



Leeds
CITY COUNCIL

LEASEHOLDER GUIDE



JULY 2006

LEASEHOLDER GUIDE

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1. DISCLAIMERS

General

The contents of this booklet are not legally binding and do not affect or form part of any lease or other legally binding document or arrangement. If you buy your flat from the Council, the legal relationship between you and the Council will be defined by your Lease and by the relevant law, not by this document.

This document is designed to provide some general information on leases sold by the Council but it is not legal advice. The Council has tried to ensure that the contents are accurate at the time of writing (July 2006) but cannot guarantee their accuracy.

You must therefore take independent legal advice before buying your flat. You should ensure that before buying your flat, a solicitor, or other suitably qualified person, fully explains to you the specific terms of your lease and the legal issues relating to your leasehold ownership.

Multi-storey flats

The Council is aware that some owner-occupiers of flats in multi-storey blocks who bought their flats from the Council, are now experiencing some difficulty in reselling their properties. It is possible that many, if not all, the major lending institutions, eg. high street banks and building societies, are unwilling to provide mortgages to prospective purchasers of flats in multi-storey blocks. This might render such flats difficult, if not impossible, to sell.

Tenants of flats in multi-storey blocks are therefore advised to obtain their own independent advice upon the condition and saleability of such properties before they exercise their Right to Buy.

It should be noted that the Council is not obliged to repurchase any ex-Council property which has been sold under the Right to Buy scheme.

2. INTRODUCTION

Under English law there are several ways of owning land. Two of the most common ways are freehold and leasehold. When the Council sells a flat it will sell a leasehold. Therefore, if you buy your flat, you will become a leaseholder.

One of the main ways in which a leasehold differs from a freehold is that leasehold ownership is for a set period of time. Once this period ends, ownership of the flat will revert back to the Council. The period of the lease will sometimes be 125 years but may be shorter to correspond with other flats in the block.

As a leaseholder, you are likely to be granted the use of shared areas of the block and grounds in which your flat is situated. These shared areas will be defined in your Lease but will usually include stairwells, lifts, yards and lighting etc. The flat will also benefit from structural parts of the building, for example walls, roof, foundations and also some of the service pipes, drains and wires etc that serve the building.

The Council will usually have the rights and responsibilities to clean, maintain, repair, replace, and sometimes improve, these shared and structural parts of the block and grounds, in which your lease is situated.

However, as a leaseholder in the block, you will be required to pay a contribution towards the cost of these works. This cost will be included within the **Service Charge** that you, as a leaseholder, will have to pay. The **Service Charge** is explained in further detail in Section 6.

As a leaseholder, you will be given various **rights**. As a leaseholder you will have various **responsibilities**, for example maintaining your flat and paying rent and service charge. These rights and responsibilities are further described in Section 3.

As a leaseholder you may, from time to time, be invited to attend a Leaseholders Forum. Such invitations will be sent by the area Arms Length Management Organisation (ALMO). The forum will give information on matters relating to the area in which you live and which may affect you as a leaseholder. If you wish to contact the ALMO that covers your property, the telephone number can be found at Appendix 2.

This document can be made available in larger print and Braille and on tape. If you would like this information in Bengali, Chinese, Gujarati, Hindi, Punjabi, Urdu, Vietnamese and Kurdish, please contact the Leasehold Section.

আপনি যদি এই তথ্যটা বাংলায় চান, তাহলে নিচের নম্বরে টেলিফোন করুন :

如果您想要這條信息的華語版,請撥叫以下電話號碼:

यदि आप यह जानकारी हिन्दी में चाहते हैं तो, कृपया नीचे दिए नम्बर पर फ़ोन करें :

ਜੇਕਰ ਤੁਸੀਂ ਇਹ ਜਾਣਕਾਰੀ ਪੰਜਾਬੀ ਵਿਚ ਲੈਣਾ ਚਾਹੁੰਦੇ ਹੋ ਤਾਂ ਕ੍ਰਿਪਾ ਕਰਕੇ ਇਸ ਨੰਬਰ ਤੇ ਫੋਨ ਕਰੋ:

اگر آپ کو یہ معلومات اردو میں چاہیے، ہوں تو برائے مہربانی نیچے دیئے گئے نمبر پر ٹیلی فون کریں!

Nếu bạn cần thông tin này bằng tiếng Việt, xin gọi cho số điện thoại sau :

اگر شما این اطلاعات را به زبان فارسی میخواهید، لطفاً با شماره زیر تماس حاصل نمائید:

જો તમને આ માહિતી ગુજરાતીમાં જોઈતી હોય તો, મહેરબાની કરીને નીચેના નંબર પર ફોન કરો:

3. YOUR LEASE, RIGHTS AND RESPONSIBILITIES

As a leaseholder you will have various rights, obligations and responsibilities. Some of these are defined in your Lease, while others are determined by law. You should ensure that you are fully advised of these legal issues by a solicitor, or other suitably qualified professional, before you buy your flat. The Citizens Advice Bureau may also be able to give you some expert independent legal advice on leasehold issues.

Your Lease is a legal contract between you and the Council. It gives you the right to occupy and enjoy the flat for the period of the lease, for so long as you comply with the terms of the lease. Your Lease is an important legal document and you should ensure that it is kept in a safe place.

Your rights as a leaseholder

Your lease will grant to you various rights connected with your ownership of the flat. Some of these rights are described below.

i. Right of occupation and quiet enjoyment of the flat.

For the period of the lease and for so long as you comply with the terms of the lease you will have the right to occupy the flat. You will also have the right to quiet enjoyment of the flat. This right of quiet enjoyment means that the Council are not unreasonably allowed to interfere with your occupation and enjoyment of the flat. This area of law has been developing over the last few years and if you ever feel you need further advice on this issue, you should take advice from a solicitor, or other suitably qualified independent professional, on the meaning of “quiet enjoyment”.

ii. Right to use shared areas of the building and grounds.

Your lease will define your rights to use the shared parts of the building. It will also define your right to have your flat benefit from the structural parts of the block in which it is situated.

iii. Right to sell your flat

As the leasehold owner of the flat, you will have a right to sell it. However, this right is subject to a number of provisos. These include;

- a) If you sell the flat within a certain period after you have bought it from the Council, you will be required to pay some, or all, of the Right to Buy discount back to the Council. For more information on this you should refer to the General Information section.
- b) If you apply to purchase your Council property on or after 18th January 2005 and subsequently decide you would like to sell it within 10 years of

the purchase date, you will be required to offer the flat back to the Council before you can sell it on the open market.

- c) You may not sell part only of your flat.
- d) On any sale of the flat the Council must be given a Notice of the change of ownership in accordance with the terms of the lease.

iv. Right to mortgage your flat

As the leasehold owner of the flat, you will have a right to mortgage it. However, if the flat is still within the discount repayment period, the lending institution (eg bank, building society) may ask that the Council postpones its discount repayment charge before the money is lent to you. The Council will only give this postponement in certain circumstances.

v. Right to sub-let your flat

As the leasehold owner of the flat, you will have a right to sub-let it. However, this right is subject to a number of provisos;

- a) You may not sub-let part only of your flat.
- b) Your sub-tenant may have to enter into a direct agreement with the Council.
- c) You will remain responsible for the payment of service charge and ground rent.
- d) You will remain responsible for ensuring that the terms of the lease are complied with and you will remain liable for any breaches, regardless of whether the breaches are committed by you, your sub-tenant or other parties connected to your sub-tenant. You will therefore be responsible for the behaviour of your sub-tenant(s). This would include, for example, ensuring that they do not cause a nuisance to neighbours.
- e) The Council must be given Notice of any sub-lease of the flat.
- f) You should always notify the Leasehold Section of the date you intend to sub-let your property and advise them of your forwarding address and telephone number in the event that the Council need to contact you urgently.
- g) If you have a mortgage on the property you may be required to inform your lender and obtain their permission before you sub-let.
- h) It might be in your best interest to take independent legal advice before sub-letting your flat.
- i) If the sub-lease that you grant is for a period of 21 years or more it is likely that the sub-letting could trigger a repayment of discount if the flat is still within the discount repayment period.

vi. Right to decorate your flat

You have a right to decorate your flat. However, you do not have a right to make structural alterations to your flat. Any alterations (whether structural or not) can be made only with the prior written permission of the Council. Such permission will not be unreasonably withheld.

vii. Enfranchisement; the right to buy the freehold of the block.

The Leasehold Reform, Housing and Urban Development Act 1993 gives leaseholders the right to act together to buy the freehold of the building in which their flats are situated. However this right of “collective enfranchisement” only applies in certain circumstances. Whether the right can be exercised will usually depend on how many flats there are in the building and how many leaseholders wish to act together to buy the freehold of the block.

Should you require more information or advice on enfranchisement you should seek independent legal advice. While solicitors and other suitably qualified professionals may be able to give this advice you may also find that the Citizens Advice Bureau is able to provide helpful information.

viii. Right to Manage

Under certain circumstances leaseholders may be able to pursue the right to manage the block of flats in which their flats are situated. This would enable those leaseholders to perform management responsibilities that would otherwise be undertaken by the Council. This right must be exercised through a special company set up by the leaseholders for that purpose. Further advice on Right to Manage can be obtained from the Department for Communities and Local Government (DCLG) website at www.communities.gov.uk. Information is also available in the guidance booklet ‘Residential Long Leaseholders’ available from Department for Communities and Local Government, Free Literature, PO Box No. 236, WETHERBY, LS23 7NB

Your responsibilities as a leaseholder

Your lease will impose various obligations and responsibilities on you. Some of these obligations and responsibilities are described below;

i. Obligation to pay ground rent

Under the terms of the lease you are required to pay ground rent.

ii. Obligation to pay the service charge.

Under the terms of the lease you are required to pay your contribution towards the expense of maintaining, repairing, cleaning and insuring the building and grounds and the shared areas and structural parts. The service charge is explained in further detail in Section 6.

iii. Obligation to pay outgoings in respect of the flat.

Under the terms of the lease you are required to pay all rates, taxes, utility bills etc charged in respect of the flat.

iv. Prohibition from sub-letting part only of the flat

Under the terms of the lease you cannot sub-let part only of the flat.

v. Obligation to keep your flat in good repair

Under the terms of the lease you are required to keep the flat in good repair, including decorative repair. A full definition of your repairing obligations will be included in your lease. It is not possible to list here all such potential responsibilities but these usually include:-

- all repairs to the inside of your flat, including your front door and glass in your windows and internal non-structural walls
- repairs to all fixtures and fittings inside your flat, except any communal heating systems
- repairing any damage to the building, services, grounds etc caused by you, by members of your household, or by your visitors or agents
- chimney sweeping
- keeping your flat clean and tidy
- keeping the communal areas clean and tidy (except where it is the landlord's responsibility)
- decorating the inside of your flat
- maintenance of private garden (if any) in a neat and tidy condition.

If there is a communal heating system it is usual for the maintenance of the heating appliances in the flat to be the responsibility of the Council, rather than you as the leaseholder.

If you, or someone you have employed, is undertaking repairs inside your flat, you must ensure that these works are done competently and to a reasonable standard and that no damage is done to shared services, the structure of the block or any part of the building not owned by you. You will be liable for any such damage caused by you, any member of your household, your visitors or agents. You will have to pay to have any such damage repaired. If you are unsure about your ability to undertake the work you should employ a suitably qualified tradesperson. If you are in any doubt about the work you intend to carry out please discuss it with your local Neighbourhood Housing Management Office before commencing the work. The Housing Office can be contacted via the General Housing Enquiry Call Centre listed in Appendix 1.

You must not make repairs on landings, stairways, shared areas, structural parts of the building and other parts of the building and grounds that are not owned by you. If any such work was carried out by you, members of your household, your visitors or agents, you would be required to pay for any damage caused. Furthermore, you will not be covered under the Council's insurance policy if there was an accident or damage was caused.

vi. Obligation not to cause damage to the flat or any other part of the building

Under the terms of the lease you have a responsibility to ensure that you do not cause any damage to the flat or to any part of the building or grounds

vii Obligation to allow the Council and other tenants in the block access and entry to your flat

Under the terms of your lease you are obliged to give the Council and other tenants access to your flat if it is required to carry out an examination of the flat or to make repairs. Usually, such access need only be given after a reasonable notice period. However, you will be obliged to give immediate access in the event of emergencies and in some instances the Council has the right to enter your property without your consent.

viii Prohibition from doing or allowing anything to be done that might be a nuisance, annoyance or danger to the Council or to other occupiers

The terms of your lease will impose various prohibitions on you not to act or allow others to act in such a way that might be or become a nuisance, annoyance or danger to the Council or to other occupiers.

ix Prohibition from making any alterations to the property without the prior permission of the Council

As a leaseholder you have the right to improve your home. Permission will not be refused unless there is a good reason.

While the Council do not need to be informed about minor work such as decorating, you will need the Council's written permission before you make any alterations to the flat. The Council will not refuse permission unless there is a good reason to do so.

It is not possible to list all of the types of alteration for which you would require permission but they would include for example;

- Alterations that affect the structure, walls, windows, floors, ceilings, doorframes, plumbing and electrical services
- Any addition or change to the structure or services in your home including fixtures and fittings such as heating, kitchen units and bathroom replacement
- Additions of aerials or satellite dishes to the exterior of the building
- Outside decoration
- Replacement window frames and doors

To request permission to make any alterations you should write to your local Neighbourhood Housing Management Office. You can find their address by ringing the General Housing Enquiry Line. You will need to say exactly what you want to do and include a drawing or plan. A building surveyor may need to visit your home to see what you intend to do, before a decision can be made.

The permission that the Council might give to go ahead with work is not the same as planning permission and building regulations approval. You are responsible for obtaining any necessary planning permission and building regulations approval before you commence the work. The Council will normally make it a condition that you do this when permission is given for the work.

If you do something without permission, the Council has the right to put things back as they were and charge you for it.

X Prohibition on replacing or changing in any way the outside window frames without the prior permission of the Council

The outside window frames belong to the Council. You must not replace your windows unless the Council has given you permission in writing. This is to ensure that there is uniformity in the style of the windows.

If you replace or otherwise change the outside of the window frames without permission, the Council has the right to put things back as they were and charge you for it.

xi Prohibition on making loft conversions unless you own the loft space and have the Council's permission to undertake the conversion.

As a leaseholder it is unlikely that you will own any loft space. If there is loft space above your flat, it is likely that the Council owns it. You may apply to the Council to buy the loft space but the Council is under no obligation to sell it to you. To apply to buy and convert any loft space above your flat you should contact the Leasehold Section of the Council's Neighbourhoods and Housing Department who will give consideration to your request.

Even if the Council sells you the loft and gives you permission to convert it, you will still have to ensure that you have planning permission and building regulations approval. You are responsible for obtaining any necessary planning permission or building regulations approval. The Council will normally make this a condition before it agrees to sell the loft space to you.

If you undertake a loft conversion without owning the loft space or, in any event, without permission, the Council has the right to put things back as they were and charge you for it.

Your Lease will also list a number of other general and specific responsibilities, obligations and prohibitions. You should ensure that these have been fully explained to you by a solicitor or other suitably qualified professional before you buy your flat

The Office of the Deputy Prime Minister, now the Department for Communities and Local Government, has published a guidance booklet entitled 'Residential Long Leaseholders' which explains in greater detail your rights and responsibilities as a leaseholder. A copy of the booklet can be obtained by contacting the Department for

Communities and Local Government, Free Literature, PO Box No. 236, WETHERBY,
LS23 7NB or visit their website at www.communities.gov.uk.

4. MAINTENANCE OF THE SHARED AREAS AND STRUCTURAL PARTS

Section 3 sets out your rights and responsibility as a leaseholder. The Council, as the freeholder, also has a number of rights and responsibilities. Many of these relate to the management, maintenance, repair, improvement and insurance of the block and grounds in which your flat is situated. The Council is responsible for keeping the structure and shared areas of the block in reasonable repair. The Council is also responsible for keeping the communal grounds reasonably clean and well lit, and for maintaining the communal areas outside.

Repairs and Maintenance undertaken by the Council

It is not possible to list all of the repairs and maintenance for which the Council will be responsible, but these would usually include;-

Structure

- Roofs, drains, gutters and pipes on the outside of your home
- Outside entrance doors (but not the front doors of individual flats)
- Window frames and cills (excluding glass)
- Outside paint work
- Shared paths and steps
- Chimneys and chimney stacks
- Communal stairs and landings
- Outbuildings, including drying areas
- Foundations
- External and internal structural walls (but not the plaster)
- Boundary fences (except where you or a neighbouring owner are responsible)
- Flue checks

Installations, fixtures and fittings:

- lifts
- communal heating systems
- shared water pipes, water tanks, gas pipes and electrical wiring
- light fittings in shared areas
- controlled door-entry systems
- decorations in shared areas.

Maintenance:

- keeping communal areas clean (where it is not the leaseholder's responsibility)
- maintaining and checking the Landlord's electrical and lighting supplies

Contracts

The Council is currently required to consult with leaseholders when it plans to enter into a long term contract for services which will cost more than £100 each year to any leaseholder.

Complaints

If you wish to make a complaint regarding any of the services provided to your block (eg cleaning, caretaking, repairs) you should telephone the General Housing Enquiries/Complaints team.

Alternatively official complaint forms can be obtained by telephoning the Leasehold Section or the General Housing Enquiries/Complaints team.

If you have a specific enquiry or complaint regarding your Service Charge or account you should contact the Leasehold Section,

How to report a repair which is the Council's responsibility

You can phone the Housing Repair Call Centre between 8.00 a.m. and 6.00 p.m. Monday to Friday.

OUTSIDE OFFICE HOURS - FOR EMERGENCIES ONLY – you should call the Emergency Out of Hours Call Centre.

If the repair is your responsibility, you must arrange for this to be undertaken by yourself at your own expense.

In the event of a complaint or to report a repair, please see Appendix 1 for contact telephone numbers.

5. MAJOR WORKS OF REPAIR AND IMPROVEMENTS

From time to time it will be necessary for the Council to carry out major repair works or improvements to the block and grounds in which your property is situated. Such works can be expensive and a proportion of the cost can be passed to you as part of the service charge. The service charge is further explained in Section 6. However there are some protections for you as a leaseholder.

Works within the first five years of your Right to Buy purchase

Prior to you buying your council flat, the Right to Buy scheme provides that the Council must advise you of any major repairs/improvements to the block in which your flat is situated where the works are intended to be undertaken during a period of five years starting from the date of your purchase. This information is given in the Right to Buy Section 125 Notice which the Council will send to you once your RTB application has been accepted. If work is carried out within the five year period, the Council cannot recharge any more than the price quoted in the Notice, plus inflation. If the property is subsequently resold or transferred within five years, the next leaseholder is entitled to what is left of the five year protection period. There is not a renewed five year period each time the lease is sold on.

Consultation

Where a need is identified by the Council to carry out major works, or improvements to properties, e.g. roof replacement, and a leaseholder is to be charged a proportion of the cost of this work, under the Commonhold and Leasehold Reform Act 2002, you have the right to be consulted prior to work being carried out to your block. This applies where the recharge is expected to be more than £250 for each leaseholder.

Where recharge costs are to exceed £250 the Council will (except in cases of emergency):

- give you a full description of the work required
- invite you to nominate a contractor unless the contract has been advertised in the European Journal
- advise you of the estimates received from the contractors
- advise you of the amount payable by yourself
- invite you to make comments and advise you where your comments should be sent
- specify the time in which you have to pass comment

In the case of urgent works, such as leaking roof, the Council may proceed with the repairs without giving you notice and still charge you for the works. In these cases the Council will endeavour to follow the consultation process as far as possible.

Further details on the consultation process is contained in the Commonhold & Leasehold Reform Act 2002, a copy of which can be purchased from HMSO, viewed

at any library or on the Department for Communities and Local Government website, www.communities.gov.uk.

Reporting a structural disrepair

Where a leaseholder considers a repair to the structure of their flat and/or to communal areas is required this should be reported to the Housing Repair Call Centre. An inspection may then take place to determine whether the repair is necessary, and if so, a repair order will be raised.

6. THE SERVICE CHARGE

The Council incurs various costs in managing the block in which your leasehold flat is situated. This includes the routine maintenance, repair and cleaning of shared areas and structural parts of the block and the grounds. The costs will, from time to time, include major works of repair and improvements. The Council will also incur costs such as insurance and management fees.

The Service Charge will include one or more of the costs detailed below. This list is not exhaustive and does not include items of major works and improvements that might be rechargeable over and above any annual service charge account.

- **DISTRICT/COMMUNAL HEATING** - where district/communal heating is supplied to properties a charge is levied for the provision of heating and hot water to individual flats and communal areas. Charges are also levied for the servicing, repairs and replacement of equipment
- **FIRE PREVENTION EQUIPMENT** - the Council provides fire-fighting equipment for communal areas of some multi-occupied properties. Charges are levied for the supply, servicing, repair and replacement of the equipment.
- **WINDOW CLEANING** - in some blocks a private contractor is employed by the Council to clean areas of communal glazing to windows and doors.
- **LIFTS** - in blocks where lifts are provided, charges are levied for the electricity and the servicing, repair and replacement of the lifts.
- **INTERNAL LIGHTING** - relates to the consumption of electricity in blocks where communal lighting is provided to stairwells, entrance halls and landings, and where there is external security lighting.
- **CLEANING** - in certain blocks the Council provides a cleaning service to the communal areas of the block.
- **COMMUNAL TV AERIAL** - the Council provides a communal TV aerial facility to a number of blocks throughout the city. Where the service is provided costs can be incurred for the supply, service, repair and replacement of the equipment.
- **WATER SUPPLY BOOSTER** - this charge relates to the electricity consumption of the water supply booster which increases the water pressure to some multi-storey blocks. Charges are also levied for the supply, servicing, repairs and replacement of the equipment.
- **CARETAKING** - a caretaker is employed in some blocks to deal with the day-to-day management of the block. The recharge relates to the employment costs and related running costs of the block.

- **STEEPLEJACK INSPECTIONS** - it is necessary for steeplejacks to inspect the structure of high rise buildings regularly.
- **RESIDENT HOUSING OFFICER** - Resident Housing Officers are employed in certain blocks of flats and are responsible for duties associated with the management of the block.
- **HORTICULTURAL MAINTENANCE** - garden areas surrounding certain blocks of flats are covered by a horticultural maintenance contract. Where a contract exists charges will be raised for this service.
- **GAS SAFETY CHECKS** - the Council, as Landlord, is required to carry out annual safety checks to gas flues in leasehold properties. The Council is only responsible for checking the flue if it forms part of the structure. It is not responsible for checking items such as boilers, fires and cookers. If a leaseholder employs a contractor to maintain their own equipment and the contract includes a safety check to the flue, the Council is not required to undertake a further check. However, you as a leaseholder must provide evidence of the contract to the Council in order to comply with legislative requirements.
- **BUILDING INSURANCE & INSURANCE PREMIUM TAX** - under the terms of the lease the Council is obliged to provide the Building Insurance cover for the flat. The charge levied includes the annual premium and Insurance Premium Tax payable in respect of the individual flat.
- **PAINTING** - the Council retains responsibility for the painting of external areas and any internal communal areas. This is carried out as required and is determined by the Council or its agents. Where a property is identified as being part of a painting programme, leaseholders will be notified of the intention to paint their property together with estimated costs. If a leaseholder does not wish to have their windows and doors included within the programme they must notify the Council in writing. However, the Council is still responsible for painting any communal areas of the block. Each leaseholder will be required to pay a proportion of the cost for external/internal communal areas, e.g. gutters, fascia boards, foyers, stairwells and landings.

If any repairs are carried out to the flat or the communal areas prior to painting, in order to fulfil the painting contract specification, a proportion of the cost will be recharged to leaseholders.

- **MANAGEMENT FEE** - the Council is obliged to recover all costs involved in managing leasehold properties. The management fee is reviewed annually and includes such items as supervision and administration of all services, maintenance of appropriate records and computer systems, responding to leaseholder enquiries, production of Service Charge and Ground Rent notifications, billing and debt recovery.
- **COMMUNAL REPAIRS** - are costs incurred by the Council in carrying out any repair or maintenance work to a specific flat, to the communal areas in a block.

A proportion of repairs undertaken to the roof, foundations, guttering, internal communal areas, the external structure or access paths of all flats will be rechargeable to leaseholders. More specifically, items such as lift maintenance and controlled entry systems are proportionately rechargeable where these services are in place. In general the Service Charges are divided equally by the number of flats within a block of flats. (eg A total recharge of £200 for a block of 4 flats will result in a charge of £50 for each flat). There may be exceptions to this.

You, as a leaseholder, will benefit from some or all of these services and from works of maintenance, repair and improvement undertaken by the Council in respect of the block and grounds, and the shared areas and structural parts.

The Lease provides that the Council will recharge you for a proportion of all maintenance and management expenditures. Where costs relate specifically to your flat, the cost will be recharged to you in full.

The amount of Service Charge is not fixed. It will vary from year to year, depending upon on a number of factors including,

- variations in the nature and extent of the services the Council provides to the block
- variations in the repair and maintenance requirements for the flat/block
- improvement works which have been carried out
- increases due to the effects of inflation

7. SERVICE CHARGE ACCOUNTS

The Council is unable to determine in advance the actual amount of money it will spend on services in each financial year. Therefore, leaseholders are charged an estimated amount each year, commencing in April.

In March each year the Council will send all leaseholders a letter informing them of the estimated service charge for the forthcoming financial year (April to March). This letter advises leaseholders of the services that they receive together with costs payable. Service charge and ground rent is billed quarterly in advance. Quarterly accounts are raised on the 1st April, 1st July, 1st October and 1st January. If required leaseholders can pay in advance on an annual basis on the 1st April each year.

At the end of each financial year the Council identifies the actual expenditure it has incurred for that year. This may be more than the estimated amount as it might include the cost of major repairs that had not been foreseen when the estimate was made. Within six months of the financial year end, all leaseholders will receive a letter informing them of the actual service charges due for the previous year. This letter will identify whether the Council has over or under estimated charges for the year. If the Council has over estimated this will show as an overpayment in the letter and the overpayment will reduce the amount charged in the accounts to be raised in the following October and January (half the amount of overpayment being deducted from each account). If the Council has under estimated this will show as an underpayment in the letter and the underpayment will be recovered by adding half the amount to the October account and half to the January account.

For leaseholders who pay annually, any underpayment will be carried forward to the next financial year or an account will be raised separately. Where there is an overpayment, this will be carried forward to the next financial year or you will be reimbursed by cheque. You will be advised which action is to be taken in the Service Charge Actual notification.

Inspection of Accounts

Under Section 22 of the Landlord and Tenant Act 1985 leaseholders have the right to inspect accounts, receipts and other documentation in support of the Summary of Costs. A time limit of six months applies to inspection requests and begins on the date you receive the Summary. Further information on the inspection of accounts can be obtained by contacting the Leasehold Section.

Disputing the amount of the Service Charge

If you wish to dispute your service charge bill, and consider the costs unreasonable, you should initially contact the Leasehold Officer. The matter will be investigated and you will be advised of the outcome. If you remain dissatisfied you can make an application to refer the matter to the Leasehold Valuation Tribunal (LVT). There is an application fee of up to £500. Further information is contained within Section 10 of this guide.

8. PAYING YOUR SERVICE CHARGE

When, where and how to pay

When to pay

Under the terms of your Lease you are required to pay your service charge account within 21 days of receipt. If you fail to pay within this time the lease allows the Council to charge interest at the rate of 3% above that of the Council's Bankers' current base rate.

Where to pay

Ways to pay your service charge are printed on the reverse of each account. The methods available are:

If you have a bank account:

Direct Debit - If you choose to pay by this method you can pay your accounts on a monthly or quarterly basis on the 1st day of each month or quarter. If you would like to pay by direct debit please contact the Leasehold Section to request a direct debit mandate form.

Standing order, telephone banking or BACS - Make your payment to NatWest, Head Office Collection Account No. 00000000, Sort Code 57-12-72. Please make sure you give your 10 digit invoice reference number. You must send a separate remittance advice when you make a BACS payment quoting the amount(s) and invoice reference number(s) so that your payments can be correctly allocated

Debit card over the telephone - This is a 24 hour, 7 days a week, automated system. You can also ring the Department of Finance between 8.30 a.m and 5.00 p.m. Monday to Friday or the Leasehold Section between 8.00 a.m. and 4.00 p.m. Monday to Friday.

Over the internet - at www.leeds.gov.uk, on-line payments, other invoices.

By giro transfer - (Girobank and Alliance & Leicester customers) You need to give our Giro account number 6574262 and your 10 digit invoice reference number.

If you wish to pay in person:

You can pay at any Post Office or PayPoint outlet. Make sure you have not torn or written over the bar code on the front of your invoice and then take the invoice with you when you go to pay. At Post Office outlets you can pay by cash or cheque (made payable to Post Office Ltd.). PayPoint outlets accept cash only.

At any bank - banks will only accept your payment if you use the bank giro credit on the front of your invoice. You can pay by cash or cheque. Please make your cheque

payable to Leeds City Council and write your invoice reference on the back of your cheque. Some banks charge a fee for this service.

If you wish to pay by post:

Write your 10 digit invoice reference number on the back of a cheque, made payable to Leeds City Council, and send it to: Leeds City Council, PO Box 60, and Leeds. LS2 8JR. Post dated cheques cannot be accepted. Please do not send cash through the post.

If you have occasion to dispute an account please telephone the Leasehold Section. All contact numbers are listed in Appendix 1.

Claiming Benefit

If you are receiving income support you may be able to get help with the cost of your service charge. You should contact the Benefits Agency who will advise you on how to claim.

What you should do if you are having difficulty paying your service charge.

If you are having difficulties paying your service charge, you should first contact the Leasehold Section of the Council's Neighbourhoods and Housing Department.

What will happen if you fail to pay your service charges

You must pay your share of the costs of managing and maintaining your block. This is a legal duty set out in your lease. If you do not pay your share, you are breaking the terms of your lease and the Council will pursue legal action through the Courts for a judgement which will incur additional costs. Ultimately, the Council could seek forfeiture of your lease and to take possession of your home.

If you ever find yourself in the position where the Council is considering taking any such legal action against you, you should seek independent legal advice.

FINANCIAL ASSISTANCE TO LEASEHOLDERS

Where you receive a large Service Charge account for repairs and/or improvements you are entitled to pay the account over a one year period by 4 equal quarterly instalments.

You may also qualify for the Right to a Loan under the Housing (Service Charge Loans) Regulations 1992.

Noted below are ways in which the Council may act as a 'Lender in last resort' where you are unable to raise finance from an external source e.g. bank or building society.

Discretionary loan

If you do not qualify under the 'Right to a Loan' the Council may be able to offer you a discretionary loan. This will be subject to your meeting the Council's means test criteria. The loan will involve a Council mortgage on your home and interest will be charged at a variable rate. Before taking out a Council loan you should compare the rate of interest offered by other lending institutions. As with any other mortgage, your home may be at risk if you do not maintain the payments required. Further details will be given at the time an account is issued.

Interest Only loan

For people who are on state pension or a low income, the Council at its discretion, may consider providing an Interest Only loan. This is where a leaseholder would be required to pay the interest element only, of the loan. The monthly repayments would be based upon the Council's variable interest rate at the time of application. The loan would be secured by means of a mortgage on the property. The capital would be repayable in the event of the property being sold or upon the death of the leaseholder. Full details of such loans will be supplied upon request.

Equity loan

In exceptional circumstances of financial hardship and where specific criteria are met the Council may be able to offer an Equity loan. This means the debt would be left outstanding and a charge will be taken on your property. The debt would be repayable on any assignment of the lease, the granting of a long lease, or on the death of the leaseholder. In such an event the leaseholder, or their Estate, would be required to repay the full amount of the principle loan plus either compound interest, or an amount proportional to any increase in the value of the property. Full details of such loans will be supplied upon request.

A Charge on the Property

In exceptional cases and where leaseholders are on a state pension or on low income the Council may, at its sole discretion, consider taking a charge on the property for the outstanding sum. This means that the leaseholder will not make any payments towards the debt. However, the debt will be secured by a charge on the property and interest will be added on a compound basis. The principle debt plus accrued compound interest would become payable on assignment or on the granting of a long lease, or on the death of the leaseholder. The major disadvantage is that the debt will accumulate each year and the future sale of the property may result in all or a large proportion of the sale proceeds being paid to the Council. Full details of such loans will be supplied upon request.

In all cases, where the Council acts as 'Lender in the last resort', you will be required to pay all the Council's legal and administrative costs in respect of any such loan.

9. BUILDINGS INSURANCE

It is the responsibility of the Council to insure your flat. The cost of the buildings insurance will be recharged to you as a leaseholder.

The Buildings Insurance policy **DOES NOT** cover the contents in your home. You are therefore strongly advised to arrange a separate insurance to cover the contents of your flat.

The sum insured (or reinstatement value) relates to the cost of reinstating or rebuilding your property. **It does NOT relate to the current market value of the flat.**

The insurance reinstatement value is obtained from the valuing agents at the time of the Right to Buy valuation. This is increased annually by a percentage advised by the Council's insurers. The policy covers perils which are normally insurable in respect of the reinstatement of damage to the structure of the building only.

Should a leaseholder wish to review the buildings insurance valuation of their home they may commission, at their own expense, a valuation survey of the property by a reputable company. Upon written notification being received, the Council may, if considered appropriate, notify the Insurers of the revised valuation and calculate a revision of the premium due. It is not possible to amend the valuation until the beginning of the next financial year. However, leaseholders will be advised of the date from which the revision takes place.

If you require advice on the cover provided, need to make a claim under the Buildings Insurance policy in relation to your home, or require a copy of the policy please telephone the Leasehold Section. See **Appendix 3** for details of the current insurance policy.

10. GENERAL INFORMATION

Leasehold Valuation Tribunal (LVT)

A Leasehold Valuation Tribunal is an independent statutory body set up to determine, amongst other things, the reasonableness of service charges. An LVT usually consists of three members, a lawyer, a surveyor and a lay person.

If you dispute your service charge bill and consider the costs unreasonable you can make an application to refer the matter to an LVT. There is an application fee of up to £500.

The County Court no longer has the power to deal with an application to determine whether the level of service charges is reasonable or not. The Council can ask the County Court to make a money judgement for service charge arrears, but the Court is likely to refer the case to an LVT if you dispute the charges and want to determine the reasonableness.

For further information contact the Leasehold Valuation Tribunal whose address is in Appendix 1.

Enfranchisement

The Leasehold Reform, Housing and Urban Development Act 1993 gave leaseholders the right to buy the freehold of their building as a group. This is known as the right to 'collective enfranchisement'. This allows tenants of flats acting together to purchase the freehold of their building. Once they have bought the freehold leaseholders can decide for themselves how to manage their block and take over the Council's responsibilities. To have the right to take part in the enfranchisement process you must be a qualifying tenant i.e. have a long lease whose original term was 21 years or more. If you are a qualifying tenant you can only buy the freehold with a group of other qualifying tenants if your building satisfies the following criteria:

- there must be two or more flats in the building. If there are only two flats in the block both must participate in the exercise.
- not more than 25% of the internal floor area (apart from common parts such as stairs) of the building is in non-residential use or intended for non-residential use - for example, as a shop or an office.
- participating leaseholders would be required to own at least half the flats in the block.

Should you require more information on enfranchisement you may wish to seek independent legal advice. Some general information can be obtained from the Leasehold Section.

Right to Manage (RTM)

Leaseholders may be able to pursue the right to manage the block of flats in which they live to run and to be responsible for the management functions of the block. The

right must be exercised through a special company set up by the leaseholders for that purpose. This Company is called a RTM Company. Organisations wishing to take up the Right to Manage can get free help and advice from a professional advice agency. Further advice on Right to Manage can be obtained from the Department of Communities and Local Government website at www.communities.gov.uk. Information is also available in the guidance booklet 'Residential Long Leaseholders' available from Department for Communities and Local Government, Free Literature, PO Box No. 236, WETHERBY, LS23 7NB or visit their website at www.communities.gov.uk.

Selling your Property (Assignment of Lease)

You can sell your flat on the open market. However, if you applied for the Right to Buy on or after the 18th January 2005 and you wish to resell or dispose of your home within 10 years of buying it, you will be required to give the Council first choice of buying the property at full market value before you can sell it on the open market. If your offer has not been accepted by the Council within 8 weeks you will be free to sell your property on the open market.

If you wish to sell your property the Council will, on written request, provide you or your solicitor with any relevant factual information for which a fee may be payable.

Please note that the Council is under no legal obligation to repurchase your property.

You may find it helpful if your solicitor has a copy of your lease, together with details of routine and major service charges over recent years and any consultation notices for work due to be carried out.

When your lease is assigned all service charge arrears, and payment for major work, must be cleared upon completion of the sale. The Council will not be party to the apportionment of outstanding service charges between leaseholders and purchasers. It is your responsibility to ensure that your solicitor resolves this prior to completion of the sale.

There is a fee to register the assignment of the lease. Please contact the Leasehold Section for details. The fee and the Notice of Assignment must be forwarded to the Leasehold Section within one month of the completion date.

Repayment of Discount

When you purchased your lease from the Council, you benefitted from a discount on the purchase price. The Council informed you that if you were to sell your property within a certain timescale you would be required to repay some or all of the discount. The monies are usually repayable from the proceeds of the sale. The proportion of the discount which you would have to pay on resale are:-

- For Right to Buy applications received up to and including 17th January 2005 discount is repayable if the property is resold or transferred within 3 years, and the disposal is not exempt under Section 160 of the Housing Act 1985. This is as follows:-

Time Scale	Proportion of Discount
Resold within first year	100%
Resold within second year	66.66%
Resold within third year	33.33%
Resold after third year	0%

- For Right to Buy applications received on or after the 18th January 2005 discount is repayable if the property is resold or transferred within 5 years, and the disposal is not exempt under Section 160 of the Housing Act 1985. You will be required to repay a proportion of discount based upon the market value of your flat at the time you sell. This is as follows:-

Time Scale	Proportion of Discount
Resold within first year	100%
Resold within second year	80%
Resold within third year	60%
Resold within fourth year	40%
Resold within fifth year	20%
Resold after fifth year	0%

Further information on the repayment of discount can be obtained by contacting the Council's Legal Department.

Sub-letting

There is no restriction in your lease to sub-letting the whole of your property. However, you must always notify the Leasehold Section of the date you intend to sub-let your property and advise us of a forwarding address and telephone number in the event that the Council need to contact you urgently. If you sub-let your property you will still be responsible for the payment of service charge and ground rent.

If you have a mortgage on the property you may be required to inform your lender and obtain their permission before you sub-let.

If you sub-let your property you are responsible for ensuring that your tenants comply with the terms of the lease agreement. You will be responsible for the behaviour of your tenants and must ensure that they do not cause nuisance to neighbours.

Anti-Social Behaviour

The Council is committed to a policy of dealing with anti-social behaviour and will take reasonable steps to investigate complaints and, where appropriate, take action against leaseholders and/or tenants which could result in those responsible losing their

homes. Any anti-social behaviour complaints should be reported to the Anti-Social Behaviour Team.

Leasehold Forums

From time to time you will receive an invitation to attend a Leaseholders Forum. This will be sent by the area Arms Length Management Organisation. The forum will give information on matters relating to the area in which you live which may affect you as a leaseholder. If you wish to contact the Arms Length Management Organisation which covers your property the telephone number can be found at Appendix 2.

Multi-storey flats

The authority is aware that some leaseholders of multi-storey flats are now experiencing some difficulty in reselling their properties. It would appear that the majority of major lending agencies, i.e. building societies, are unwilling to provide mortgages to prospective purchasers of flats in multi-storey blocks.

Consequently any tenant considering buying a dwelling of this type should consider the above information before proceeding. If you decide to purchase your Council flat, and at a subsequent date wish to sell the property, you may find it difficult, if not impossible, to find a potential buyer who would be able to obtain a mortgage within the Private Sector. Tenants are, therefore, advised to obtain their own independent advice upon the condition and saleability of multi-storey flats. In addition, it should be noted that the Council is not obliged to repurchase any ex-Council property from any owner-occupier.

Complaints

If you have wish to make a complaint regarding any of the services provided to your block (eg cleaning, caretaking, repairs) you should telephone the General Housing Enquiries.

Alternatively official complaint forms can be obtained by telephoning the Leasehold Section or your Neighbourhood Housing Management Office.

If you have a specific enquiry or complaint regarding Service Charge or your Service Charge accounts, you should contact the Leasehold Section.

See Appendix 1 for contact telephone numbers

APPENDIX 1

USEFUL CONTACTS

<p>Anti Social Behaviour Team Tel. 0113 3984701</p> <p>Council House Sales Tel. 0113 2476041/2476042</p> <p>Council Tax Tel. 0113 3984730</p> <p>Emergency out of hours Repair Call Centre Tel. 0113 2478500</p>	<p>Leasehold Advisory Service (LEASE) 70-74 City Road London EC1Y 2BJ Tel. 020 7490 9580 e-mail: info@lease-advice.org website: www.lease-advice.org</p> <p>LEASE is an independent agency which is funded by the Government and offers free advice and information on residential leasehold issues</p>
<p>Finance Section - Debit Card Payments Tel. 0113 3957100</p> <p>Finance Section - Payment of Invoices Tel. 0113 2475670</p>	<p>Leasehold Section 5th Floor East Merrion House 110 Merrion Centre Leeds LS2 8BB Tel: 0113 2476401</p>
<p>General Housing Enquiries/Complaints Tel. 0113 3984701</p> <p>Housing Benefit Tel. 0113 2476007</p> <p>Housing Repair Call Centre Tel: 0113 3984704 Opening Times: 8.00 am to 6.00 pm (Mon- Fri)</p>	<p>Leasehold Valuation Tribunal (Northern) 20th Floor Sunley Tower Piccadilly Plaza Manchester M1 4BE</p> <p>Tel. 0845 1002614 Fax: 0161 237 3656</p>
<p>Legal Department Tel. 0113 2476400</p>	<p>Department for Communities and Local Government Free Literature PO Box No. 236 Wetherby LS23 7NB Tel. 0870 1226 236 e-mail: http://www.communities.gov.uk/</p>

Amendment to Leaseholder Guide

APPENDIX 2

ARM'S LENGTH MANAGEMENT ORGANISATIONS' WEB SITE ADDRESSES, TELEPHONE CONTACT NUMBERS AND E-MAIL ADDRESSES

EAST NORTH EAST HOMES LEEDS

Website: www.eastnortheasthomesleeds.org.uk
Telephone: 0800 915 1600
E-Mail: enehl.enquiries@enehl.org.uk

WEST NORTH WEST HOMES LEEDS

Website: www.westnorthwesthomesleeds.org.uk
Telephone: 0113 398 4708
E-Mail: wnwhl.enquiries@wnwhl.org.uk

AIRE VALLEY HOMES LEEDS

Website: www.avhleeds.org.uk
Telephone: 0113 398 4710
E-Mail: avhleeds.enquiries@avhleeds.org.uk

BELLE ISLE TENANTS MANAGEMENT ORGANISATION

Website: www.belleisletmo.co.uk
Telephone: 0113 2141833
E-Mail: bitmo-enquiries@belleisletmo.co.uk

APPENDIX 3

CURRENT BUILDINGS INSURANCE POLICY DETAILS

SUMMARY OF BUILDINGS INSURANCE

This summary provides you with an outline of the Material Damage Policy issued to Leeds City Council. It is supplied for information only and does not form part of the Policy. Full details can be obtained from the council.

RENEWAL DATE: Annually on 1st April
NAME OF INSURED: LEEDS CITY COUNCIL AND LESSEES OF COUNCIL FLATS
POLICY NUMBER: HB-03G036-0221

1. INSURANCE PROVIDED

In the event of DAMAGE to the BUILDINGS by any of the INSURED PERILS, the INSURER will provide indemnity by reinstatement, replacement or repair. If the BUILDINGS have not been maintained in good repair, a possible deduction for wear and tear may be made.

2. DEFINITIONS

a) BUILDINGS

The structure of the private dwellings (including landlords fixtures and fittings), its outbuildings, terraces, drives and paths, walls, gates, fences, fuel storage tanks, service pipes and service cables relating thereto.

In the case of leasehold flats, the definition of BUILDINGS also includes common parts of the structure in which the private dwelling is situated, such common parts being defined in the title deeds.

b) SUM INSURED

The sum insured is an amount which represents the total cost of completely rebuilding the BUILDINGS insured in the same form, size, style and condition as when new

including Professional Fees, Removal of Debris and Public Authority requirements at the time of reinstatement.

c) DAMAGE

Loss, destruction or damage

d) INSURER

Zurich Municipal Insurance

e) INSURED PERILS

- Fire, Lightning, Thunderbolt, Explosion, Aircraft or other Aerial Devices or articles dropped from them
- Riot, Civil Commotion, Strikers, Locked-out Workers or Persons taking part in labour disturbances
- Malicious Persons other than thieves, excluding DAMAGE in respect of any buildings which may have been empty or not in use for more than 30 consecutive days
- Earthquake
- Storm or Flood, excluding Damage
 - (i) caused by frost, subsidence, ground heave or landslip
 - (ii) attributable solely to change in the water table level
 - (iii) in respect of moveable property in the open, fences and gates
 - (iv) excluding the first £50 of each and every loss
- Escape of Water from any tank apparatus or pipe excluding DAMAGE
 - (i) in respect of any buildings which have been empty or not in use for more than 30 consecutive days
 - (ii) excluding the first £50 of each and every loss
- Theft damage to the BUILDINGS involving entry to or exit from the BUILDINGS by forcible or violent means or such attempt, excluding DAMAGE in respect of any buildings which have been empty or not in use
- Impact by road vehicle or animal
- Breakage or collapse of Television or Radio Signal receiving apparatus
- Accidental Breakage of fixed glass and/or sanitary ware except in respect of any buildings which have been empty or not in use for more than 30 days
- Accidental Damage to supply pipes and cables
- Falling trees or branches excluding the first £50 of each and every loss
- Leakage of oil from any fixed oil fired installation including smoke and smudge damage arising from defective vaporisation
- Subsidence, Ground Heave or Landslip, but excluding
 - (i) Damage in respect of walls, gates, fences, patios, terraces, swimming pools, tennis courts, drives, paths, service pipes and service cables unless the BUILDINGS are affected by the same cause
 - (ii) Damage caused by the normal settlement or bedding down of new structures
 - (iii) Damage caused by the settlement of made up grounds
 - (iv) Damage caused by coastal or river erosion

- (v) Damage resulting from defective design or workmanship or the use of defective materials
- (vi) Damage resulting from demolition, construction, structural alteration or repair of any property, or groundworks or excavation at the site of the BUILDINGS
- (vii) The first £1,000 of each and every loss in respect of BUILDINGS only

3. OTHER INTERESTS

It is agreed and understood that where the INSURED so intend the interests of parties other than the INSURED in the insurance are admitted, the nature of such interests to be declared in the event of loss.

4. COST OF ALTERNATIVE ACCOMMODATION

The insurance cover for the cost of alternative accommodation applies only whilst any part of the BUILDINGS is sufficiently damaged to render it uninhabitable. The amount payable will not exceed 20% of the Sum Insured on Buildings.

5. EXCESS

As detailed individually under paragraph 2 e) Insured Perils

6. INDEX LINKING

The sum insured will be revised as necessary at each renewal in accordance with the Building Cost Index or similar

7. EXCLUSIONS

The INSURER will not be liable for

- 1. Radiation
- 2. War Risks, Government or Public Authority Order
- 3. Sonic Bangs
- 4. Pollution or contamination
- 5. Year 2000
- 6. Property more specifically insured
- 7. Terrorism over £2.5 million

8. CONDITIONS

- 1. Policy interpretation
- 2. Warranties
- 3. Reasonable Precautions
- 4. Misrepresentation
- 5. Alteration in Risk
- 6. Claims Procedures
 - (a) Action by the Insured
 - (b) Rights of the INSURER
 - (c) Subrogation

7. Contribution
8. Fraud
9. Reinstatement
10. Arbitration
11. Cancellation
12. Reinstatement Average

Full details of any EXCLUSIONS, EXTENSIONS or CONDITIONS can be obtained from the Authority.