handbook.)

Or, you can get a free booklet called 'Collective enfranchisement' from the Leasehold Advisory Service, LEASE. (See the useful contacts section on the last page of this handbook.)

### Extending the lease

Many individual leaseholders have the Right to Buy a new lease that lasts 90 years longer than their current lease. You can get information on this from LEASE See the useful contacts section on the last page of this handbook.)

### Right to apply to change the terms of a lease

Your solicitor will usually have explained your lease before you signed it. Once signed, the lease is a legally binding agreement between you and the Council.

If you or we need to change any of the terms of your lease, the changes can only be made with your, and the Council's, written agreement. In rare circumstances a lease can be changed even if one or more sides affected by the change do not agree. However, this would need a decision

from the Leasehold Valuation Tribunal (LVT). Both you and the freeholder can apply to the LVT to vary the lease.

## 15 Subletting your home

**A tenant is someone you rent your flat to when you are not living there. A lodger is someone who shares your home.**

You have the right to take in lodgers or rent your flat to anyone you want. You do not have to ask our permission, but you must let us and the Council know. Before subletting your home, you **must** do the following.

- You must get the permission of your mortgage lender if there is an outstanding mortgage on the property. This includes if you have a Council mortgage.
- You must make sure that any tenancy agreement insists your tenant behaves in a way that does not cause a nuisance to other residents of either the building or block or the estate. If your tenant creates a nuisance, it is your responsibility to take action to stop them from doing so. If you fail to do so, we may take legal action against you.
- You must make sure the property is insured. You will need to tell your insurer that you plan to sublet.
- You must tell the Council's Legal Services by writing to them with details of the subtenant. You will also have to pay a registration fee.
- You must give us details of your contact or correspondence address, or the address of your appointed managing agent during the period of subletting. This is needed as the ground rent, insurance and service charge will still be your responsibility as the leaseholder. We may also need to contact you if there are problems with the property. This is important as there are a number of reasons why we may need to contact you. These include:
  - if there are nuisance problems with your tenants;
  - to keep you up-to-date with your service charges; and
  - to consult you if major works is planned.

### Problems

One of the biggest problems we have with properties that have been sublet is water leaking from the property. Leaks can happen even in well-maintained properties, and it is not always obvious to the resident that there is a problem. We are often told about the leak by a resident in another property who has water coming into their home. If we can contact you quickly, the problem is usually easily corrected.

However, if the leak is not sorted out the problems and the cost increase. This can be costly for you and leaves other residents' homes suffering from water damage. If you do not stop the leak we will either:

- ask the Council to use its environmental enforcement powers to enter the leasehold property and stop the leak. In these cases we would pass the cost of court action and other costs to you; or

- seek a court injunction requiring you to carry out the repairs. We will also ask the court to award costs against you.

Providing us with your up-to-date contact details benefits us you and us, helping us to deal with any problems that arise quickly.

## Gas servicing

As a landlord, you must make sure that gas appliances (including gas central-heating boilers) are serviced each year by a gas-safe registered engineer. When you carry out this service, you will be given a certificate to show that the appliances have met the necessary standard. You must give a copy of this certificate to your tenant.

## Accredited landlord

If you let your property, you will become a landlord in the private sector. As a result, you will have obligations towards your tenants. Lewisham Council runs an accreditation (approval) scheme for private-sector landlords. If you are interested in getting this accreditation, please see the useful contacts section on the last page of this handbook in this handbook.

# 16 Major works

**As freeholder, the Council is responsible for maintaining the structural, exterior and common parts of the building and shared parts of estates such as roads and parking areas.**

We carry out these responsibilities on behalf of the Council. These areas are not included in your home because you share them with other people.

The cost of maintaining a building depends on its age and structure. From time to time we will need to carry out major works to improve or repair the shared and structural parts of the building. If the cost of the repair or improvement is estimated to cost you more than £250, we refer to it as major works, but these costs are also a service charge.

Under the terms of your lease, you must pay a share of the costs of major works. This will include a management charge of about 10% (see section 7 'Administration and management charges') and professional fees, such as consultant surveyors, engineers or architects.

Major repair work can take some time to complete. Generally we will not know the final cost until the work is finished, and we have checked and agreed the final sum with the contractor.

## Letting you know about major works

There is a section of this handbook that tells you about the consultation with leaseholders that we have to carry out by law. As well as this formal consultation where substantial work is taking place, we hold meetings with residents to discuss the proposed work with them. As well as asking for residents' views, the meetings cover matters such as:

- the arrangements we make to reduce any disruption as far as possible;
- what to do if you have concerns about the work while it is going on;
- health-and-safety measures; and
- meeting the contractor and the Resident Liaison Officer.

Where the need arises, we hold specific meetings for leaseholders to deal with any concerns they have. One of our experienced leasehold officers will go to these meetings. Alternatively, if you are concerned about major works or paying for them you can make an appointment to discuss your concerns with a member of our Leasehold Services team.

## **Emergency work**

There are times when we will not be able to consult you fully. This is usually when the work is an emergency and any delay may risk or cause further damage, resulting in extra costs. If this happens, we will give as much notice and information as possible.

## **Your contribution to major works**

The terms of most leases say you must contribute towards the cost of repairs and improvements. This includes major works as well as smaller repairs. Your property benefits from the general upkeep of the building, making it more desirable and comfortable to live in as well as keeping it protected from wind and rain.

## **Working out your share of the cost of major works**

In most cases, we share the costs of major works to common areas, the structure and the outside equally over all the properties that will benefit from them. In some cases the lease makes different arrangements for sharing costs. Both the Council and you must keep to the terms in the lease.

You can ask to examine the specification of the work and the costs.

## **The five-year protection period**

When a flat is first sold under the Right to Buy, the tenant buying their home receives estimates of what the service charges are likely to be for about the first five years of the lease. The estimates given for repair and improvement limit what we can charge for during this period. As a result, during broadly the first five years of a lease, we can only charge for repairs and improvements for which an estimate was given in the Landlord's Offer Notice. The amount we can charge is also limited during this period to the amount given in the Offer Notice plus for an allowance for inflation. If we do more work or the cost is higher than the estimate, we cannot

charge you. If we have overestimated the costs, you will only be charged what the work actually cost. This period of protection is also referred to as the 'initial period of the lease'.

The five-year protection period applies to repairs and improvements from the date the lease was first granted under the Right to Buy. If you sell the lease within this time, the next buyer is entitled to what is left of the five-year protection period.

After this protection period of the lease has ended, there is no limit to the amount we may charge you for repairs and improvements. But the cost of any major works must be reasonable when considered against the work carried out.

## **Telling us if you are not satisfied with the work**

During the consultation period, we will give you the name of one of our officers to contact about any issues or concerns you may have. As a leaseholder, if you have concerns about the work, you should raise these as soon as possible so we can deal with them. Do not wait until you receive your final bill. It is much easier to sort out disputes with contractors when they are still on-site.

We want you to be satisfied with the work carried out, and we appreciate that, as a leaseholder, you have made a large investment in your home.

## **How we charge you for major works**

The consultation notices sent to you before the work starts will give you an estimate of the cost. Shortly after the work starts, we will send you a bill for this amount. However, we will not usually know the final cost until after the work has been completed. Once we have worked out the final cost, we will adjust your charge so that we charge you the actual cost for your share of the work.

The information that follows, tells you about the consultation that will take place before major works is carried out. While it is not strictly an interpretation of the regulations governing consulting leaseholders, the practice that we will follow is designed to meet or better the requirements of any laws on consultation.

## **Formally consulting you about major works and long-term contracts**

The Commonhold and Leasehold Reform Act 2002 introduced new regulations for how landlords must consult their leaseholders. It is a legal requirement for landlords to follow these regulations.

### ***The regulations apply when:***

- you have to pay a service charge of more than £100 in any one year for costs paid under a long-term contract (a long-term contract is one that is let for more than one year, although some contracts are exempt); or
- you have to pay more than £250 towards the cost of works of repair or improvement.

If we fail to carry out the correct consultation, the amount we can claim from you is limited to £100 per year for costs incurred under a long term contract and £250 for repairs or improvements that are not part of a long term agreement. However, if it can be shown that we behaved reasonably, the Leasehold Valuation Tribunal (LVT) can choose not to enforce all or part of the consultation requirements. This may happen in the case of urgent work that needs to be carried out and there is not enough time to go through the consultation process.

### ***Public Notice Contracts***

There are separate regulations for consulting leaseholders if a public notice needs to be served. This is a notice placed in the Official Journal of the European Union (OJEU). We have to advertise the contracts in OJEU where the value is likely to exceed the limits of the European Union's Regulations. We have not included full details in this handbook about the consultation processes that we must follow for public notices. However, we will send you details explaining the contract where these are to be awarded. Broadly speaking, they are not very much different from the procedures set out below. However, you do not have the right to put forward the name of a contractor to do the work as the Notice placed in OJEU is a public notice and any contractor is able to express an interest in bidding for the work.

## **Consultation for major works (qualifying work)**

### ***When is consultation needed?***

The regulations say that we must consult you if we carry out work that results in you being charged more than £250.

Unless work is carried out under a long-term agreement (a contract lasting more than one year), all leaseholders paying towards the cost of the work in their service charge can expect us to follow the process below.

### ***Step one – Notice of Intent***

You will receive a notice (Notice of Intent) letting you know that we plan to carry out the work. The Notice of Intent will:

- give a general description of the work or give the address and times where you can inspect this;
- invite you to give your written comments on the proposed work;
- invite you to put forward the name of a contractor or person we should ask for an estimate for the work, and give the date by which you must do so;
- give our reasons for considering it necessary to carry out the work; and
- give the date by which we must receive your comments and the name of any contractor you may wish to put forward for the work. This will not be less than 30 days after the notice is served.

### ***Step two – Invitation To Tender to contractors***

We will ask one contractor put forward by leaseholders and one from a recognised Tenants' Association (this is not the same as a TRA). We will also ask other contractors to tender, usually from the 'EXOR list' of approved contractors. If you would like more information about forming a recognised Tenants' Association please contact Leasehold Services.

If you do not put forward a contractor, we will continue with the tendering by inviting contractors from the EXOR list.

We have included a list of questions and answers at the end of this section, giving you more information putting forward a contractor of your choice.

### ***Step three – Statement of Estimates***

Once the tenders have been returned, we must give you, and the secretary of any recognised Tenants' Association, a statement. The statement will contain:

- the amount shown in at least two estimates for the work;
- the estimate from the contractor put forward by a leaseholder or recognised Tenants' Association, if this applies;
- a summary of the comments we received during the first stage of the consultation;
- the dates, times and places where the estimates will be made available for inspection;
- at least one estimate from a person who is not connected with the landlord (the Council); and
- an invitation to you to make comments in writing. The address and date by which these must be made will be shown in the notice. It will not be less than 30 days after the notice is given.

### ***Step four – Statement of Reasons for the work and a summary of the comments***

Within 21 days of entering into the contract to carry out the work, we will state, in writing, the reasons for entering into the contract and summarise any observations made. We will not provide the summary of comments if the contractor giving the lowest estimate is chosen or the contractor was put forward by a leaseholder or recognised Tenants' Association.

The regulations shown above do not apply to any leaseholder who bought their property under the Right to Buy less than 30 days before we sent the notices out. This may result in some leaseholders not receiving all of the notices. However, we will make every effort to include all leaseholders at all stages in the process.

## **Long-term agreements or contracts**

### ***When is consultation needed?***

The regulations say that we must consult you if:  
we enter into an agreement (contract) for more than one year; and  
you will be paying more than £100 in your service charge towards costs of the contract in any one year.

The agreement is likely to be for:

- works (repairs and improvements);
- supplying goods; or
- supplying services.

Examples of the type of agreement for which we may consult you in the future are:

- maintaining the grounds;
- maintaining lifts; and
- some day-to-day repairs.

### ***How will the consultation be carried out?***

If you pay towards the cost of the agreement in your service charge, you will receive the following.

#### ***Step one – Notice of Intent***

This will tell you that we plan to enter into the agreement. The Notice of Intent will:

- give a general description of the work, services or goods and give the address and times where you can inspect this description;
- invite you to give your written comments on the proposal, and the date by which you must give these (this will be at least 30 days after the notice is served);
- invite you to put forward the name of a contractor or person we should ask for an estimate and give the date by which you must do so (at least 30 days after the notice is served);
- give our reasons for entering into a long-term agreement; and
- give all reasons for entering into the long-term contract.

#### ***Step two – Invitation To Tender to contractors***

We will ask for one choice of contractor from leaseholders and one from the Tenants' Association (this is not the same as a TRA). We will also ask other contractors to tender, usually from the 'EXOR list' of approved contractors. If you would like more information about forming a recognised Tenants' Association please contact Leasehold Services.

If you do not choose a contractor, we will continue with the tendering.

#### ***Step three – Proposal of Estimates***

Once the tenders have been returned, we must prepare at least two proposals for the agreement. One proposal must be from a person who is not connected with the Council.

If we have received an estimate from a contractor put forward by a leaseholder or recognised Tenants' Association, we must also prepare a proposal based on that estimate. The proposal will contain:

- if possible, an estimate of the cost to each leaseholder (if it is not possible to provide this estimate, the proposal will provide the total spending under the agreement and any relevant breakdown of the costs);
- any conditions for changing the amount in the contract; and
- a summary of the written comments made during the consultation period given in the Notice of Intent and our responses to them.

#### ***Step four – Notice to Leaseholders***

We will give you a notice to:

- accompany a copy of each proposal or to give the place and times when you can inspect the proposals;
- ask for your comments on the proposals; and
- give the address to which you must send the comments and the date by which you must do so. The date given will not be less than 30 days after the date we give the notice.

### ***Step five – Statement of Reasons for agreement and summary of comments***

Within 21 days of entering into the contract to carry out the work, we will state, in writing, the reasons for entering into the contract and summarise any comments made. We will not provide the summary if the contract entered into is the lowest estimate or was made with the contractor put forward by leaseholder or recognised Tenants' Association put forward.

## **Long-term agreements that include repair or improvement works**

We will carry out further consultation if the long-term agreement includes carrying out work, at a cost of more than £250 to each leaseholder. For example, this could be for decorations to the outside of a building and the common areas.

We will send a further notice to each leaseholder shortly before (but at least 30 days) the work is due to be carried out. The notice will include:

- a general description of the work to be carried out or tell you the place and hours where you can inspect a description;
- our estimate of the cost to carry out the work;
- invite your written comments on the work, and give the address and date by which they must be made; which will not be less than 30 days after the notice is served and
- our reasons for carrying out the work;

# **17 Your right to put forward a contractor**

## **General information**

We almost always use contractors who are on the EXOR list. This list contains contractors who have given us all the relevant information we need about their organisation and have shown that they have met our standards.

A 'tender' is the bid that an organisation or individual makes to try to gain a contract. It will include the price they will charge for carrying out the work or service and other information such as method statements.

### ***Can I only put forward one contractor?***

Yes. If you want to put forward a contractor for the proposed work, you must do this by the date shown in the Notice of Intent.

### ***Do I have to put forward the name of a contractor?***

No. Although you have the right to put forward a contractor, you do not have to do so.

### ***Will the work still take place if none of the leaseholders put forward the name of a contractor?***

If we do not receive any names from leaseholders, this will not stop the work taking place. We will be inviting contractors, usually, from the EXOR list to tender for the work.

***What will happen if a number of leaseholders choose different contractors?***

We only ask one contractor chosen by leaseholders to tender. We will try to invite the contractor who receives the most nominations from leaseholders to tender alongside the contractors we ask to tender. If no single contractor receives the most nominations, we will decide which of the leaseholders' choices to ask. This will be based on the choice we consider most suitable.

***Will you treat the contractors on the EXOR list in a different way to a contractor put forward by a leaseholder?***

No, the contractors on the EXOR list have already given us the information we need from any contractor. We will simply ask the contractor you choose to give us this information and meet the standards we ask from EXOR, before we invite them to tender. All the contractors will have to base their tender against the same specifications. We will then assess all the tenders fairly.

***Will you give me any more information before the work is carried out?***

Yes, the Notice of Intent is only the first stage of consultation. Once we have evaluated the tenders, we will send you a further notice (Notice of Estimates) giving the estimates for the work from at least two of the contractors. If the contractor put forward by a leaseholder returns a tender, we will include their estimate in the second-stage notice. We will ask for your comments on the estimates in writing and let you know when we need to receive them.

## **Guidance notes for leaseholders who want to put forward the name of a contractor**

Each year we spend millions of pounds on work, supplies and services. As well as fulfilling our legal responsibilities, we want to use that spending power to promote best practice and standards in the organisations with which we have contracts.

All contractors who want to tender for our contracts must fill in a business questionnaire. We will send the business questionnaire and guidance notes to any contractor you have put forward. The contractor will have to show that they meet our standards and are eligible to be placed on the EXOR list before we can ask them to tender. The following gives the general conditions we use when assessing a contractor.

### ***Financial***

The contractor must:

- show they have sufficient funds to meet all their commitments
- have a company bank account or banker's reference;
- have adequate insurance cover (employer's liability and at least £2 million for public liability);
- be VAT registered, where appropriate; and
- have a CIS tax-exemption certificate, where appropriate.

### ***Technical***

The contractor must:

- have the technical capacity for the work or services they are applying for;
- provide suitable trade references;
- be gas- safe registered if the contract is for installing gas appliances; and

- be NICEIC-approved if the contract is for electrical work.

### ***Health and safety***

The contractor must:

- have a written and comprehensive health and safety policy, relevant to the size of the company and its business.

### ***Quality management***

The contractor should:

- have a quality-management system (their own system or one that is accredited by another organisation).

### ***Equal opportunities***

The contractor must:

- take account of equal opportunities, with (depending on the size of firm) a written policy statement and written instructions to those responsible for recruitment, training and promotion, and mention their policy in any recruitment advertising; and
- be prepared to give details of their workforce

The contractor should:

- have a written, acceptable environmental policy, relevant to the size of the company and its business.

## **18 Paying for major works**

We send out the bills for major works separately from the service charge bills each year. In most cases, we will bill you for the work shortly after the work starts on-site. When the work is complete and we know the final costs, we will send you details of the actual cost. We will adjust your major works service charge account for any amounts that are under or over our estimate. If it is a large scheme, we may not know the actual cost until some time after you receive the estimated bill.

We normally must receive your payment within 21 days of sending the invoice. However, you can pay by interest-free instalments until we know the final costs for the work. This interest-free period will be for at least 10 months (the Council is currently reviewing the options that it offers).

On some schemes we may need to raise more than one bill, particularly if we spread the major works scheme over more than one year.

### **Paying for work – questions and answers**

#### ***What happens if I sell my property before I receive my bill?***

You should pass to your solicitor all consultation documents that you have been sent about the work. Your solicitor and your buyer's solicitor will negotiate with you and the buyer about paying

for the work. You may be asked to leave an amount (retention) with the solicitor to cover the cost of the work. This will be released when we send out the bills. In other cases, the buyer will agree to take on responsibility for the work.

***Can I pay for major works by instalments?***

Yes, you can pay for major works by instalments. We can arrange to accept instalments at any time after we have told you that the work is due to take place. You do not have to wait until we bill you for the work.

You can pay by instalments, interest-free, until 10 months after we have sent you the bill. In some cases it will be possible for you to make interest-free instalments over a longer period, for example if the actual cost for the work is not available within 10 months of us sending the bill. You can discuss these options with our leasehold services caseworkers. (You can find details in the useful contacts section on the last page of this handbook.)

***What options are there if I need longer to pay for the work?***

The following options should give you an idea of the different ways in which you can pay for the major works charges. We will discuss various options with you but cannot give you financial advice. We recommend that you get independent advice before you enter into any loan arrangements.

## **Increasing your mortgage**

If you already have a mortgage on your home, you can apply to your mortgage lender to have the cost of the work added to your existing mortgage. The mortgage lender pays for the major works and then you repay the mortgage lender for the work over the period of your original mortgage.

## **Remortgaging**

A number of leaseholders have arranged to remortgage their properties with a different mortgage lender. The new mortgage takes account of the cost of the work. Sometimes it is possible to remortgage at a lower rate of interest than you are paying on your current mortgage.

## **Service charge loans – discretionary loans**

The Council does offer service charge loans to most leaseholders. However, you may find that you can get a more competitive rate of interest from high-street lenders. The Council's service charge loans are secured by a mortgage on your property. If you are interested in taking out a loan from the Council to pay for a service charge for major works, please contact the leasehold caseworkers. We will be able to give you all the information you need. These loans depend on certain conditions, the interest rate can change and the term of the loan can be adjusted to suit your circumstances. However, the longer the period of the loan, the more you will pay in interest. Like a mortgage, if you miss the payment for a loan, your home could be at risk.

## **Service charge loans - Right to a Loan**

Some leaseholders have the Right to a Loan from the Council. This right only applies if the property was first sold under the Right to Buy scheme less than 10 years before the loan is taken out. These loans are also secured as a mortgage on your property. The interest rate can change and there are maximum periods over which you can repay the loan which depend on the amount you borrow.

## **Other loans**

Generally loans offering the lowest interest rate are those secured on the property. However, you can get other loans but these tend to have higher interest rates.

### ***Equity loans***

There are a number of different schemes designed to help elderly homeowners release any equity (the difference between any amount owed on the home and the value to sell) in their home. It is particularly important that you receive legal and financial advice before entering into one of the schemes. If you are interested in getting more information, Age Concern has produced a leaflet. You can ask us for a copy of this leaflet.

## **General**

If you are considering taking out a loan to pay for the work, it is important that you read all of the terms and conditions carefully. Some loans have heavy penalties if you want to pay the debt off early. It is important to remember that if you fail to keep up the repayments on a loan secured against your property, you could lose your home.

**Before entering into any loan agreement, you may want to get legal and financial advice.**

## **Pay it back when you sell**

In very rare circumstances, both the loan amount and any interest on the loan can be held as a charge on the property. This means that you do not have to pay any money until the property is sold. A 'charge' is placed against the property, this will be entered on the property details with Land Registry.

## **What happens if I cannot afford to pay for the work or a loan?**

If you know that you will be in this position, it is important that you contact us as soon as possible. Do not wait until we send you the bill.

You can discuss your circumstances over the phone, or arrange an interview. If you cannot come to the office for an interview, we can arrange a home visit. We will help you identify

benefits that you may be entitled to claim. And, we will work with you to try and reach an arrangement you can afford to pay.

To provide this help, we will need to ask you to provide full details of your income, spending and savings.

## **What will happen if I do not pay the major works bill?**

We will make every effort to come to an arrangement that you and we can accept. If necessary, we will take recovery action using legal proceedings. We will only take recovery action using the courts or Leasehold Valuation Tribunal, as a last resort. We will also take recovery action if you fail to pay the major works bill and do not contact us.

## ***What methods of payment can I use for annual charges and major works?***

### ***Standing order***

You can ask your bank to pay the service charge by standing order, usually on a monthly basis. You will also need to fill in and return the instalment request form, which we will send you with the bill. You can get bank standing-order forms from us.

### ***By cheque direct to Lewisham Council***

You can also send us a cheque using the freepost address. You should make your cheque payable to 'London Borough of Lewisham'. You need to make sure that your service charge account number, your name and the address of the leasehold property are on the back of the cheque.

### ***By credit or debit card***

You can pay by either of these methods at the Town Hall in Catford. Or, you can phone the hotline on 020 8690 8707. You will need to quote your name, address, service charge account number (10 digits) and say that the payment is for your service charge. Or, call Leasehold Services on 0800 028 2 028 – Press 5 (It may be cheaper to call 020 8613 4000 from a mobile).

### ***Payments online***

This facility allows you to make a payment over the internet. You can pay using a credit or debit card. You need to use different procedures depending on the type of card you use.

To do this, go to [www.lewishamhomes.org.uk](http://www.lewishamhomes.org.uk). Click on 'I am a leaseholder' on the left-hand side of the screen, then click on 'annual service charges' and then your bill. Click on the 'online' link to make a payment. You will go to a secure page and click on 'leasehold payment' to make a payment.

### ***Plastic card***

We send all leaseholders a plastic card to pay for the major works service charge when we send the bill. You can use this at any post office or at the Town Hall in Catford. You can use the

card for either cash or cheque payments. If you pay by cheque at the post office, you should make the cheque payable to 'The Post Office'.

If you have lost your card or have not received a card, please phone us for a replacement. (Please see the useful contacts section on the last page of this handbook of this handbook.)

### ***Paying at a bank***

At the bottom of the invoice is a bank giro slip. You should use this if you are paying at a bank. You need to be aware that some banks may charge you for this service.

## **19 How to reduce service charges**

### **Discretionary scheme to help with bills over £10,000**

We and the Council will consider all cases if the charge for repairs, improvements and maintenance is over £10,000 for any one leaseholder in any five-year period. We can reduce the charge so that it does not go over £10,000 in any five-year period. However, we do not have any discretion to reduce the bill below this level.

To do this we need to take into account certain conditions. A panel of Council officers will make recommendations to the Council's Strategic Head of Housing on each case. The Strategic Head of Housing will then make the final decision on whether or not to reduce the charge. We can reduce the bill to any amount between £10,000 and the actual cost of the work.

If your bill for major works is more than £10,000 in five years, we will write to you telling you whether or not we will reduce the charge for the work. You can also apply for a reduction under conditions for exceptional hardship. This will take account of all of the options open to you to pay for the major works. We cannot reduce the cost of the work below £10,000, even under the exceptional hardship condition.

## **20 Summary of costs and inspecting accounts**

### **Summary of costs**

You have the right to be given a written summary of costs for service charges. You must make your request in writing and it can only relate to the most recent period in which charges have been raised. We have one month to provide this (or six months from the end of the relevant period). This is usually the October after the end of the financial year the accounts relate to. The summary should show how the costs we have paid are reflected in the service charges. If there are four or more flats involved in the costs, the summary must be checked and signed off by a qualified accountant.

## Inspecting accounts

Once we have given you the summary, you have six months in which to write to us asking to inspect the accounts and relevant documents. Again, we must respond to this request within one month and keep the facilities available for up to two months. There will be no charge for inspecting the accounts, but we may charge you for photocopying information.

## 21 What to do if I'm unhappy with the service

We aim to provide high-quality services but sometimes things go wrong. If you are unhappy about any of our services or service charges, you should firstly tell us by contacting Leasehold Services.

Quite often we are only told that something is wrong when you receive your service charge bill. This can be weeks or even months after the problem happened. This makes it very difficult, and sometimes impossible, for us to sort out matters to your satisfaction. So please tell us about problems as and when they happen, and give us the opportunity to put things right.

If you are still not happy with the service we provide, you can make a formal complaint. You can get a leaflet on our complaints procedure in area housing offices or on our website. We are always trying to improve our services to you. Your complaints and suggestions will help us to do this.

For more information about service charges and the rights and obligations of landlords and leaseholders, some useful contacts are listed below.

### ***The Leasehold Advisory Service (LEASE)***

LEASE is an independent organisation that provides advice and is funded by central Government. It offers free advice on the law affecting residential leasehold properties. You can find details in the useful contacts section on the last page of this handbook.

### ***The Leasehold Valuation Tribunal***

You can also use your right to dispute a service charge through the Leasehold Valuation Tribunal at [www.rpts.gov.uk](http://www.rpts.gov.uk).

For more information, please see the section on the Leasehold Valuation Tribunal below.

## 22 Leasehold Valuation Tribunal (LVT)

The LVT is an organisation appointed to make decisions on various types of disputes relating to residential leasehold property. It has taken over a number of powers that the county court used to enforce.

The tribunal is an independent organisation that has powers to sort out disputes between leaseholders and their landlords. Both landlords and leaseholders can apply to the LVT for help in dealing with an issue.

If you are unhappy with any of the charges we ask you to pay under your lease, you can take the matter to the LVT. However, we can often sort out disputes without the need to go to the LVT. The tribunal will decide if it is a case on which they have the power to make a decision. You have to pay a fee to the tribunal when you apply.

The LVT can make decisions on a number of issues, including:

- your legal responsibility to pay service charges, either yearly charges or for major works;
- whether service charge costs are reasonable;
- whether services are of a reasonable standard;
- whether repairs have been carried out to a reasonable standard;
- whether specifications for future repairs are reasonable;
- settling disputes about our choice of insurer or insurance;
- whether we carried out consultation with you properly;
- allowing us to miss some or all of the consultation requirements;
- whether or not we can include the costs of the LVT case in the service charge to leaseholders;
- deciding on the value of the freehold in cases of enfranchisement;
- deciding the value of extending a lease;
- considering ending a lease if conditions have been broken;
- considering ending a lease due to unpaid service charges; and
- variations to leases.

### What happens?

The LVT will look at the case and decide if it is an appropriate case for them to consider. If they accept the case, they will tell you and us what information they need and the dates by which the information must be provided.

At the hearing, you will present your case and have the opportunity to ask us questions and we will also present our case. Based on all the information, the LVT panel will make a decision. They will give their decision in writing as soon as possible after the hearing. In some cases, the LVT will agree to make a decision based just on the written information, without a hearing.

You do not need to have legal representation at the LVT and evidence is not given on oath.

### Who is on the tribunal panel?

The tribunal will usually be made up of three people. It will have a chairman who is usually a lawyer, a valuer or a surveyor who will be responsible for making sure the proceedings run smoothly. They will write up the decision made by the tribunal with the reasons why the decision was made.

The other members may be lawyers, valuers or leaseholders. There is a charge (no more than £500) for applying to the LVT.

For more details about the work of the LVT, please visit the website of the Residential Property Tribunal Service at [www.rpts.gov.uk](http://www.rpts.gov.uk).

## **23 Legal Notices – Notice of Rights and Obligation, Notice of Ground Rent and table of leasehold acts**

### **Summary of your rights and responsibilities**

- 1) This summary sets out your rights and responsibilities in relation to variable service charges. By law, we must send it with any demand for service charges. Unless we send you a summary with a demand, you do not have to pay the service charge. The summary does not give a full interpretation of the law and if you are in any doubt about your rights and responsibilities, you should get independent advice.
- 2) Your lease sets out your responsibilities to pay service charges to your landlord as well as your rent. Service charges are reasonable amounts due for services, repairs, maintenance, improvements, insurance or our management costs.
- 3) You have the right to ask the Leasehold Valuation Tribunal to decide whether you are legally responsible for paying service charges for services, repairs, maintenance, improvements, insurance or management. You may ask the tribunal before or after you have paid the service charge. If the tribunal decides that you owe the service charge, they may also decide who should pay the service charge and who it should be paid to, the amount, the date it should be paid by, and how it should be paid. However, you do not have these rights if:
  - you have agreed on any matter;
  - a matter has already been, or is to be, referred to arbitration or has been decided by arbitration and you agreed to go to arbitration after the disagreement about the service charge or costs arose; or
  - a matter has been decided by a court.
- 4) If your lease allows us to recover costs from legal proceedings as service charges, you may ask the court or tribunal those proceedings were brought before, to rule that we may not do so.
- 5) If you want the Leasehold Valuation Tribunal to make a decision, you will have to pay an application fee. If the matter goes to a hearing, you will also have to pay a hearing fee, unless

you qualify for a reduction. The total fees due will not be more than £500, but making an application may mean extra costs, such as professional fees, which you may also have to pay.

6) The Leasehold Valuation Tribunal has the power to award costs (no more than £500) against one side if they dismiss a matter because it is frivolous, vexatious or an abuse of process. The Lands Tribunal has similar powers when hearing an appeal against a decision of the Leasehold Valuation Tribunal.

7) If we plan work on a building or any other premises that will cost you or any other tenant more than £250, or plan to enter into an agreement for work or services which will last for more than 12 months and will cost you or any other tenant more than £100 in any 12-month accounting period, you will not have to pay any more than these amounts unless your landlord has properly consulted on the proposed work or an agreement or the Leasehold Valuation Tribunal has agreed that consultation is not needed.

8) You have the right to apply to the Leasehold Valuation Tribunal to ask it to decide whether your lease should be varied because it does not satisfactorily work out the service charge under the lease.

9) You have the right to write to us ask for a written summary of the costs which make up the service charges. The summary must cover:  
the last 12-month period used for making up the accounts which relate to the service charge ending no later than the date of your request (if the accounts are made up for 12-month periods); or  
the 12-month period ending with the date of your request, if the accounts are not made up for 12-month periods.  
You must receive the summary within one month of your request or six months of the end of the period the summary relates to, whichever is later.

10) You have the right, within six months of receiving a written summary of costs, to make us allow you to inspect the accounts, receipts and other documents supporting the summary and take copies or extracts from them.

11) You have the right to ask an accountant or surveyor to audit our systems for managing finances of the premises containing your property. You can check our responsibilities as your landlord and whether the service charges you pay are being used efficiently. It will depend on your circumstances whether you can ask to do this alone or only with the support of other people living in the premises. You should get independent advice before doing so.

12) Your lease may give us a right to take the property back if you have failed to pay charges which are properly due under the lease. However, to do this we must meet all the legal requirements and get a court order. We will grant a court order if you have admitted you are legally responsible for paying the amount or a court, tribunal or arbitration decide that the amount is due. The court has a wide discretion in granting such an order and it will take into account all the circumstances of the case.

**This statement keeps to section 153 of the Commonhold and Leasehold Reform Act 2002 which came into effect on 1 October 2007.**

## **Commonhold and Leasehold Reform Act 2002 Section 166**

### ***Notice of rent due for those with a long lease***

To

This notice is given for .

You must pay rent of £10 on 1 April 2008.

This rent covers the period 1 April 2008 to 31 March 2009.

Under the terms of your lease, the amount of £10 is due on 1 April.

You should pay London Borough of Lewisham.

This notice is being given by London Borough of Lewisham, Town Hall, Catford, London, SE6 4RX.

### ***Notes for leaseholders***

Read this notice carefully. It sets out the amount of rent you owe and the date by which you must pay it. You should get help immediately, if you cannot pay, or disagree with, the amount. You can contact a citizens advice bureau, a housing advice centre, a law centre or a solicitor. Show this notice and a copy of your lease to whoever helps you.

We may be able to claim other amounts from you if you do not pay by the date shown in this notice. You have the right to go to the Leasehold Valuation Tribunal and challenge whether any extra amounts are responsible.

Section 167 of the Commonhold and Leasehold Reform Act 2002 and regulations made under it prevent us from ending your lease for not paying rent, service charges or administration charges (or a combination of them) if the amount you owe is £350 or less, or none of the unpaid amount has been outstanding for more than three years.

### ***Notes for landlords***

1) If you send this notice by post, address it to the leaseholder at the property for which the payment is due, unless they have told you in writing a different address in England and Wales at which you want to receive notices under section 166 of the Commonhold and Leasehold Reform Act 2002.

2) This date must not be either less than 30 days or more than 60 days after the day on which this notice is given or before that on which the leaseholder would have had to make the payment under the lease.

3) Include this statement only if the date for payment is not the same as the date set under the lease.

### ***Demand for ground rent – an explanation***

The Government has introduced changes to leasehold laws that affect the way in which we can ask for ground rent. This change came into effect on 28 February 2005. From this date you will not be legally responsible to pay your ground rent unless we make a demand for payment.

We have always sent an invoice demanding the ground rent each year and not put the burden on you to remember that your ground rent is due each year.

In recent years we have included the ground rent with the invoice for the yearly service charge. Sending just one invoice saves money and materials. This will benefit both you and us.

The notice we have sent with this explanatory note is set out in the way necessary by law.

The charge for ground rent is still included in the invoice for the service charge and continues to be shown as a separate charge.

**You do not need to make a separate arrangement to pay the ground rent, as you can pay it with your service charge.**

## **The main acts**

### ***Housing Act 1985***

#### *Right to Buy*

- Section 118 – allowed secure tenants to buy, at a discounted price, the freehold of their property (for houses), or the lease if the property was a flat.
- Section 125 – gives a description of the property and the price you can pay us to buy the freehold or leasehold. This gives the value of the property and the discount the tenant is entitled to. We will give estimates and information about service charges, as well as improvement and repair work within the first five years of ownership.
- Section 128 – gives you the right to have the value of your property assessed again by a district valuer.
- Section 155 – covers repaying the discount if the property is sold within the first three years of ownership.

#### *Housing Act 1996*

- Section 81 – restricts us from ending your tenancy if you fail to pay service charges.
- Section 83 – gives you the right to apply to the Leasehold Valuation Tribunal to decide whether service charges are reasonable.

#### *Landlord and Tenant Act 1985*

- Section 20 – says we must consult you about any qualifying work or qualifying long-term agreement for which you would have to pay towards the cost.
- Section 20B – says we must tell you the costs you have to pay in your service charge within 18 months, or you will not have to pay them.

*Landlord and Tenant Act 1987*

- Section 35 – allows you to apply to a court to change the lease if you have a long lease.

*Leasehold Reform, Housing and Urban Development Act 1993*

- Section 1 – allows qualifying tenants the right to collective enfranchisement (buying the freehold) as long as the total number of flats held by tenants is not less than two-thirds of the total number of flats in the premises.

*Commonhold and Leasehold Reform Act 2002*

- Section 151 – says we must consult you on major works that is going to cost more than £250, and for long-term agreements that cost more than £100 in one year.
- Section 12A (Added to the Commonhold and Leasehold Reform Act 1993) – we have a right to tell qualifying tenants who have decided not to become a member, about their right to collective enfranchisement.
- Section 166 – we have to let you know that your ground rent is due. Ground rent cannot be demanded more than 60 days before the date given in the notice.
- Section 168 – we cannot serve a notice on you to end the lease unless a court or Leasehold Valuation Tribunal has decided that you have broken the conditions of your lease.

*Housing and Regeneration Act 2008*

- Section 304 – the Right to Buy will not apply if a court orders us to take possession of the property.
- Section 305 – the Right to Buy will not apply if a demolition notice is placed on the property.

## Useful contacts

<b>Lewisham Homes contacts</b>	
<p><b><i>Lewisham Homes has a freephone number for all housing enquiries 0800 028 2 028 (It may be cheaper to call 020 8613 4000 from a mobile)</i></b></p> <p>Repair Service - Press 1            To pay your rent or to speak to someone about your rent - Press 2            Caretaking team - Press 3            Antisocial Behaviour team - Press 4            Leasehold team - Press 5            For all other enquiries simply hold the line and we will transfer you to our customer services team.</p>	
<p>Lewisham Homes Leasehold Services            Home Park Housing Office            129 Winchfield Road            Sydenham            London SE26 5TH            Email: <a href="mailto:leasehold@lewishamhomes.org.uk">leasehold@lewishamhomes.org.uk</a></p>	
<p>Pepys Housing Office            1A Eddystone Tower            Oxestalls Road            Deptford. London SE8 3QU</p>	<p>Holbeach Housing Office            9 Holbeach Road            Catford            London SE6 4TW</p>
<p>Honor Oak Housing Office            Spalding House            Turnham Road            London SE4 2HT</p>	<p>Home Park Housing Office            129 Winchfield Road            Sydenham. London SE26 5TH</p>
<p>Reporting repairs to shared areas            Email: <a href="mailto:repairs@lewishamhomes.org.uk">repairs@lewishamhomes.org.uk</a>            Monday to Friday, 8am to 5pm. Outside these hours and on bank holidays, this number is for emergency repairs only.</p>	<p>Antisocial Behaviour team            Report it online: <a href="http://www.lewishamhomes.org.uk">www.lewishamhomes.org.uk</a>            Email: <a href="mailto:asb@lewishamhomes.org.uk">asb@lewishamhomes.org.uk</a></p>
<p>Caretaking            Email: <a href="mailto:caretaking@lewishamhomes.org.uk">caretaking@lewishamhomes.org.uk</a></p>	<p>Customer Relations            Email: <a href="mailto:complaints@lewishamhomes.org.uk">complaints@lewishamhomes.org.uk</a></p>
<p>Community Involvement team            Holbeach Housing Office            9 Holbeach Road            Catford. London SE6 4TW            Email: <a href="mailto:getinvolved@lewishamhomes.org.uk">getinvolved@lewishamhomes.org.uk</a></p>	

<b>Lewisham Council contacts</b>	
Town Hall Catford London SE6 4RU Phone: 020 8314 6000	Housing Emergency Support Team (HEST) (Service available 365 days a year <b>after</b> 5pm only and all day at weekends.) Phone: 020 8314 6000
Insurance section Lewisham Town Hall Catford SE6 4RU Phone: 020 8314 6563	Private Sector Leasing Scheme Private Sector Leasing Scheme Evelyn Office 8 Kingfisher Square Deptford London SE8 5TW Phone: 020 8314 6753
Housing Benefit Phone: 020 8690 8444	Abandoned vehicles and Graffiti Phone: 020 8314 7171
Pest control Phone: 020 8314 7171	Recycling and rubbish collection Phone: 020 8314 7171
Fly-tipping and lumber Phone: 020 8314 7171 Lewisham Council will make a charge for removing lumber.	Homesearch Phone: 0845 122 0567 Website: <a href="http://www.lewishamhomesearch.org.uk">www.lewishamhomesearch.org.uk</a>
Parking Phone: 08452 185 248	

<b>Other contacts</b>	
Leasehold Advisory Service (LEASE) 31 Worship Street London EC2A 2DX Phone: 020 7374 5380 Fax: 020 7374 5373 Email: <a href="mailto:info@lease-advice.org">info@lease-advice.org</a> Website: <a href="http://www.lease-advice.org">www.lease-advice.org</a>	Leasehold Valuation Tribunal (LVT) Residential Property Tribunal Service 10 Alfred Place London WC1E 7LR Phone: 020 7446 7700 Fax: 020 7637 1250 Email: <a href="mailto:london.rap@odpm.gsi.gov.uk">london.rap@odpm.gsi.gov.uk</a> Website: <a href="http://www.rpts.gov.uk">www.rpts.gov.uk</a>
The Local Government Ombudsman The Oaks No 2 Westward Way Westwood Business Park Coventry CV4 8JB Phone: 024 7682 0000 Fax: 024 7682 0001	