

North West Leicestershire District Council

Leaseholder Handbook



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Introduction

This handbook is for residents who acquire their home from NWLDC under the Right to Buy scheme on a long lease. It will explain your rights and responsibilities as a leaseholder, and describe our responsibilities to you as the landlord.

Although it will serve as a useful reference containing advice and information, please note it is not an authoritative interpretation of the law and it does not alter or affect the terms of your lease.

Your lease is a complicated legal document which sets out your responsibilities as a leaseholder and those of the Council as a landlord. If there is a dispute or disagreement it will be settled under the terms of your lease which is your legal contact with the Council. In this event you should consider getting independent advice from your solicitor or local advice centre.

The Legislation

Some of the main laws that affect leaseholders are:

The Landlord and Tenant Acts 1985 and 1987, which include:

- A definition of service charges;
- Leaseholders' rights to be consulted on repairs over a set limit; and
- How residents' associations are formerly recognised.

The Housing Acts 1985, 1996 and 2004, which cover:

- The Right to Buy and its processes;
- Limiting a leaseholder's liability for the first five years; and
- The role of First-tier Tribunal (Property Chamber) (FTT)

The Commonhold and Leasehold Reform Act 2002, which covers:

- The major work consultation;
- New requirement to consult people about contracts lasting more than 12 months
- Rules about buying the freehold and extending the leases; and
- More powers given to First-tier tribunals (Property Chamber)

Legal Rights

As well as rights in your lease, there are other rights in law which apply to leaseholders. These are Acts of Parliament which have been agreed by Government. The law is complex and if you want to find out more about these, or any other legal rights, you should ask your solicitor or independent advice centres such as the Citizens Advice Bureau. The Council must make sure its service charges and estimates are reasonable. The service or works carried out must also be done to a reasonable standard.

You can apply to a First-tier Tribunal (Property Chamber) (FTT) if you think the service charges are not reasonable or the services or works are not of a reasonable standard. The tribunal has the power to decide whether or not the charges are reasonable. You cannot withhold payment of service charges because you believe the charges are unreasonable.

Application to the First-tier Tribunal (Property Chamber)

In the event of agreement not being reached in the resolution of a dispute between leaseholder and the Council, the First-tier Tribunal (Property Chamber) (FTT) can hear cases about issues such as – The reasonableness of service charges; insurance cover or premiums; appointment of a manager where the landlord's management of a building is unsatisfactory; variations of leases; breaches of leases.

First-tier Tribunal (Property Chamber) are an independent and impartial panel with knowledge of the management of leasehold property. They consider applications made on issues/disputes which arise. There is a fee for each application. You can apply individually or along with other leaseholders. Please visit www.lease-advice.org/news-item/the-first-tier-tribunal-property-chamber-new-fees/ for more details.

Buying the freehold of the building your flat is in (leasehold enfranchisement)

If your lease was in excess of 21 years when first granted, you have the right to buy the freehold of the building, along with the other leaseholders in the building, as a group. This is known as 'collective enfranchisement'. If you buy the freehold, all the leaseholders in the building take over the management of the building.

To qualify, you and the building your flat is in must meet the following conditions:

- At least two thirds of the flats in the block must be owned by leaseholders. At least half of the leaseholders must want to buy the freehold.
- The leaseholders buying the freehold must be constituted (have a written set of rules) in line with the law. The block must have two or more flats in it.
- No more than 25% of the floor area inside the building must be used for non-residential purposes - for example as an office or shop.

If the block doesn't meet all of the above conditions, you will not be able to buy the freehold. It is essential to get legal advice if you and the other leaseholders want to buy the freehold of your building.

Consultation

The Commonhold and Leasehold Reform Act 2002 changed the way landlords need to consult with leaseholders.

We must consult you before we begin any major repairs, maintenance or improvements for which you will have to pay a share and which will cost any leaseholder in the building more than £250. We must also consult you on certain long term agreements or contracts lasting more than 12 months which we intend to enter into and will cost you more than £100 a year.

We will consult you as an individual leaseholder. If you are a member of a recognised tenants' association, we may also consult you through your association.

Your lease

What does being a leaseholder mean?

If you have bought a flat by exercising the 'Right to Buy' direct from the Council it will be part of a larger building which is divided up into individual units. There will usually be another property above, below or next to yours and within the same building.

Each property is not independent and will share things such as a roof, foundations, an entrance hall and a stairwell. The shared parts of the building will need to be looked after for the benefit of all the individual residents with the costs being shared between all the leaseholders and tenants in the block.

Your lease describes the property you have bought, or the internal shell of the property. The Council is responsible for the upkeep, maintenance, repair and improvement of the building as a whole. You are responsible for paying your share of these costs through your annual service charge, contribution to improvement work.

What is a lease?

The lease is a legally binding contract that sets out the terms on which the landlord allows you to occupy the property described in the lease. The lease governs the relationship between you and the Council, setting out their respective rights.

The Council retains a legal duty to enforce your obligations in the lease and also to maintain and repair the building that your home is in and all shared areas, grounds and services. Once you have bought the property, you and the Council both have to carry out your responsibilities in the lease.

There are different types of lease depending on when you bought the property. You should always look at your own individual lease if you want to check something.

The Council's responsibilities

We have a duty to:

- Insure the building but not the contents of your flat. The cost of insuring the building is charged to leaseholders (based on the its relative value against the total leasehold properties insured)
- Keep the structure and exterior of the building in good repair
- Maintain and repair all the communal parts of the building and estate. (See page 8-9 for more detail)
- Gain access to your home to carry out inspections or repairs
- Collect ground rent and make service charges to cover your share of the costs of the repair, upkeep and management of your building and communal areas.
- Manage your block or estate in a proper and reasonable manner
- Tell you about any other service charges that come up during the year
- Provide an annual statement of charges showing actual costs for services to your block over the previous year, and how much you need to pay
- Consult you before doing major work to the building.

We also have the right to:

- Enter your home to repair, make improvements, or to inspect anything that affects the shared parts of the building, but must give reasonable notice unless it is an emergency.

Your responsibilities

You have a duty to:

- Pay the ground rent and service charge as required.
- Pay major works providing that full consultation has been provided under the provisions of The Commonhold and Leasehold Reform Act 2002, Section 151
- Only use your flat as a private home
- Keep the interior of your flat and your garden area in good condition and repair. (See page 7 for more detail)
- Repay some or all of the "Right to Buy" discount if the flat is sold within the repayment period
Currently this is five years from the date of purchase
- Make sure that any members of your household or visitors to your home do not do anything that may cause nuisance or annoyance to residents, or cause damage to any part of the building
- Request written permission from the Council before making structural alterations, improvement or additions (including new windows)
- Allow access for inspections, repairs or work required to the building
- Send a copy of any notice affecting the property to us
- Tell us if you transfer your lease, change your mortgage, or sub-let your home.
- Observe all the terms and regulations set out in your lease.

Your rights as a leaseholder

As well as responsibilities, you have rights which are included in the lease. Some of the most important rights are:

- To live in your home without being disturbed by us as long as you pay all the charges you are responsible for under the lease and do not break any of the other conditions of your lease
- The use of the shared parts of the building and communal parts of the development such as communal gardens and in some cases, car parking areas.

What is a Service Charge?

As a leaseholder, you must pay us your share of the cost of managing, maintaining, repairing, insuring and providing services to the block, or estate where you live. Service charges are based on the money we spend on maintaining the block and/or estate and can include:

- Grounds maintenance
- Repair and maintenance work
- Shared electricity
- Ground rent
- Security measures, door-entry and CCTV
- Building insurance
- Cleaning
- Management and administration costs.



The calculation of the service charge is primarily based on known expenditure, for example, the cost of grounds maintenance or building cleaning. It also considers anticipated expenditure based on actual expenditure for the past five years. For example, repairs and maintenance.

By operating variable approach to service charges, actual costs are reconciled within six months of the financial year end. NWLDC will then issue the leaseholder with a demand for the actual costs incurred in the year, less payments already made.

How to Pay / Billing

In February, before the beginning of the new financial year, NWLDC will send to all leaseholders a demand for the service charge for the new financial year. A separate invoice for the ground rent will be sent out on the anniversary of the granting of the lease (sale date).



Within six months of the financial year end NWLDC will issue the leaseholder with a demand for the actual costs incurred in the year, less payments made (usually by 30 September). Underpayments are invoiced, whilst credits are used to adjust your next bill unless a refund is requested.

Our preferred method of payment is by Direct Debit. The invoice will have a barcode which enables you to make a payment over the phone or on the internet or at any Paypoint outlet or Post Office. You can find details of your nearest Paypoint outlet at www.paypoint.co.uk.

Payment of service charges is a condition of your lease and if you miss any service charge payments, you will be breaking your lease and possibly your mortgage agreement (if you have one). If you have difficulties with your payments you should let us know immediately.

Arrears Management

NWLDC will contact all leaseholders to discuss revised repayment schedules where they fail to make payments as demanded in respect of ground rent, service charges, building insurance, repairs costs and administration charges.

Where arrears total more than £350 or have been outstanding for more than three years, NWLDC may consider applying for forfeiture of the lease (where NWLDC will seek to bring the lease to an end and regain possession of the property).

Where this situation occurs and the leaseholder has not agreed that the arrears are due, NWLDC must first make an application to the courts to determine that a breach of lease has occurred.

After the determination is made by the courts, the leaseholder will have 14 working days to pay the outstanding arrears. If this does not occur NWLDC may serve a section 146 Notice (Law and Property Act 1925), which is the first step to obtaining a court order to recover possession of the property. Leaseholders wishing to appeal the notice should contact the court at the earliest opportunity and within a reasonable time from the determination.

Repairs and Improvements (Connected with your individual property)

As a leaseholder you have responsibilities as described in the terms of your lease enabling you to maintain your property. These responsibilities will relate to general repair and redecoration.

Our responsibilities	Your responsibilities
All works in connection with the structure, exterior and communal areas of the building	Internal decoration of your own flat
Communal areas requiring work both internally and externally	Internal floorboards if applicable and floor coverings
All communal fixtures and fittings i.e. Gutters, rain water pipes and fascia boards	Internal fittings used by yourself. Internal pipes, sinks, taps and domestic sanitary fittings
The provision of any cleaning services, electrical installations and supplies along with communal TV aerials	To upkeep and maintain your own heating systems including annual servicing
To keep in good order all pathways, walls and car parking areas. To maintain communal green areas and soft landscapes	To keep in good practical and aesthetical order all fences and walls that have been sold and are included with your lease
To provide an up to date building insurance policy adequate and fitting for its purpose	Gas fittings, light fittings, fuses and appliances installed or benefited by you
External drainage and soakaways	To protect pipes from frost repairing all bursts
	Internal wall coverings – plaster, doors, skirting boards and tiles etc
	Any additions made to your home by you should have our consent including sheds and porches

Alterations to your Property

Should you choose to carry out any alterations or improvements to the property you must first obtain permission from North West Leicestershire District Council. Without this permission you may be required to restore the property back to its original state as per when the lease began. This will of course be at your own expense.

If you are in doubt as to whether you need written consent, please contact the Asset Management Team on 01530 454635 or email enquiries to repairs@nwleicestershire.gov.uk. In addition, Local Authority Planning and Building Regulations may have to be sought prior to some works commencing.

Planned Maintenance and Building Improvements. (Connected to the communal building).

During the lifespan of the building, it will require maintenance and replacement of some facilities. This will be due to practical, aesthetical and health and safety issues. Further details on Maintenance cycles and services, and Building Improvement works are listed on the Council's Leaseholders' web page.

Leaseholder Consultation

We have a duty to consult you regarding any of the above proposed works as stipulated in landlord and tenant legislation.

Consultation connected with one off projects/short contract duration.

If the planned works are to cost more than £250 per leaseholder, consultation is required. Should consultation not happen then the maximum we can recover from the leaseholder is £250.

Consultation connected with ongoing or long term agreements

For long term agreements (12 months or more) we need to consult should any service provision exceed £100. As above, if consultation is not actioned then the maximum to be recovered is £100 per year.

Where the long-term agreement includes provision for the carrying out of works to the property (for example, a schedule of rates agreement for general maintenance), and these works will result in a charge to any one tenant of more than £250, then a separate consultation must be carried out under the provisions of Schedule 3. The original consultation under Schedules 1 or 2 in respect of the agreement itself does not provide any exemption from consultation for the works.

This requirement for consultation for works equally applies in cases of long-term agreements entered into prior to 31st October 2003 where at the time no consultation on the agreement was required.

The process of consultation will identify the true and or likely cost of the works to go ahead. You will be informed of all costs and programmes along with any specification requested for your perusal and benefit.

The Consultation Process

A Notice of intention will be issued describing

- The proposed works inviting comments back.
- Explain why the works are required.
- Give you 30 days to respond.

To provide you with a Contract Statement

- Identify the two lowest estimates for carrying out the proposed works.
- A specification best suited to the works.
- Allowance of a further 30 day response period.
- Please note if you cannot reach a better price or specification for the works we have a legally binding duty to go ahead with the works to maintain the building.

A Notice of Reason will be sent once the contractors have been selected informing you of any start dates. By law, the Council will send the notice to leaseholder's last known mailing address. It is the leaseholder's responsibility to update the Council of address change.

Where works are of an urgent nature, consultation will be waived i.e. immediate roof repairs. The arrangement may be different if a 'Public Notice' is required. If works are deemed to be above a certain cost limit, we may have to comply with the European Union rules for advertising and letting of contracts. Nevertheless, you would be kept informed of each process.

Building Insurance

As a condition of your lease, we take out building insurance cover for your property. The cost to you will be via opening an annual account for which you will receive an invoice for a one off payment. The policy insures the building you live in, up to the replacement value of your home.

It does not insure the contents of your home. This is your responsibility and you are strongly advised to make your own arrangements. The building insurance covers damage caused to the building by a range of events.

North West Leicestershire District Council holds the insurance documents and will ensure that the cover does not lapse, if you wish to see a copy of the policy document, please contact us

Contact us / make a claim:

When damage has occurred to your property you must contact the Council Insurance Officer on: 01530 454545 or e-mail the details to: housing@nwleicestershire.gov.uk.

Sub-Letting your flat

As a leaseholder you must inform us if you sub-let your flat, make sure your tenant keeps to all conditions of your lease and you must pay your Service Charge (if applicable) even if you charge it your tenant as part of the rent they pay to you.

Let us know your new contact address, so the service charge and any other invoices can be sent to you for payment. A contact telephone number must be provided.

Your building insurance policy will require an amendment to reflect the change in occupation. By law, as a landlord, you are responsible for making sure that gas fires and boilers are kept in good order and checked for safety at least every 12 months. You must keep a record of these checks which must be carried out by a GAS SAFE registered contractor.

In addition to the above, if the flat is left unoccupied for more than 30 days in a row, you may no longer be insured against damage to the property, escape of water from fixed tank, pipe or appliance.

Selling your flat (Assignment of lease)

If you have bought your home under the “Right to Buy”, you can sell it whenever you like. But if you wish to sell within the discount repayment period specified below you will usually have to repay some or all of the discount.

If you sell within the first year of purchase, the whole discount will have to be repaid. Four-fifths must be repaid if you sell in the second year, three-fifths in the third-year, two-fifths in the fourth year and one-fifth in the fifth year. After five years you can sell without repaying any discount.

In addition, the amount of discount to be repaid if you sell within five years of purchase will be a percentage of the resale value of the property, disregarding the value of any improvements.

For example, if your home was valued at £100,000 at the time you bought it from your landlord, and you received a discount of £20,000, that means that your discount was 20 per cent. If your home is valued at £150,000 when you wish to sell it, and you want to sell within the second year of purchase, you will have to repay £150,000 x 20 per cent discount x 4/5 i.e. £24,000.

If you transfer your property to a third party in the future, then this will trigger repayment of your discount. Discount repayment is triggered from the date that you enter into the agreement. So, for example, if you enter into such an agreement before you have bought the property or during the first year after buying, you will have to repay the full amount of discount you received

The current fee for the provision of this information is £150.00 plus the prevailing VAT rate. The buyer will be responsible for serving a notice of assignment and any notice of charge on NWLDC when the assignment has completed and NWLDC will charge such fee as the lease permits for dealing with this.

Emergencies and Fire Safety

Water

In the event of a water leak from your property into a neighbour’s property, the Council may force entry to limit the amount of damage caused. If you are going away on holiday or will be absent from the property for a long period, please turn off the water stopcock. It would also be helpful to inform a neighbour of your contact details so we would be able to contact you if an emergency occurs.

Fire

If a fire breaks out in your flat:

- Do not try to put the fire out unless you can do so safely
- Get out of the property as soon as possible and close the front door
- Call the Fire and Rescue Service on 999
- Alert other residents in the building

If a fire breaks out elsewhere in the building:

- Exit the building if it is safe to do so
- If not, close all doors and windows and stay in your flat
- To prevent smoke getting into your flat, keep doors closed and use wet towels or sheets to block gaps.
- Call the Fire and Rescue Service on 999
- Attract the attention of a neighbour or passer-by

Customer Care

Customer Care Charter

North West Leicestershire District Council has customer care standards which can be located on our website. The Housing Service is committed to achieving these standards whenever it has any contact with you. In addition to our customer care standards, all of our documents referred to online, are available in print format upon request as well as large print, braille and other languages. For more information visit www.nwleics.gov.uk/customer_service_standards

Satisfaction Surveys

We regularly send out satisfaction surveys, online, via text messages or using paper forms. This helps us find out what tenants think about the service. We can then make the improvements to our services so they better meet your needs. Getting feedback from you is vital to us, so if you receive a survey, please take a few moments to fill it out.

Have Your Say

Have Your Say forms are available at the Council Offices and on our website. You can use these to give us your views about our services. This can include suggestions, questions, general comments and compliments. You can post the forms back to us free of charge or hand them in at the Council Office. Whatever your views, we will investigate and reply to every comment you send us, including those we have looked into through our complaints process.

Complaints

We always try to get things right first time but we know this doesn't always happen. We take all complaints seriously and try to learn from our mistakes.

Please talk to us if you are not happy with any of our services. You should first contact the staff member who provided the service. If you are still unhappy you can speak to their manager. If you still feel that the situation has not been resolved, you can make a formal complaint. There are details of our complaints procedure on our website at www.nwleics.gov.uk/atoz/353

If North West Leicestershire District Council has made a mistake, there are various things that we can do to put it right. Our website has details of what we can do, and details of any compensation that you may be entitled to, via our compensation policy.

Getting involved

North West Leicestershire District Council wants you to have a real say in the service you get from us. The decisions we make affect you, your home and your community. And we feel strongly that you should influence those decisions, so we can provide the service you and other North West Leicestershire residents want.

You can get involved as little or as much as you want, depending on the time you've got and the contribution you want to make. It's up to you! Take a look at the options below and use the contact details to let us know if you'd like to help make a difference.

Read all about it

The easy way to find out what's happening in your neighbourhood is to read some of the information that's available for residents, for example:

Reading our newsletter

A newsletter is regularly sent to all tenants and leaseholders. It will keep you up to date on the latest news and events in your area.

Visit our website

www.nwleics.gov.uk/resident_involvement is constantly updated with the latest news about services and how to get involved. If you don't have access to the Internet at home most of the information posted online is available in print. However, if there is any information you can't find please don't hesitate to contact us.

Reading leaflets and notices

A range of leaflets are available at the Council Offices and on our website.

Join the local Tenant and Residents Associations (TARA)

Tenants and residents groups are set up by the residents who meet to discuss local issues. They're run by volunteers and are open to everyone who lives in the area they cover. If you would like to set up a new group we can provide advice, support and training as well as grant funding.

Join our forums or working groups

If you want a more formal role you could join our Tenants and Leaseholders Consultation Forum. Or, if you have a specific interest, you could get involved in our working groups, which include our Landlord Services Working Group and our Performance and Finance Working Group. These all give you the chance to have a say in the service you receive.

You could also get involved by:

- Becoming a tenant void inspector
- Becoming a member of our recruitment panel
- Becoming an estate inspector
- By taking part in training opportunities we have for tenants and leaseholders.

How would you like to be involved?

If you want to get involved or give your views in a different way not listed above, please let us know. It is important to us that you can get involved at a level that suits you!

Skills and Knowledge

Don't worry if you think you don't have the right skills to get involved. You don't need any previous experience in housing. Your skills and knowledge will build with your involvement and you will be fully supported by staff and the training we offer.


If you would like to know more about getting involved or if you want to let us know more about getting involved at a level that suits you please contact our Resident Involvement Officers. You can also find us on Facebook, YouTube and Twitter - search for NWLDCHousing.

Useful contacts

North West Leicestershire District Council

Council Offices, Whitwick Road, Coalville, Leicestershire LE67 3FJ


Main Switchboard and Customer Services

 01530 454545


 customer.service@nwleicestershire.gov.uk


Housing Management and Right to Buy

Please ring the main switchboard and ask to be transferred to an officer relevant to your query.


 housing.mgt@nwleicestershire.gov.uk

Resident Involvement



 01530 454795

 resident.involvement@nwleicestershire.gov.uk


Asset Management Team (Repairs and Maintenance)

 01530 454635

 repairs@nwleicestershire.gov.uk

Police Emergency:  999 Non-emergency:  101

Citizen's Advice Bureau

 0300 330 1025

Updated contact details for the following are available on the Council's Leaseholder web page.

www.nwleics.gov.uk/council_leaseholders

- Leaseholder advisory service (LEASE)
- Shelter Leasehold Rights
- First –tier Tribunal (Property Chamber)
- The Royal Institution of Chartered Surveyors (RICS)
- The Federation of Private Residents' Associations

Glossary of terms and definitions

Assignment

This is a term used when the lease is sold on when you sell your flat. The new leaseholder is the assignee.

Common parts

The parts of the building or estate that can be used by all the residents e.g. stairs, lifts, paths, communal gardens etc.

Consultation

This is the process of asking for other people's opinions. Where possible we will consult you about anything we do that affects your property.

Covenant

A covenant is a condition in your lease that you are responsible for during your ownership of the property.

Curtilage or demised premises

That part of the block included in the lease you have purchased. This will include your flat, the common parts, any garage area and the landscaped area which will form part of your development.

Cyclical maintenance

Work that we do usually on a programmed basis.

Development

The building as described in your lease in which the flat is situated.

Enfranchisement

This is the process where leaseholders may be able to buy the freehold of their block.

Fixtures

You are responsible for these fittings in your flat and include kitchen units, the bathroom suite, light fittings and central heating system.

Freehold

Absolute ownership of property and the land on which it stands.

Ground rent

This is the rent paid to the landlord during the term of the lease. It is a small annual fixed sum payable by a leaseholder to a freeholder in recognition of the legal contract between them.

Improvement

Doing more work to a property than is required to satisfy an obligation to repair.

Landlord/Lessor

This is the person who owns the freehold of a property and grants a tenancy or lease to a tenant or leaseholder.

Lease

The lease is a contract that explains the Council's responsibility to you and your responsibility to the Council.

Leasehold

An ownership of a property in a building, comprising of other flats/maisonettes and subject to the payment of service charges and ground rent for a set period of time.

Leaseholder

This is the person who had been granted the lease by the landlord and is also known as a tenant.

Mortgagee

This is a bank or building society that lent you money to buy your property.

Mortgagor

A person that has received money from a bank or building society to buy their home.

Rateable value

A property based sum used originally as a former method of local taxation but used in this context as a reasonable way of apportioning service charges.

Section 151 notice

This is the consultation letter we must send you when we are intending to carry out works which cost more than an amount set by government regulations.

Service charge

This is a payment made by a leaseholder in respect of services provided by North West Leicestershire District Council.

Subletting

This is where you rent out part of your entire home.

Tender

This is what we do to get the best prices for large/major contracts such as redecoration works and based on a detailed specification of the works. We invite contractors to give their price or 'tender' for the work.

