

# Leasehold Guide

**IMPORTANT INFORMATION**

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## 1. Introduction

This guide 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 guide 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 our Home Ownership team but you may also want to get independent legal advice.

### Keeping you informed

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 on our website.

## 2. About us

Lewisham Homes is an ambitious organisation set up to improve housing in the borough, currently managing around 19,000 homes, the majority of which are social housing tenancies, and a smaller number being leasehold properties. We are a not-for-profit organisation of which the Council is the only shareholder.

We're undertaking a major local investment programme, operating our own maintenance company, and building new homes through a partnership with the local authority.

We are managed by a Board including residents, Councillors and independent members of the community with relevant skills and experience. Lewisham Council still own the freehold of the leasehold properties.

### Our vision:

To create thriving communities and places people are proud to call home.

It's why we exist

### Our mission:

To provide safe, quality homes, deliver efficient services and enhance life chances

### Our ambitions:

#### Landlord

Consistently delivering an excellent and reliable resident experience

#### Placemaker

Building and investing in safe, attractive and sustainable homes and neighbourhoods

#### Employer

Enable our staff to be the best they can be

#### Partner

Working in partnership to improve quality of life and life chances

#### Enterprise

Being an efficient, high performing business, maximising opportunities to deliver more

### Our Values:

#### Engage

Work well with residents and colleagues. Listen, share ideas and involve others.

#### Empower

Create opportunities and encourage others to achieve. Support and recognise colleagues.

#### Innovate

React positively to a problem. Solution focused and want to find a better way.

#### Deliver

Get things done in the right way. Be dependable, responsible, deliver great service while thinking about customers' needs.

What we are responsible for	What Lewisham Council is responsible for
Dealing with the Right to Buy scheme (except valuations and approvals)	Abandoned vehicles
Building new homes working with Lewisham Council	Homelessness
Dealing with antisocial behaviour	Housing Benefit
Assessing and managing housing including hostels and private sector leasing	Regeneration projects
The condition of the properties	Setting the rent
Repairs Service	Setting service charges
Collecting rent and service charges	'Homesearch', the choice-based lettings scheme
Repairs to shared areas	Cleaning streets
Enforcing tenancy and lease conditions	Carrying out work to trees
Managing our estates including caretaking, grounds maintenance, estate sweeping and bulk waste removal	Council tax
Managing our finances	
The Housing Revenue Account	
Dealing with people who are in our properties illegally	
Home Ownership services	
Letting and managing garages	
Modernisation and improvements	
Planned maintenance	
Support for sheltered housing residents	
Resident engagement	
Repairs and gas servicing	
Signing up new tenants	
Tenant matters such as successions, assignments and exchanges	
Empty properties	

### 3. Involving the community

We're proud to be 100% Lewisham, and we offer a range of opportunities for residents to get involved and help our local communities thrive.

These opportunities include:

- > free and discounted activities, events and offers for all ages at the Albany, a leading London arts venue and community hub in Deptford
- > applying for money from our Community Fund all year round for a project or event which will benefit local people
- > taking part in a variety of free accredited and non-accredited training opportunities
- > being part of a Tenants and Residents Association (TRA) or setting one up yourself. TRAs work with us and the community to find solutions to local service issues and introduce local initiatives. TRAs receive funding from Lewisham Tenants Fund which can enhance and encourage greater tenant involvement
- > being part of the Resident Engagement Panel which is made up of representatives from TRAs across the borough and is supported by Lewisham Tenants Fund. The Panel meet four times a year to make decisions, recommendations or raise concerns about Lewisham Homes' policies. They also represent local areas in decision making and contribute their feedback to the Lewisham Homes Board
- > being part of The Resident Scrutiny Committee which allows residents to shape and improve the future of our services. Supported by Lewisham Tenants Fund the committee is made up entirely of residents, who independently review our services
- > Lewisham Homes and Lewisham Council support Tenant Management Organisations (TMOs) where there is interest from tenants and residents. The Housing (Right to Manage) Regulations allow residents to take over the management of their homes from the local authority.

Contact our Community Relations team to find out more. See the useful contacts section on the last page of this guide.

#### **Especially for leaseholders**

If you have opted in for marketing emails, you will receive copies of Home magazine by email twice a year, keeping you up to date about

what's happening in your community and with your housing services. You can also find previous issues on our website. You will also receive quarterly leasehold newsletters as well as your annual service charge bill and 'actual cost' statements.

### 4. The lease

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

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



**Register now!**  
It only takes a moment

You just need:

- > Your name and address
- > Your account reference number (your account reference number is on your rent or service charge statement and other correspondence from Lewisham Homes)
- > Your email address

**What can I do?**

My Lewisham Homes is a secure area of our website that allows you to:

- > See your current service charge balance
- > View your regular charges and a statement of recent transactions
- > Report a non-urgent repair and book an appointment
- > See all the work due, completed and outstanding for your home
- > Update your personal and household information
- > Join the conversation on our forum for residents, and vote in regular polls

**Don't forget to pin the app to your home screen on your phone!**

**If you need to speak to an advisor, we have a freephone number for all housing enquiries**

**0800 028 2 028**

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 'Buying the freehold', 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 guide.

**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.

**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.

### 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 aerals

#### 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

You can save time by accessing our services online in the comfort of your own home.

### Customer Services

Our office is based in Catford:

The Old Town Hall,  
Catford Road, London SE6 4RU

For opening times please visit our website [lewishamhomes.org.uk](http://lewishamhomes.org.uk)

If you want to make a complaint or give a compliment about our services, see the useful contacts section at the back of this guide.

### Community Relations

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.

### Environmental Services

#### Caretaking

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

#### Estate Sweeping and Bulk Waste Removal

We will sweep your outdoor areas and when needed remove bulk items. All residents are responsible for disposing of their own unwanted large household items and can take them to the Reuse and Recycling Centre in New Cross.

#### Grounds Maintenance

Our gardeners look after the green areas on your estate which includes work like hedge cutting, leaf clearance and nurturing new plants. We want you to help us shape this service so contact our grounds maintenance team if you have ideas

#### Home Ownership team

This is your main point of contact except for reporting shared repairs. Home Ownership manage service charge accounts, work out bills, consult leaseholders on major works, deal with general enquiries and deal with situations when the lease has been broken.

### Insurance

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

### Repairs Services

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

### 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.

## 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.

A charge for building insurance is included in the service charges. This insurance covers any shared and exterior areas and the building structure. You are required under the terms of your lease to purchase additional insurance for your demised premises.

### Examples of the services we may charge you for:

- > general maintenance and repairs in shared areas
- > central heating if supplied from a central boiler
- > lift maintenance
- > lighting in communal areas
- > cleaning communal areas
- > grounds maintenance
- > estate sweeping and bulk waste removal
- > 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

#### 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.

#### Sweeping estate roads and paths

Our own in-house team delivers this service.

#### Bulk waste removal

Our in-house Bulk Waste team collect and dispose of bulky household items such as furniture. We schedule the teams to visit designated collection points at least once a week.

#### Working out the service charge for these services

We work out the cost of providing this 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.

#### Grounds Maintenance

This service is carried out by our own in-house team of gardeners.

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 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.

#### 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
- > drains and gutters, including jetting
- > rubbish chute 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.

### **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.

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 Home Ownership Services 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.

### **Community Relations (also see section 3)**

Leaseholders and tenants have the opportunity to take part in the various engagement activities that are provided by Lewisham Homes, section 3 of this guide gives more information about these. The leaseholders' service charge for Resident Engagement 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 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.

#### **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. We do not charge ground floor properties for this type of work.

#### **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.

#### **Window cleaning in shared areas**

We have a cleaning service for windows in shared areas. This work is carried out by a contractor appointed by Lewisham Homes.

#### **Working out the service charge for cleaning shared windows**

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

#### **Pest control**

This is the service provided to buildings where there are known problems with pests such as cockroaches, pharaoh ants or rats. Street properties do not benefit from 'block' pest control treatments.

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 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.

Street properties do not benefit from block pest control treatments.

### 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.

### 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.

### 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 years' 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.

### Payment methods for service charges

When you receive your annual service charge bill you will be required to make payment in full within 21 days of the invoice date. If you prefer to spread the cost, we can offer interest free instalments, on request. Payment methods available include:

- > Online: You can make debit or credit card payments online by setting up a My Lewisham Homes Account at [lewishamhomes.org.uk](http://lewishamhomes.org.uk). For credit card payments a 1.9% fee will be applied to each payment.
- > Direct Debit: You can set up a monthly Direct Debit by calling 0800 028 2 028 or by returning a Direct Debit mandate. Collections are made from your bank account on, or around the 5th of each month.
- > Payment Card: You can use your service charge payment card at any Post Office or shop that accept Pay-Point payments in Lewisham. You can request a payment card from the Home Ownership team.

### Financial hardship

If you are unable to pay for your service charges, it is important that you contact your leasehold caseworker immediately. You can discuss your circumstances with your caseworker, who will help you identify financial assistance you may be entitled to in order to reach an arrangement to pay.

### Non-payment of service charges

If you fail to pay your service charges within 21 days of the invoice date or do not come to an arrangement, you will be in breach of your lease and recovery action will be taken against you which could lead to legal proceedings. You may incur further charges and your home may also be at risk.

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 is different for purpose build blocks and 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 like email, Word, Excel

### 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
- > 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 a leaseholder, are responsible for insuring.**

Lewisham Council are responsible for insuring the shared parts of the building which are 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 every day 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.

### **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, the 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 guide 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.

#### **For your flat**

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

#### **For the reserved property - the 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 guide for details.

#### **Claims for both the reserved property and your flat**

Tell us and your insurers.

#### **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, 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.

**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.

**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 guide.

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 guide.

**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 guide 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.

**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 take action against you. 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 [lewishamhomes.org.uk](http://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.

**Summary of repair responsibilities**

<b>INSIDE YOUR PROPERTY</b>	<b>WE ARE RESPONSIBLE FOR</b>	<b>YOU ARE RESPONSIBLE FOR</b>
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	
<b>OUTSIDE YOUR PROPERTY</b>	<b>WE ARE RESPONSIBLE FOR</b>	<b>YOU ARE RESPONSIBLE FOR</b>
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	
If there is a garden included in your lease plan		X
Demised boundaries/fences in garden if applicable		X

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 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
- > Alter any pipework or electrics

**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?

If you wish to carry out alterations to your leasehold property, under the terms of your lease you must seek permission from Lewisham Homes. We act on behalf of your landlord, Lewisham Council.

You must not carry out any alterations until you have all relevant permissions because otherwise you will be in breach of your lease. In some cases, if this happens, we may have to take action to restore your property to its original state.

Please contact Lewisham Homes first for Landlord's permission. If your application is approved, you may need to apply for planning or building consent from Lewisham Council Planning and Building Control teams too.

You should always check with Lewisham Council if your property is in a conservation area as special limitations may apply.

### Landlord permission guide

We've put together a guide to help you through the process. This guide is not exhaustive and you may be requested to present more documents where necessary.

Your application must be submitted in full with all of the documents provided together. We cannot accept part applications. Please also ensure that you complete a disclaimer form.

Please provide us with a detailed written description of any proposed works including plans and drawings of before the work and after.

You must be the current legal owner of the property. We're unable to accept applications from potential purchasers.

### 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 guide.

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:

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 like shouting, dogs barking, noise from hi-fis
- > intimidation and harassment
- > local environmental quality issues like 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 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

Lewisham Homes Antisocial Behaviour team by email [asb@lewishamhomes.org.uk](mailto:asb@lewishamhomes.org.uk) or telephone 0800 028 2 028.

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

- > the Antisocial Behaviour team and
- > our Housing Officers

These teams work with:

- > the Crime Enforcement Regulation Service (CERS)
- > the Council’s neighbourhood wardens
- > 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 an Energy Performance Certificate, EPC. All homes on the market in England and Wales must have this. The certificate 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.

### 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 are currently being consulted on

- > 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
- > fire risk assessment and asbestos report where applicable



The current leaseholder can get a copy of their pre-assignment pack and other documents relating to their lease, by visiting our website [lewishamhomes.org.uk](http://lewishamhomes.org.uk) where they can be bought from our secure online shop.

There is a charge for the information and payment must be made by credit or debit card.

### 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	33.0%

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 about this on our website.

### **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 Home Ownership 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 x 183)  
Your buyer pays for 182 days =  
£299.18 (600/365 x 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 guidebook 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 '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.

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 guide.

### 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 guide.

### 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 First-tier Tribunal (FTT). 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:

- > On 1 Oct 2015 the Smoke and Carbon Monoxide Alarm (England) Regulations 2015 came into force. From that date, private rented sector landlords have been required to have at least one smoke alarm installed on every floor of their properties and a carbon monoxide alarm in any room where solid fuel is used. The landlord must make sure the alarms are in working order at the start of each new tenancy.
- > There are many things landlords must do before renting out a property, such as ensuring the property is free of hazards such as legionella. We recommend you seek further advice before subletting your property. Advice can be obtained from various organisations such as <https://www.citizensadvice.org.uk/housing/renting-a-home/subletting-and-lodging/subletting/>  
<https://www.gov.uk/browse/housing-local-services/landlords>
- > 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 run an accreditation or 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 guide.

## 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

A section of this guide tells you about the consultation with leaseholders that we are 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. 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 Home Ownership 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 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 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 - 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 First-tier Tribunal (FTT) 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, which is 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 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. We will also ask other contractors to tender, usually from Constructionline approved contractors. If you would like more information about forming a recognised Tenants' Association please contact our Housing Management team.

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

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 including 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 which 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 which is 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. We will also ask other contractors to tender, usually from Constructionline approved contractors. If you would like more information about forming a recognised Tenants' Association please contact our Housing Management team.

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

### Selling your property

If you sell your leasehold property before receiving your major bill you should pass all consultation documents that you have received to your solicitor. Your solicitor and the buyer's solicitor will negotiate with you and the buyer about paying for the work. You may be asked to leave a retention amount with the solicitor to cover the cost of the work. This can then be released when we send out the bills to the new leaseholder. In other cases, the buyer will agree to take on responsibility for the work. These negotiations are the responsibility of each party's solicitor, not Home Ownership Services.

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## 17. Your right to put forward a contractor

### General information

We almost always use contractors who are on the Constructionline 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.

### Putting forward a contractor

In some circumstances, you will have the right to suggest a person, firm or contractor who you would like to tender for the work or long-term agreement. This does not apply in those schedules where we have to give a public notice.

### What is a public notice?

A public notice allows firms and contractors from other EU (European Union) countries to tender for work or long-term agreements. This is set out in the EU procurement rules ('procurement' means arranging and paying for work or services). These rules cover all large contracts offered by public and government organisations.

We must publish the public notice in the Official Journal of the European Union (OJEU). The threshold values vary depending on the value of the pound sterling, and they are currently £4.5 million for works and £181,000 for supplies and services.

At present, all large public contracts need to be advertised in this way. This is to allow companies across the whole European Union to have the opportunity to approach us and let us know that they would be interested in doing the work.

Should the UK not be a Member State of the European Union at the point the Public Notice is placed, Lewisham Homes will follow statutory guidance from the Government in accordance with UK legislation.

### 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 Constructionline 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 Constructionline list in a different way to a contractor put forward by a leaseholder?

No, the contractors on the Constructionline 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 Constructionline, 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, a 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 Constructionline 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**

If you receive an estimated major works bill, you are required to make payment in full within 21 days of the invoice date. If you prefer to spread the cost, we can offer interest free instalments based on at least 90% of the estimated bill until we know the actual cost of the work.

Once the actual cost of works is calculated an adjustment will be applied to your major works account and we will review your payments or address any credit balance that remains.

If you receive an actual major works bill you will be required to make payment in full within 21 days. If you prefer to spread the cost, we can offer interest free instalments.

The interest free payment options available for leaseholders who live in the leasehold property, resident, and those who do not live in the leasehold property, non-resident, are as follows:

- > resident and non-resident leaseholders can request to pay bills over a maximum of 10 months, by instalments
- > resident leaseholders can apply to pay bills below £3,000 over a maximum of 24 months, by instalments
- > resident leaseholders can apply to pay bills above £3,000 over a maximum of 36 months, by instalments
- > resident leaseholders who receive bills over £10,000 can apply to pay the first £10,000, interest free, over a maximum of 36 months, by instalments, with interest charged on any remaining balance

You can discuss these options with your leasehold caseworkers. You can find details in the useful contacts section on the last page of this guide.

If you need longer to pay for the major works, the following options should give you an idea of the different ways in which you can do so. Leasehold caseworkers are available to discuss various payment options with you but cannot give you financial advice. We recommend that you seek 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. This is likely to affect the terms of your mortgage repayment.

### Re-mortgaging

You may be able to re-mortgage your home to pay the major works bill.

### Service charge loans – discretionary loans

The Council offers discretionary loans to most leaseholders for major works. You may find that you can get a more competitive rate of interest from high-street lenders. The Council's discretionary loans are secured against your property, are subject to terms and conditions and the interest rate can change. The longer the period of the loan, the more interest you will pay. Your home may be at risk if you fail to keep to the terms of the loan. If you are interested in applying for a discretionary loan, please contact your leasehold caseworker for further information.

### Service charge loans – Right to a Loan

If you receive a major works bill within 10 years of your property being purchased under the Right to Buy scheme you may have the Right to a Loan from the Council. You may find that you can get a more competitive rate of interest from high-street lenders.

Loans are secured against your property, are subject to terms and conditions and the interest rate can change. The longer the period of the loan, the more interest you will pay. Your home may be at risk if you fail to keep to the terms of the loan. If you are interested in applying for the Right to a Loan, please contact your leasehold caseworker for further information.

### Other loans

You may want to investigate other types of loans that offer more competitive interest rates. If you are considering obtaining a loan to pay for the major works, please contact our Home Ownership team.

### Equity loans

If you are an elderly leaseholder, you may want to consider a loan to release the equity in your property. Equity is the difference between any amount owed and the value of the property. It is imperative that you receive legal and financial advice before entering into one of these arrangements. For more information and advice, contact Age UK. You can find their contact details on the back page of this guide.

### Financial hardship

If you know you are unable to pay for your major works by the above options, it is important that you contact your leasehold caseworker immediately. You can discuss your circumstances with your caseworker, who will help you identify financial assistance you may be entitled to in order to reach an arrangement to pay.

### Non-payment of major works

If you fail to pay the major works bill within 21 days of the invoice date or do not come to an arrangement, you will be in breach of your lease and recovery action will be taken against you which could lead to legal proceedings. You may incur further charges and your home may also be at risk.

### Payment methods for major works

Direct Debit – You can set up a monthly Direct Debit by contacting Lewisham Homes or by returning a Direct Debit mandate. Collections are made from your bank account on, or around the 5th of each month.

Online – You can make debit or credit card payments online by setting up a My Lewisham Homes Account at [lewishamhomes.org.uk](http://lewishamhomes.org.uk). For credit card payments a 1.9% fee will be applied to each payment.

Payment Card – You can use your major works payment card at any Post Office or shop that accept Pay-Point payments in Lewisham. You can request a payment card from our Home Ownership team.

## 19. The Social Landlords Reduction of Service Charges

If you are billed £10,000 or more for major works in any five year period, the bill may be considered by the Council for a discretionary reduction.

If your contribution towards major works is calculated to be £15,000 or more in any five year period, a mandatory cap may be applied in addition to any discretionary reduction.

## 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 our Home Ownership team.

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 guide.

### The First-tier Tribunal

You can also use your right to dispute a service charge through the First-tier Tribunal.

For more information, please see the section on the First-tier Tribunal below.

## 22. First-tier Tribunal (FTT)

The FTT 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 FTT 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 FTT. However, we can often sort out disputes without the need to go to the FTT. 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 FTT 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 FTT 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 First-tier Tribunal 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 tribunal panel will make a decision. They will give their decision in writing as soon as possible after the hearing. In some cases, the tribunal 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 tribunal 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 provide you with a written 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 FTT.

For more details about the work of the FTT, please visit the website of the Residential Property Tribunal Service at [gov.uk/courts-tribunals/first-tier-tribunal-property-chamber](https://gov.uk/courts-tribunals/first-tier-tribunal-property-chamber)

## 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 First-tier 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 or admitted 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 First-tier 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 First-tier 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 First-tier 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 First-tier Tribunal has agreed that consultation is not required.

8) You have the right to apply to the First-tier 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.

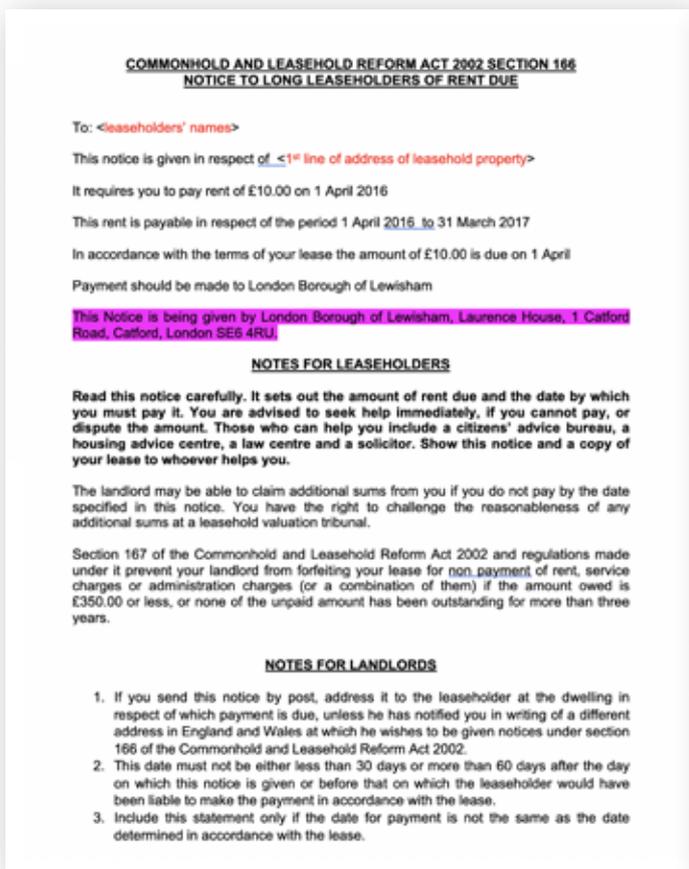
12) Your lease may give us a right to take the property back if you have failed to pay charges which are properly due under the lease. However, to do this we must meet all the legal requirements and get a court order. We will obtain a court order if you have admitted you are legally responsible for paying the amount or a court, tribunal, arbitration or panel 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 complies with section 153 of the Commonhold and Leasehold Reform Act 2002 which came into effect on 1st October 2007.**

Lewisham Council will send you a Section 166 notice when your ground rent is due. It looks like this:

The Council has always sent an invoice demanding the annual ground rent and not put the burden on leaseholders to remember that the ground rent is due each year.

In recent years the ground rent has been included with the invoice for annual service charge. Sending just one invoice saves money and materials. This is of benefit to both leaseholders and the Council.



**Demand for payment of ground rent – an explanation**

The Government has introduced changes to leasehold legislation that affects the manner in which leaseholders must be asked to pay their ground rent. This change came into effect on 28 February 2005. From this date leaseholders will not be liable to pay their ground rent unless a demand for payment is made by the landlord.

The Notice sent with this explanatory note is set out in the manner required by the legislation.

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 before it can be paid 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 Notice – 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 five 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 First-tier 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 of the costs being incurred

### 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 First-tier Tribunal has decided that you have broken the conditions of your lease

### Housing and Regeneration Act 2008

- > Section 304 – the Right to Buy cannot be exercised if a tenant is subject to a possession order
- > Section 305 – the Right to Buy will not apply if a demolition notice is placed on the property

## Contacts

### Lewisham Homes contacts

You can save time by accessing our services online in the comfort of your own home.



### Contact us

[lewishamhomes.org.uk](http://lewishamhomes.org.uk)  
0800 028 2 028

### Our Service Areas



#### Antisocial Behaviour team

Report it online at  
[lewishamhomes.org.uk](http://lewishamhomes.org.uk)  
[asb@lewishamhomes.org.uk](mailto:asb@lewishamhomes.org.uk)



#### Environmental Services

Caretaking, grounds maintenance,  
estate sweeping and bulk waste  
[environmental.services@lewishamhomes.org.uk](mailto:environmental.services@lewishamhomes.org.uk)



#### Community Relations team

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



#### Customer Relations

For complaints and compliments  
[complaints@lewishamhomes.org.uk](mailto:complaints@lewishamhomes.org.uk)



#### Home Ownership

[homeownershipservices@lewishamhomes.org.uk](mailto:homeownershipservices@lewishamhomes.org.uk)



#### Housing Management

[housingmanagement@lewishamhomes.org.uk](mailto:housingmanagement@lewishamhomes.org.uk)



#### Repairs

[repairs@lewishamhomes.org.uk](mailto:repairs@lewishamhomes.org.uk)

## Do it online [lewishamhomes.org.uk](http://lewishamhomes.org.uk)

PIN IT TO  
YOUR HOME  
SCREEN

- ★ Update your contact info
- ★ Report communal repairs
- ★ Service charge account
- ★ Major works account
- ★ Online forums & polls

We can give you this information in any other way, style or language that will help you access it. To request an alternative format contact us.

[homeownershipservices@lewishamhomes.org.uk](mailto:homeownershipservices@lewishamhomes.org.uk)

0800 028 2 028

## Contacts

### Lewisham Council and other contacts

#### Our offices

##### Lewisham Homes

Old Town Hall,  
Catford Road,  
London, SE6 4RU  
**For opening hours please  
visit our website**  
[lewishamhomes.org.uk](http://lewishamhomes.org.uk)

#### Lewisham Council Contacts

You can contact most services online at  
[lewisham.gov.uk](http://lewisham.gov.uk)

#### Insurance section

Insurance & Risk  
Room 201 Town Hall Chambers  
Rushey Green  
Catford  
London  
SE6 4RU

#### Landlord Accreditation Scheme - for private sector leasing

1A Eros House  
Brownhill Road  
Catford  
SE6 2EG  
0208 314 6733  
[psl@lewisham.gov.uk](mailto:psl@lewisham.gov.uk)  
Housing Benefit  
020 8690 8444

#### Fly tipping, recycling, rubbish collection, pest control, abandoned vehicles and graffiti

020 8314 7171

#### Parking

08452 185 248

#### Homesearch

0845 122 0567  
[lewishamhomesearch.org.uk](http://lewishamhomesearch.org.uk)

#### Leasehold Advisory Service (LEASE)

31 Worship Street  
London  
EC2A 2DX  
020 7374 5380  
[info@lease-advice.org](mailto:info@lease-advice.org)  
[lease-advice.org](http://lease-advice.org)

#### First-tier Tribunal (FTT)

Residential Property Tribunal Service  
10 Alfred Place  
London  
WC1E 7LR  
020 7446 7700  
020 7637 1250  
[london.rap@odpm.gsi.gov.uk](mailto:london.rap@odpm.gsi.gov.uk)  
[gov.uk/courts-tribunals/](http://gov.uk/courts-tribunals/)

#### The Local Government Ombudsman

The Oaks No 2  
Westward Way  
Westwood Business Park  
Coventry  
CV4 8JB  
024 7682 0000  
024 7682 0001



# Leasehold Guide

**IMPORTANT INFORMATION**

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