

# SWAN



## Leaseholder handbook



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# Introduction



Welcome to our leaseholder handbook. This handbook is your guide to our services and it tells you what is in the lease agreement you have with us.

We have divided this handbook into clear sections which tell you what you can expect from us, and what we expect from you.

Swan Housing Group was formed in 1998 to meet the housing and wider needs of people in Essex and East London.

## **John Synnuck**

Chief Executive

This handbook gives you information on your rights and responsibilities as a leaseholder (you have bought the right to live in a property) and our responsibilities as your landlord. It contains information about your home, your lease (a legal document which explains your and our responsibilities) and your service charge (money you pay for daily work to a block or an estate). We have tried to make it as clear as possible.

**However, you should only use this handbook as a general guide. This handbook does not replace your lease and it is not meant to give formal legal advice.** Leasehold issues can be complicated and can change. If there is anything you do not understand, contact the Leasehold Management Team. All contact details are in the back of this handbook.

# Welcome

## WHO SHOULD READ THIS HANDBOOK?

We have produced this handbook for all leaseholders, whether you have bought your property using schemes such as the Right to Buy, Right to Acquire or Shared Ownership, or on the open market.

### **This guide is for you if you:**

- already own a lease of one of our properties;
- already own a shared-ownership lease on one of our properties;
- are thinking of buying from one of our current leaseholders or shared owners; or
- are thinking of buying your property from us.

## WHAT INFORMATION DOES THIS HANDBOOK GIVE ME?

### **This guide provides:**

- a summary of the general conditions of a lease (your individual lease will have differences that apply specifically to it);
- details of some of the relevant laws;
- who does what within Swan Housing Group; and
- our policies and procedures which may affect you as a leaseholder or a shared owner.

### **This guide does not replace:**

- the conditions of your lease;
- your or our legal rights; or
- any other legal agreement on the property.



Section two of this handbook gives you clear information on the clauses in a 'standard' lease for a flat. However, not all leases keep to this standard model. So, if your lease seems to say something different or if you disagree with our interpretation of a clause, you should get your own independent legal advice from a solicitor, a citizens advice bureau, or the Leasehold Advisory Service (LEASE).

This leaseholder handbook comes with a folder, where you can keep a copy of your lease, any notices about any major work, invoices and statements and any letters you have from us.



# SWAN



## The lease

Your lease explained



## 1 WHAT IS A LEASE?

A lease is a legal agreement that explains the rights and responsibilities a leaseholder and the landlord have on a property.

Every leaseholder who signs the lease has an equal responsibility for making sure that they meet the conditions of the lease.

We are your landlord, but we may not be the freeholder of the building you live in. (A freeholder is when someone owns the property and the land it is on.)

A plan should be attached to your lease which shows the boundaries of your home and the building that it is included in it. There may also be another plan to show the areas which you will pay a share of estate and management costs for.

## 2 WHAT IS THE TERM (LENGTH) OF MY LEASE?

The term of a lease is how long the lease runs for, from the date you bought the property. If you originally bought your lease under the Right to Buy scheme (or the Protected Right to Buy scheme), it lasts for 125 years from the date the property was sold.

Leases run for different lengths of time, depending on the individual circumstances. The length of the lease will be given in the lease. Also, your lease may not be for the standard 125 years because:

- we do not own the land the property is on and we are a leaseholder and the term of our lease is less than 125 years;
- we did not own the land a block of property was on until after a property in it had been sold on a lease; or
- a leaseholder has bought an extension to the lease.



### 3 CAN I CHANGE MY LEASE?

If we and you agree to change your lease, for example, to correct a mistake in the plans, we may do this using a 'deed of rectification'.

If you need to change the lease for some other reason, for example to change the conditions of the lease, and we and you agree to the change, you can do this using a 'deed of variation'. To do this, you will need a solicitor.

However, if we or you want to change a lease but the other person does not agree to the change, we or you will have to apply to the Residential Property Tribunal Service for a decision.

The tribunal may not agree to a change.


If we suggest changes to a large number of leases with freeholders, 75% of the leaseholders affected must agree to the change and no more than 10% must object to it.

### 4 WHAT ARE MY RESPONSIBILITIES UNDER THE LEASE?

Once you have bought a lease, you and any other leaseholders (your successors in title) are entitled to live in the property for the term of the lease under the following conditions.

- You must pay your ground rent and all service charges on time. (Ground rent is a yearly charge on all leasehold properties and the amount will be given in your lease.) If you do not pay your service charges, we are entitled to add interest on any amount you owe us. You must pay interest, at the rate it says in the conditions of your lease. If you have bought a property under the Shared Ownership scheme, you must also pay your rent every month for the month to come.
- You must pay all other charges relating to the property, for example council tax, gas, electricity and water bills and so on.

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- You must keep the part of the property that you are responsible for in good condition and carry out any work that you are responsible for within three months of us telling you that the work is needed. When the lease ends, you must leave the property in good condition.
  - You must let us enter the property when we give you reasonable notice, so that we can inspect the condition of the property or carry out work we are responsible for. Please remember that under, certain circumstances, we or our agents are allowed to use force to enter a property if you do not let us in.
  - You must allow other leaseholders in the block reasonable access to your property, if they need to do this to carry out repairs on their own property.
  - You can only use the property as a private home and you must not carry out any business at the property without our permission.
  - Depending on your lease, you may rent your property out with our permission. We may charge you for this.
  - If you have bought a property under shared ownership, usually you may only rent it out once you have bought 100% of the equity (Equity is the difference between how much your property is worth and the amount you owe on your mortgage.) If your shared-ownership lease allows you to sublet the property, you must have our permission to this.
  - You must send us a copy of any notices which affect your property, which we have not sent you.
  - You must keep to the conditions of any notice.
  - You must not make any alterations to the property without getting our written permission. This includes replacing the central-heating system, kitchen or bathroom fittings, your windows and front door. There may be a small charge for this.
  - You must not disconnect the property from a district heating system without getting our written permission.
- 



- You must not do anything to cause a nuisance to us or your neighbours (see section 7 'Antisocial behaviour').
- You must not put up any aerials, satellite dishes or notice boards outside your property without our written permission.
- Unless it says so in your lease, you must not decorate the outside of your property without our written permission.
- You must tell us if you plan to sell your property in the discount repayment period if you are a shared owner. (The discount repayment period is the period of time starting from the date you bought the property under the Right to Buy scheme, Preserved Right to Buy scheme or Right to Acquire scheme, in which you must repay some or all of the discount if you sell or transfer the property. The 'discount' is the amount of money which the property was reduced by.)

## 5 WHAT ARE YOUR RESPONSIBILITIES UNDER THE LEASE?

### We must:

- work out your service charges in line with the conditions of your lease;
- maintain the structure of the block and the estate your property is on (if it is on an estate);
- in some, but not all cases, maintain and repair the structure and outside of the building including the roof, windows and entrance doors to the flats and all shared drains, gutters and pipes as well as all the shared areas of the block and estate;

- maintain all equipment associated with services supplied to the block and estate, such as lifts, inside and outside lighting and playground equipment;
- maintain all shared grass and planted areas (but not private gardens) and any estate roads and parking areas;
- insure your property for its full value and, if necessary, restore or rebuild the building (we include the cost of the buildings insurance in your service charges); and
- take action or help you take action against a neighbour who may be causing nuisance (see section 7 'Antisocial behaviour').

## **6 WHAT HAPPENS IF SWAN THINK THAT I AM BREAKING THE CONDITIONS OF THE LEASE?**

If we think that you have broken any of the conditions of the lease, we will write to you to tell you why we think this has happened and what you should do about it.

If you do not do what we suggest or you do not tell us why you do not think you have broken the conditions of the lease, we will take the case to court or the Leasehold Valuation Tribunal and ask them to make a decision. The Leasehold Valuation Tribunal is an organisation which deals with disagreements between tenants (leaseholders) and landlords.

If the court or the tribunal agrees that you have broken the conditions of your lease and you still do not do what we suggest, we may serve you a notice under Section 146 of the Law of the Property Act 1925. If you keep within the conditions of the notice, we will not take any more action, but you will have to pay our costs for preparing the notice.



If you still do not do what we suggest, we will ask the court to end your lease. If the court agrees, you will usually get 28 days to put things right. After that time, if you have still not done what we have asked you to, we will be entitled to repossess your home and evict anybody who is living in it. If you have a mortgage or other debt secured on the property and we end your lease, you still be legally responsible to pay back the money you have borrowed.

If this happens, you have six months to apply to the court for 'relief of forfeiture'. This means that you ask the court to change the previous decision and let you back into the property. It is up to the court to decide whether or not to allow this and on what conditions (if any). For example, the court may insist that you pay damages for breaking the lease.

We hope that any disagreements between you and us never get to the stage where we have to end your lease.

## **7 WHAT CAN I DO IF I THINK YOU HAVE NOT KEPT TO YOUR RESPONSIBILITIES UNDER THE LEASE?**

If you think that we have not kept to our responsibilities under the lease, you should write to us and tell us what it is you think we are doing wrong and what we should do to put things right. If we agree with you, we will do our best to put things right. However, if we do not agree with you, we will write to tell you why we disagree.

If you do not agree with our response or any action we have taken, you are entitled to take the case to the court or the Leasehold Valuation Tribunal and ask them to make a decision.

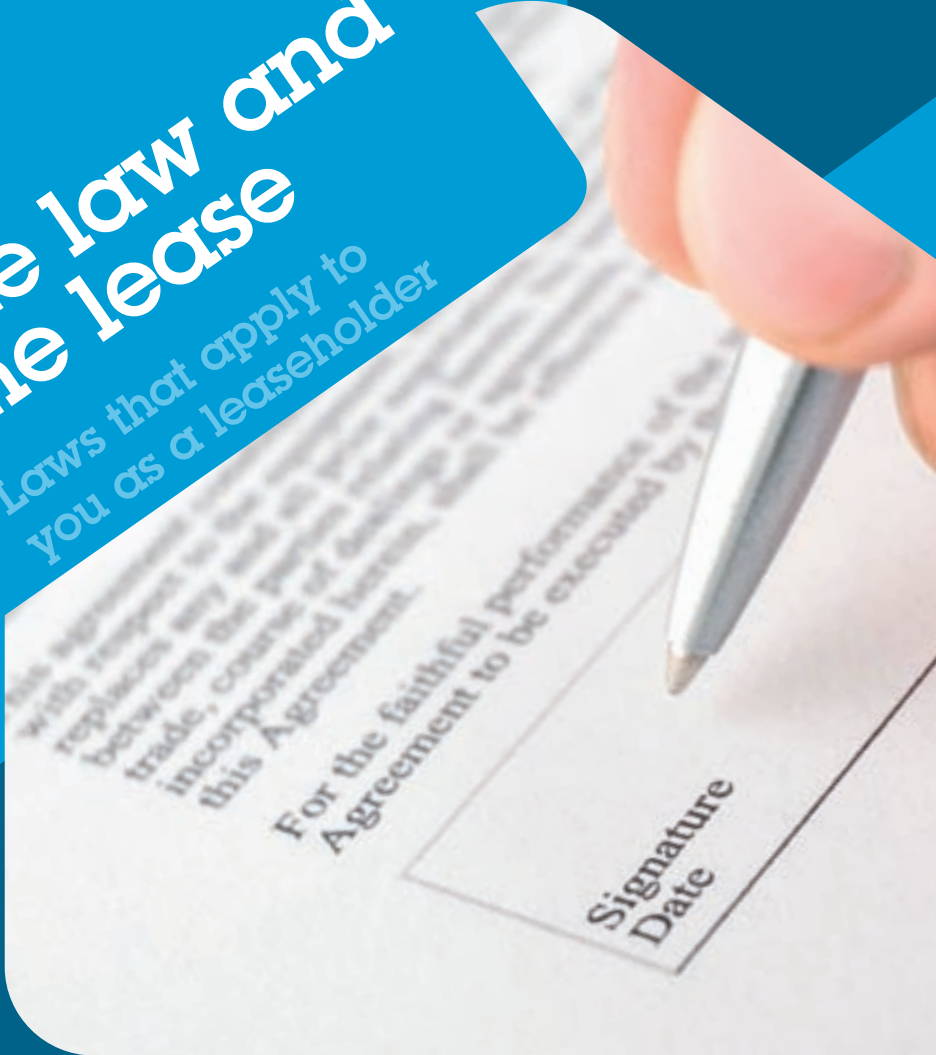


# SWAN



## The law and the lease

Laws that apply to you as a leaseholder



Your lease will clearly say what is expected of you as a leaseholder and us as freeholder and the manager of your building. You should always refer to your own lease or get advice from someone who can explain the lease to you (such as a legal advisor).

## **1 WHY DOES THE LAW REFER TO LEASEHOLDERS AS TENANTS?**

Under English law, anyone who lives on land or in a property is either a:

- freeholder (they own the land); or
- tenant (they own an interest in the land but do not own the freehold title to it).

As a leaseholder with us, you are in law 'a tenant', because we own the land your property has been built on, or in some cases, we own a lease of a block. For this reason, the law very rarely refers to leaseholders. Instead, it usually refers to tenants who live in properties let on leases.



## 2 WHICH LAWS RELATE TO LEASEHOLDERS?

The following is a summary of the most important Acts of Parliament that relate to us and you.

- **The Law of Property Act 1925**

If you break the conditions of your lease then, under certain circumstances, we can serve you with a notice under Section 146 of this act. This is the first step in applying to end your lease.

- **The Housing Act 1980**

This act introduced the Right to Buy scheme for council tenants. Many of our leases are affected by it because it laid down certain conditions that must be included in all right-to-buy leases, for example the starting date of the lease and that ground rent should be set at £10 a year. This act also contains the Preserved Right to Buy scheme (introduced by the Housing and Planning Act 1986). This scheme helps you buy a lease if you used to be a council tenant and have become a tenant of a housing association.

- **Landlord and Tenant Act 1985**

For our leaseholders, the most important sections of this act are sections 18 to 24, as well as some amendments introduced in the Landlord and Tenant Act 1987 and Commonhold and Leasehold Reform Act 2002. These sections explain:

- what a service charge is;
- what information a landlord must give its tenants about service charges;
- when and how services charges can be billed; and
- what rights a tenant (leaseholder) has to examine documents and accounts about how charges are worked out.

- **The Housing Act 1985**

This act contains all the current rules about the right to buy (and the protected right to buy). It also deals with leasehold management issues from after a sale, such as:

- repaying discounts and our right of pre-emption (right to buy a property before another person);
- service charges in the first period of the lease; and
- the term of the lease.

Pre-emption applies if you are a shared owner who does not own 100% of the equity, or if you are a leaseholder and bought the property under the right to buy on or after 17 January 2005 and you want to resell within 10 years.

In March 2005, the act was amended to allow local authorities and other social landlords to sell their rented properties under Social Homebuy.

- **Leasehold Reform and Urban Development Act 1993**

This introduced the idea of 'collective enfranchisement'. This is when leaseholders join together to buy the lease extensions and the freehold of the block their leasehold properties they are in.



- **The Housing Act 1996**  
This act set up the Leasehold Valuation Tribunal.
- **Commonhold and Leasehold Reform Act 2002**  
This act introduced significant changes in the procedures to do with consultation for large-scale repair work. It also introduced other changes relating to paying ground rent, using the Leasehold Valuation Tribunal, collective enfranchisement and insurance for houses sold on leases.
- **Housing Act 2004**  
This act deals mainly with changes to the Right to Buy scheme (which also affects tenants with the protected right to buy).



# SWAN



## Services

Which you pay for



## 1 GENERAL SERVICES

### 1a What are service charges?

As a leaseholder, you have to pay, to the manager of the block or estate, your property's share of the costs of maintaining the block and providing services. This is called a service charge and is your share of the cost of running the building. All leaseholders (and freeholders if your property is on an estate) must pay us a reasonable proportion for the shared services we provide.

To make administration easier, we may refer to 'yearly service charges' and 'charges for major work' separately. These terms are used in this handbook, but they are all service charges.

### 1b What is an estate?

An estate is a group of properties on a piece of land that has a defined boundary. Your lease will give the estate and the position of the property in it. The properties may be houses or blocks, flats or maisonettes, or a mixture of both.

The estate will usually contain grass and planted areas, roads and areas to park on. It may also have other facilities such as play areas. The facilities on the estate are for you and not for the general public.



## 1c How does the law define service charges?

Section 18 of the Landlord and Tenant Act 1985 describes a 'variable service charge' as an amount you pay for a home as part of, or as well as, the rent which you:

- pay directly or indirectly, for services, repairs, maintenance or insurance or the landlord's management costs; and
- pay and which varies, or may vary, according to the relevant costs.

The Landlord and Tenant Act 1985 defines the 'relevant costs' as the landlord's costs or estimated costs for what is covered under the service charge.

The act also says that:

- costs include general and continuous costs; and
- costs are relevant costs that relate to a service charge, whether or not they are from the period of the service charge or an earlier or later period.

The test of all service charges is 'reasonableness', which means that it must be reasonable for the landlord to pay the costs in the first place, the work or services must be carried out to a reasonable standard and the cost of the work or services must be reasonable.

In sections 1c, there are descriptions of yearly charges and charges for major work, as well as how they are worked out. There are some general points relating to all of the service charges you are legally responsible for under your lease.

## 1d What is the administration or management fee?

An administration fee or management fee is a charge added to all service-charge bills to pay us for the costs of working out, billing and collecting your service charges and responding to questions about the charges. It also covers the costs of staff spending time responding to questions about any part of your lease, lease extensions, collective enfranchisement, buying extra facilities or making alterations to your home, or any other matter you want to raise in connection with the lease of your homes.

An administration fee can be a fixed amount to pay for a solicitor's services, and is controlled by the conditions of your lease.

## 1e The '18-month rule'

- We must send you a bill within 18 months of carrying out any work or service. If we do not do this, legally you do not have to pay for the work (Section 20 (b) of the Landlord and Tenant Act 1985). This is why most of the bills we send to you are estimated.
- If we cannot send you a bill within 18 months of the work or service, we can send you a formal notice under Section 20 (b), telling you that you must pay towards the costs of the work or services.
- We must eventually give you an actual cost. There is no time limit on when the actual figures must be produced. There are many things which can affect the calculations, but we must give you an actual cost within a reasonable period.
- If you are a freeholder living on an estate, the Landlord and Tenant Act 1985 does not apply.



## If Can you keep rents down by charging me more?

The law does not allow us to try and keep rents down by charging you more. All service charges are based on the services we provide and the number of properties we sell and rent that benefit from the service. Nothing else is involved. In fact, the amounts which we charge you for services are not connected to the amount of rent we charge our assured tenants. (Assured tenants are tenants who have been granted the right to stay in their property as long as they keep to the conditions of their tenancy agreement.)

## 2 YEARLY SERVICE CHARGES

### 2a What services do I have to pay for?

Depending on where you live and what type of property you live in, you may receive a number of different services which you pay a yearly service charge for. You pay this every year. All leaseholders pay:

- buildings insurance (leaseholders of houses can arrange their own cover with our permission);
- shared lighting (if there is a shared entrance to the flats); and
- responsive repairs (such as loose tiling on roofs, repairs to flooring, clearing shared drains that are blocked and so on).

If you live in a block on an estate, we may provide other services including:

- caretaking or an estate-warden service;
- cleaning estates and blocks;
- gardening and maintaining the ground;
- minor repairs to the block and the estate facilities;
- a shared television aerial;

- security (either an audio- or video-entry system or a concierge);
- heating systems and hot-water systems;
- fire-safety equipment;
- laundry facilities;
- maintaining water tanks;
- maintaining lifts; and
- reserve or sinking funds (if this applies). A sinking fund is a collection of payments saved up to pay for major work that may be needed in the future. This is also called a reserve fund.

If you are a leaseholder, your lease will tell you which services you are legally responsible to pay for.

If you are a freeholder living on an estate, the services that you must contribute towards will be defined in the freehold transfer. (A freehold transfer is when the freehold ownership of a property is legally passed to another person.)

You also have to contribute to charges for major repair work.

## 2b A brief description of the various services

### **Cleaning and caretaking**

We are responsible for cleaning and maintaining the shared areas inside and outside, such as balconies, corridors, pathways and roads.

### **Gardening and ground maintenance**

We are responsible for maintaining estates and shared land, including grassed areas and flower beds.

### **Minor repairs**

Sometimes we have to make small repairs to the structure or shared parts of the building or shared parts of the estate. We can carry out these repairs after one of our leaseholders, tenants, surveyors or housing officers asks us to. As long as the cost for each leaseholder is less than £250 including VAT, we do not have to speak to you before we carry out the work.



### **Security, concierge and entry phones**

You will only pay for these if the block has them.

### **Heating**

We provide heating and hot water to some blocks. This charge is based on the actual amount of fuel used, regular servicing, responsive repairs and management costs. The costs of the boiler and plant linked to the boiler house are added to give the heating costs. You will only pay for this if your home is connected to a shared heating system.

### **Electricity**

These costs are mainly for lighting in stairwells and other shared areas such as balconies and entrance halls for power for the lifts.

### **Lifts**

As well as cleaning the lifts, we are also responsible for regular inspections, servicing and maintenance.

### **Water tanks**

If there are shared water tanks, government regulations mean we have to inspect and test the purity of the water, and this charge will be passed on to people who live in the building.

### **Reserve or sinking funds (if this applies)**

Leases can mean that a landlord has to collect money in advance to create one or more reserve or 'sinking' funds. These are to build up money to cover the cost of irregular and expensive work such as outside decorations or replacing roofs.

## **Building insurance**

When you buy your property, your lease will say who should insure the building. It will usually be us, and if it is, we automatically provide buildings insurance. We have to take out building insurance on your behalf and the most cost-effective way to do this is to arrange cover for all our leasehold properties with one insurer. You can take out your own building insurance with our permission.

**Please remember that building insurance only covers things which might happen to the building. It is not contents insurance and will not cover you for anything that might be your own personal legal responsibility, such as if you cause water damage in another property because your bath overflows or your washing machine breaks down. It also does not cover the cost of renewing parts of the building.**

## **2c How are my service charges worked out and when will I get the bill?**

The yearly service charges and how we should charge it is regulated by the conditions of your lease or freehold transfer.

At the start of the financial year we do not know what repairs will be needed that year in your building. For this reason, we include an estimate of your service charge to help with the cost of possible repairs and regular contracts (for example for cleaning the shared areas). For most of our leases, we send out bills for all yearly service charges using estimates of costs. Our financial year runs from April to March. You will receive an estimate of the following year's charges in March each year.





We will work out how much we actually spent providing services to your property and to the estate in the previous financial year and send you details of the charges. If the amount is higher than the estimate we sent to you, you must pay the difference within one month. If the amount is lower, we will put the money you have overpaid into your account immediately.

We work out service charges in line with your lease. We may charge all tenants the same amount, or we may work out the charge based on your individual circumstances. If you are not sure about the method we use to work out your service charges, please contact the Leasehold Management Team.

We estimate the costs for repairs on the property you live in, but we actually work out the charge depending on the costs of the actual repairs that we carry out.

Even though there has been an independent audit, you also have the right to inspect the costs included in the service-charge accounts. We will usually arrange this at one of our offices and we may charge you if you want to make a copy of any invoices. You will need to contact your leasehold officer to make an appointment

## 2d How and when must I pay my yearly service charges?

For most of our leases, you must pay the service charges every three months in advance (for the three months to come) on the payment days. The payment days are in the lease, but are usually 1 April, 1 July, 1 October and 1 January. For other leases, you must pay the service charges every month, for the month to come, the 1st of the month.

However, if you prefer, you can pay the whole amount at the beginning of the financial year. This can be done via, Direct debit or standing order. In addition, you can pay by cash or cheque at any post office or paypoint using your allpay payment card.

You are also able to pay online at **[www.swan.org.uk](http://www.swan.org.uk)** or **[www.allpayments.net](http://www.allpayments.net)** using a debit or credit card.

Once you have bought a leasehold property, it is your responsibility to pay the service charges as well as a contribution towards the costs of any major work carried out. We cannot let you off with charges that you must pay by law. If you do not make payments, we may take legal action to get the money you owe us. If this happens, you may have a county court judgment made against you or you may lose your home.

If you have any problems paying your service charge, please get in touch with us straight away. If you contact us quickly, we will try our best to help you plan the payments.

If you are on basic state benefit, you may be entitled to help with paying your yearly service charges. For more information on this, please speak to Citizens Advice or the Benefits Agency.



### 3 CHARGES FOR MAJOR WORK

#### 3a What is a charge for major work?

A charge for major work is a charge for one-off work carried out to a block or an estate. Examples include:

- renewing the roof, windows or water tanks;
- repairing or renewing a lift;
- repairs to concrete or bricks;
- resurfacing the estate roads;
- installing door-entry systems; and
- large maintenance jobs which we carry out on regularly, but with long gaps in between, for example repairs to the outside of the properties, which we normally carry out every five to seven years.

Sometimes we will combine the work if it makes sense to do so. For example, if the outside of your block needs work or the windows need replacing, we will do both at the same time. This will save you money, as we will only need to pay for scaffolding once.

#### 3b How do I pay charges for major work and how do you work them out?

We will have given you a Section 20 notice during the previous 12 months (ending the previous 31 July).

This means that you may receive a consultation notice for work we carried out a year ago or a few months ago. The invoice will be the estimate quoted on the notice, unless we have made any amendments. We will tell you the actual costs as soon as we have agreed the final amount for the contract.

Unfortunately, we cannot give a timescale for final amounts, as individual contracts vary in length and the costs of some contracts can be disputed. All contracts for major repairs have a defects liability period (a period of time during which the contractor must put right any problems for free). It can be a period of any time between six months and a year. We cannot agree the final amount until after the defects liability period has ended and all problems have been put right.

If you have a problem with any contract for major work, please contact us as soon as possible. If you wait until you receive the bill for the work, it may be too late to get the contractors back to correct any faults. The consultation notices we send you before the work starts will tell you which of our officers is dealing with the contract.

We work out charges for major work in line with your lease.

## 3c Protection for major work

If you have bought your lease under the Right to Buy Scheme or the Protected Right to Buy Scheme, you receive some protection against the cost of unexpected major repair work.

This protection lasts for the initial period of the lease (the five-year rule).

The initial period of the lease runs out on the 31 March, following the fifth anniversary of you buying the property using the Right to Buy scheme. During this period, major repair work charges are limited to the estimate in the right-to-buy offer notice (the Section 125 notice) plus an element relating to compound building cost inflation (the increase in price between when the estimate was given and when the work was done, to reflect the fact that the costs of the planned work had increased).



### 3d How and when must I pay charges for major work?

You must pay charges for major work in line with the conditions of your lease, which for most leaseholders is by four equal payments on the payment days. However, we do understand that bills for major repairs can be high, so we have several payment plans.

If you cannot afford to pay the whole amount at once, we would prefer you to pay monthly instalments over 12 months. If you do this, we will not add interest to the charge.

You may also pay instalments over any period between 12 and 24 months, without us adding interest. However, if you miss a payment, you will immediately become legally responsible to pay all the money you owe, and we will add interest until you pay everything you owe. We charge interest as it says in the conditions of your lease.

If we agree that you would not be able to pay for major work using any of the above schemes, we may agree to put a voluntary charge on the property. This means that you do not have to make any payments, but the amount of the charge and the interest will be secured on the property, and you will pay it when you sell the property.

### 3e Are there any circumstances where charges for major work can be reduced?

We must reduce a bill for major work to a minimum of £10,000 if the Government paid for the work under certain government initiatives and it is not considered that the work has increased the value of your home by more than £10,000.

We may voluntarily reduce the charge to £10,000 in some circumstances, for example if you are finding it extremely difficult to pay your bills or if an estate has been transferred from a local authority to us and the reduction is part of the transfer agreement.

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3f Will you speak to me before you carry out repair work?

## **The 'Section 20' consultation process**

Under Section 20 of the Landlord and Tenant Act 1985, we must speak with you before we carry out any major repairs, maintenance or improvements which you have to pay a share of. We will speak to you as an individual leaseholder, and if you are a member of a recognised tenants' association, we will also speak to you and your association.

The rules under Section 20 of the Landlord and Tenant Act 1985 were amended by the Landlord and Tenant Act 1987 (Section 41) and then more so by the Commonhold and Leasehold Reform Act 2002 (Section 151), which now forms Section 20ZA of the Landlord and Tenant Act 1985.

A landlord must now speak to a tenant about single contracts for 'qualifying work' (such as repairs, renewal and so on) if the estimated charge is £250 for each leasehold property, and 'qualifying long-term agreements', which are contracts for things such as servicing lifts, heating and boilers and so on. We must speak to you about any change in the services or service provider, if:

- the cost of the service increases by more than £100 a year for each leaseholder;
- the repair work will be more than £250 for each leaseholder; and
- a contract for a service is going to last more than 12 months.

The consultation process has also been extended so that, instead of a single notice, you will now receive at least two notifications about each qualifying contract or agreement. Sometimes you may receive three notifications and occasionally four or more notices.

The notices are as follows.

1. A 'notice of intention' - This tells you that we plan to carry out work or enter into a long-term contract. It also gives you a brief description of the work and the reasons for carrying it out.



It asks you for your comments (within a given timescale) and, in some cases, asks whether you want to nominate a contractor to tender (bid) for the work.

2. The 'notice of landlords proposals' – We will send you this after we have received bids from contractors to carry out the work. It will tell you the results of the bidding process, which bid we plan to accept and what your estimated individual charge will be (if it is a 'repair' contract). If it is a qualifying long-term agreement, there will be no individual cost. Again, you can make any comments you want to.
3. If we decide not to accept the lowest bid for a contract, we must give you a third notice, telling you why we have accepted a higher price.
4. If one job to be carried out under a 'qualifying long-term agreement' is likely to be more than £250 on its own, we must give you a notice of intention for that particular job.

The notice will give a description of the work and reasons for the work and details of the total cost and your estimated individual service charge. You can also make comments on the work within a given timescale.

At each stage of the process, you will be able to see the documents we have for the contract, including a draft specification of works (at the notice of intention stage) and the estimates we have received (at the notice of proposal stage).

We changed the regulations to give leaseholders the right to ask questions about the work at an early stage. If you believe that the work we are planning to carry out is not necessary, you should say so at the notice of intention stage, so, if necessary, we can look at the specification again.

We do our best to keep to the law concerning Section 20 consultation, but there may be times when we cannot do this. In these circumstances, you may speak to the Leasehold Valuation Tribunal, and they will decide whether or not we have acted 'reasonably'.

## 3g Recognised tenants' associations (RTA)

If you live in a block or on an estate and you have a RTA representing you, we must speak to them.

Section 29 of the Landlord and Tenant Act 1985 defines a recognised tenants' association as an association of qualifying tenants (such as leaseholders), which has been recognised by the landlord as representing a particular block, estate or area. This type of tenants' association is not the same as a residents' tenants association or a residents' board on some estates.

## 4 DISAGREEING WITH A SERVICE CHARGE

In line with the conditions of your lease and current laws, we must:

- work out your service charges;
- tell you about your service charges; and
- give you the right to information about our costs for providing the services.

You may disagree with the amount we have asked you to pay. If you disagree, you can use our 'service charge dispute procedure'. You must write to the Leasehold Management Team and explain why you think the service charge is unreasonable. We will give you a written explanation within 10 days. If you are not happy with our response or we do not accept your reasons for not paying, we or you may apply to the Leasehold Valuation Tribunal and ask them to make a decision.



The tribunal's procedures are less formal than those of the court and the rules on proof are less strict. A panel of three members listen to the case and make a decision.

The tribunal's decision is not legally binding, but a court would normally accept the tribunal's decision and make an order that is the same. We or you may appeal against a decision to a Lands Tribunal which is the 'court of appeal' for the Leasehold Valuation Tribunal.

It is important to remember that no decision the Leasehold Valuation Tribunal makes can set a precedent. This means that although two cases may be identical, the tribunal may make different decisions, even though there is a general rule for the tribunal to be consistent.

None of the above law applies to freeholders. If you own a freehold property and are legally responsible for paying a contribution to costs, we will work out those charges in the same way as we do for leaseholders. If you want to disagree with a charge, you cannot apply to the Leasehold Valuation Tribunal but must take your case to the courts.

## 5 RENT CHARGES FOR SHARED OWNERS

If you have bought a property under shared ownership or the Social Homebuy scheme and own less than 100% of the property, you have to pay rent monthly in advance (for the month to come) on the share of the property that we own. When you buy your share of the property, the rent is a percentage of the landlord's share for each year, but it will increase each financial year in line with rises in the RPI (retail price index) plus 0.5%.



# SWAN



## Selling or renting

What you can do  
with your property

A photograph of a real estate sign placed in front of a classical building with white columns and arches. The sign is tilted and features a black top section with the words "for sale" in white, a red middle section, and a black bottom section.

*for sale*

## 1a When can I sell my property?

You may sell your property (assign (transfer) the lease if you are a leaseholder) at any time. But there are a number of things you must keep in mind.

Firstly, if you have only recently bought the property under the Right to Buy scheme, Protected Right to Buy scheme or from a Social Homebuy scheme, you will probably have to repay some, all, or more of the discount you received when you bought the property. You must repay us, unless you have extreme medical circumstances.

The discount repayment period is five years for applications made after the 17 January 2005. We work out the full amount you must repay as a percentage value of the property when you sell it. We will reduce this figure by one-fifth for each full year after you sell the property.

If during the discount repayment period you want to add another person to the lease, you will have to repay the discount. If you sell your home, you will have to offer it back to us first.

If you applied to buy your property under the Right to Buy scheme after 17 January 2005, you must first offer it back to us if you want to sell it within the first 10 years.

This means that we have the right to get the first chance to buy the property back at the full open-market value. If we do not want to buy the property back, we will write to you.

If you bought the property under a Shared Ownership scheme, the lease will place certain restrictions on selling the property in the future. You may have to offer the property back to us, or we may choose a possible buyer. If you are a shared owner who does not own 100% of the equity, please contact the Leasehold Management Team for more information.



## 1b Will you buy my property back from me?

In certain circumstances, for example if you are in extreme financial difficulties or the property is not fit for you on medical grounds, we may buy the property from you. The number of properties we may buy in this way is limited by our yearly budget.

If we do buy your home from you, we will pay a 'sitting tenant' value. This is less than the open-market value and we will take off the amount of any mortgage or other debts secured on the property and any service charges you owe us from the amount we pay you.

Even if you think that you may qualify for the scheme, we cannot guarantee that we will buy back your property.

## 1c What do I need to tell the person buying my home?

The person you are selling your property to will want details of the service charges, any money you owe for service charges and whether it is likely that the building will need major work carried out in the near future which they might have to pay for. They might also want details of the building

insurance, the construction of the block and other information about the block and the estate.

These are called pre-assignment enquiries. A solicitor should write to the Leasehold Management Team for this information. There is a charge for providing this information. You may also need this information to prepare a home information pack. (A home information pack is information about your property, which you must give to possible buyers before you can sell it.)

## 1d What happens about service charges when I sell my property?

We will expect you to pay all of your service charges when you sell your property. You will need to keep in mind that we give you all charges as estimates first, and give you the actual charge later. This can be lower or higher than the estimated charge.

You will need to agree the money you owe on service charges with the person buying your home, who will be responsible for any extra charge or a refund.

Similarly, if you sell your property part-way through the year, it will be up to you and the person who buys your property to agree how you will pay any amounts of yearly service charges left to pay.

If you do not pay a service charge you will be breaking your lease. Although an actual service-charge debt cannot be passed on from one leaseholder to another, when a property is resold the new leaseholder will be legally responsible for any breaks of the lease, for example if there is any debt. In other words, the new leaseholder would either have to pay any outstanding charges or take action against the previous leaseholder to make sure that they do so.

le What happens if I am disputing a service charge when I want to sell my property?

We will expect you to pay all of your service charges when you sell your property, but we understand that there may be times when you disagree with a service charge and do not want to pay it.

In these circumstances, in order not to get in the way of selling your property, we may agree to a retention being held by a solicitor, and for you to pay the service charge after this has been dealt with. (A retention is a sum of money taken from the sale of the property to pay for service charges you have not paid or you have not been charged for.)

Please remember that we will normally want the full amount of the service charge you owe us, whatever you believe the result of the dispute will be. The solicitor of the person buying the house will probably want to do this as well.



## 2 WHEN CAN I RENT OUT MY PROPERTY?

Usually, your lease will show whether you can rent out your property. However, if you are a long leaseholder (not a shared owner) and your property was originally sold under the right to buy, or preserved right to buy, you can rent it out without needing to get our permission. We strongly recommend that you ask your tenant to sign a deed of covenant which means that they must keep to the conditions of the lease in the same ways as you have to. Your solicitor can give you more information about this.

You must tell us the address you want your post sent to and who the managing agent for the property is, if you appoint one. This is so that we can make sure you receive invoices, Section 20 notices or other information you need to have. Remember, whatever the conditions you have with your tenant, you are still the leaseholder and still legally responsible for all charges being made and making sure the tenant follows the conditions of the lease.

If you are a shared owner, usually you may not rent out your property unless you own 100% of the equity and the lease allows this. If your lease allows you to sublet, you will need our permission to do this.

Some leases only allow you to rent out your property with our permission. Please check your lease and contact the Leasehold Management Team for more information.



swan



# The Leasehold Management Team

About our team



## **1 WHAT IS THE LEASEHOLD MANAGEMENT TEAM?**

The Leasehold Management Team does not manage our leasehold properties. Local and regional offices are still responsible for managing the day-to-day issues relating to leasehold properties. Your local office will deal with things such as caretaking and cleaning, the warden service, clearing rubbish and maintaining the grounds. They will also deal with problems to do with antisocial behaviour.

You should always contact the Leasehold Management Team first if you have questions about your home that cannot be dealt with by referring to your lease. They will either be able to deal with your questions themselves, or find the right person to help you. The team deals with questions relating to issues such as subletting, breaking the lease, making alterations to your home and selling your leasehold property. They also work out your service charge and deal with applications for the Right to Buy scheme, Right to Acquire scheme and shared-ownership staircasing (where the shared owner is able to increase their stake in the property by set percentage amounts up to 100%, when they will own the leasehold or freehold interest).

We will also give you information on the conditions of your lease, but you should get your own independent legal advice if you do not agree with what we say.



## **2 UNDER WHAT CIRCUMSTANCES SHOULD I CONTACT THE LEASEHOLD MANAGEMENT TEAM?**

### **Service charges**

If you have a question about any part of your service charge, such as the amount, how it is worked out and what work or services are included, you should contact the Leasehold Management Team. If you have a question about the quality of the work or service, you may contact the Leasehold Management Team, but we may refer you to the regional housing office or the Asset Management Team if we cannot give you an answer straight away.

### **Selling your home**

If you want to sell your property (assign (transfer) the lease), you or your solicitor will need to ask us questions about service charges, any major work planned which would affect the property, the conditions of the lease and other related topics. These are called pre-assignment enquiries and the Leasehold Management Team is responsible for gathering all the information you ask for.

### **Additional loans**

If you want to take out an additional loan secured on your property and you are still in the discount repayment period, you or your possible lender will need to contact the Leasehold Management Team as we may have to postpone our charges on the property.

### **Alterations**

If you want to make alterations to your property, your lease will say that you must have 'landlord's permission', as well as any other formal requirements such as planning permission. You should contact the Leasehold Management Team if you are thinking about making any alterations to your home.

### **Buying extra facilities**

If you live in a property which has a garden, loft space, cellar or so on, which wasn't included in the original sale and you want to buy it, then the Leasehold Management Team are the first people you should contact, and they will explain the procedures.

## **Buying the freehold**

If you have an individual flat within a block, you have the right, under the Leasehold Reform, Housing and Urban Development Act 1993, to buy the freehold of the block. This is known as collective enfranchisement. So if you want buy the freehold of the block or ask about whether or not you and your neighbours qualify, contact the Leasehold Management Team.

## **Extending your lease**

The Leasehold Reform, Housing and Urban Development Act 1993 also allows you to extend the term of your lease. For more information contact the Leasehold Management Team.



The following is a summary of the areas of work the Leasehold Management Team deal with.

- Arrears – getting back money you owe for service charges for major work
- Arrears – getting back money you owe for yearly service charges
- Assignments
- Bills
- Buying back
- Charges for major work
- Collective enfranchisement
- Commercial leases
- Communication strategy
- Deeds of covenant
- Deeds of discharge
- Deeds of variation and rectification
- Demolition notices
- Freeholders' accounts
- Ground rent
- Head-lease management
- Houses sold on leases – accounts
- Individual enfranchisement
- Insurance – leaseholders
- Extending leases
- Leasehold training, procedure and policy
- Leaseholder consultation
- Litigation
- Permissions
- Postponements
- Pre-assignments enquiries
- Property database
- Protected right to buy and right to acquire
- Recognised tenants' associations
- Rent checks
- Service charge – accounting
- Service charge – enquiries
- Service charge – loans
- Service charge – reductions
- Shared ownership staircasing
- Legal consultation
- Voluntary charges
- Yearly service charges



# SWAN



# Policies and services

Setting high standards



## 1 ANTISOCIAL BEHAVIOUR

All leases say that you, your family and your visitors must not cause a nuisance to other residents or to the area you live in.

We are committed to providing homes where people choose to live, in neighbourhoods that are clean, green and safe. We understand that antisocial behaviour can seriously reduce quality of life for residents and it can have a negative effect on the victim and the community as a whole. It can lead to residents feeling isolated, frightened or unhappy in their homes and properties or areas can become unpopular and difficult to let. We believe that anyone has the right to live how they choose, as long as this does not spoil the quality of life for others and people are treated with respect.

We work with all agencies, including the police and local authorities, to tackle antisocial behaviour. We will deal with complaints sensitively and in confidence. If you want to report incidents of antisocial behaviour, please contact your housing officer.

## 2 ESTATE SERVICES

Depending where you live, we or our contractors will carry out estate services (such as cleaning, caretaking and so on). We expect the highest standards.

If we hire contractors to provide the service, they will also have to meet specific conditions, including service standards and monitoring arrangements.

If we use our own Estate Services Team to clean and maintain the estate, we will:

- clean all blocks every week or month, and we will check this work regularly;
- check for abandoned vehicles;
- inspect for vandalism and graffiti and remove it;
- check that all shared lighting is working properly;
- remove all bulky rubbish;
- inspect shared areas to see if they need any repairs;
- inspect for anything that may be a health-and-safety worry;
- carry out daily spot checks on areas we know people are worried about;



- give you advice on issues that affect your estate, such as the date we collect your rubbish, and car parking;
- sweep and clear pathways that lead to the entrance doors if there is heavy frost or snow;
- inspect all blocks with you every two months;
- inspect and maintain all grassed areas, shrubs and flower beds;
- make sure that we kill weeds;
- inspect all trees twice a year with you and housing officers;
- inspect specific blocks;
- guarantee excellent service standards;
- help you if a lift breakdowns at peak times (9am to 5pm); and
- maintain a notice board in each block with schedules, specifications, pictures of the staff responsible for cleaning and all contact details you will need.

To help us achieve this, we need you to:

- put all rubbish in the correct containers;
- not leave anything on landings or corridors;
- not allow children or visitors to cause vandalism or drop rubbish in shared areas;
- not allow any family member or visitor to smoke in the blocks;
- report all incidents of antisocial behaviour and any repairs that are needed; and
- close all doors.

### 3 OUR COMMITMENT TO EQUAL OPPORTUNITIES

We are committed to getting rid of discrimination and promoting equal opportunities regardless of race, colour, gender, ethnic background, nationality, marital status, sexuality, religion, age, disability, medical condition, appearance or caring responsibilities. We will be fair when we deal with people, communities and organisations and will take into account their cultures and backgrounds.

We will keep to all relevant laws, good-practice guides and codes of practice. Our equality and diversity policy will be important to how we work and our policies and procedures. We will monitor this strategy to see how effective it is, and we will tackle any problems there are.



# SWAN



## Compliments and complaints

Inbox (12)

Starred

Chats

Sent Mail

Drafts



If you disagree with the amount of your service charge, or if you are not happy with the standard of services you pay for, please see section 4 'Disagreeing with a service charge' on page 36.

We know that occasionally we may make mistakes. We know that you might not be happy about the service we provide. When this happens, if you make a complaint you can help us solve the problem. By solving the problem, we can learn from our mistakes to make sure the same problem doesn't happen again. This will help us to improve the services we give to you. At the same time, when we do something well, we like to know about it. This helps us to understand what you think is a good standard of service and it means that our staff will know when they've done a good job.

You can make a complaint or pay us a compliment in a number of ways.

- In person – You can talk to us in person at one of our offices.
- By phone – You can phone our Customer Feedback Co-ordinator on **01277 314 341**.
- In writing – Send us your comments by letter or by using the form in our complaints and compliments leaflet. Please write to:  
  
Pilgrim House  
Billericay  
Essex  
CM12 9XY.
- Email – You can email us at **involvement@swan.org.uk**
- Website – You can fill in our online form at **www.swan.org.uk**

Complaints leaflets are available in all of our area offices, or can be downloaded from the internet at **www.swan.org.uk** You can also use our contact form on our website or the complaints and compliments contact form on the residents' website at **www.web4residents.org**

We will acknowledge your complaint in three working days and we will aim to deal with your complaint within 10 working days.



However, if the problem is particularly complicated, this may take a little longer. We will let you know if this is the case and then keep you up to date of what we are doing.

Our complaints procedure has three stages.

### Stage one

After making a complaint, we will pass your comments to the relevant manager to investigate and deal with. The manager will discuss the problem with you, and ask you how you would like us to deal with your problem. If possible, we will try to deal with your problem immediately. At the very least, we will aim to send you a full response within 10 working days.

### Stage two

If you are not happy with the manager's response, you can contact the Customer Feedback Co-ordinator and ask one of our directors to look at it again. The director will then look at how your problem has been managed, and decide whether there is more we could do. We will send you the director's full response within 10 working days of you asking for your complaint to be reviewed.

### Stage three

If you are still not happy, you can ask the Customer Feedback Co-ordinator to arrange for a special appeals panel to review your case. This panel will include at least one member of our board of management and, unless you do not want them to hear your complaint, at least one of our tenants or leaseholders. We will give you a chance to meet with the panel so that you can explain why you are still not happy. The panel will meet within 15 working days of your request, and will send you a full response within five working days of meeting.

The appeals panel give you our final response.

If they cannot make a decision, you can complain to the Independent Housing Ombudsman on **0207 421 3800**.

## HOW TO CONTACT US AND OTHERS

### 1 How to contact us

#### Group Head Office

Pilgrim House  
High Street  
Billericay  
Essex  
CM12 9XY

Phone: **0845 612 4700**

Fax: **01277 844 734**

Email: **[leasehold@swan.org.uk](mailto:leasehold@swan.org.uk)**

Please contact our head office to speak to the Leasehold Management Team, the Resident Involvement & Community Development Team or to be put in touch with one of our welfare benefits officers.

#### London Regional Office

Swan Housing Group  
Cygnet House  
10 Chrisp Street  
London  
E14 6LL

Phone: **0845 612 4700**

Fax: **020 7510 9969**

#### Area offices

Exmouth Estate Office  
39 Cornwood Drive  
London  
E1 0PW

You may contact any of our offices by phoning **0845 612 4700**

#### Internet

Website: **[www.swan.org.uk](http://www.swan.org.uk)**

Or you can use our residents' website at **[www.web4residents.org](http://www.web4residents.org)**

## 2 Other useful contacts

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

70-74 City Road  
London  
ECY1 2BJ

Phone: **020 7490 9580**

(Monday to Friday from 9.30 to 1pm and 2pm to 3.30pm)

Fax: **020 7253 2043**

Website: **[www.lease-advice.org.uk](http://www.lease-advice.org.uk)**

The Leasehold Advisory Service (LEASE) publishes a large number of detailed booklets about your rights, including applying to the Leasehold Valuation Tribunal. You can download these booklets from their website or order them as pamphlets. They also provide free advice over the phone.

### **The Leasehold Valuation Tribunal (LVT)**

Phone: **0845 600 3178**

Website: **[www.rpts.gov.uk](http://www.rpts.gov.uk)**

The Leasehold Valuation Tribunal (LVT) is part of the Residential Property Tribunal Service. It is the formal name given to the organisation chosen to make decisions on different types of dispute relating to residential leasehold property. The LVT is an independent organisation that makes decisions and is completely unconnected to the people involved in the dispute or any other public organisation.

### **Citizens advice bureau**

Website: **[www.adviceguide.org.uk](http://www.adviceguide.org.uk)**

A citizens advice bureau can give you free and independent advice on a range of everyday issues, such as financial advice, debt counselling and relationship breakdowns.

Check your local phone book to find your local office.

### **Department for Communities and Local Government**

Communities and Local Government  
Eland House  
Resending Place  
London SW1E 5DU

Phone: **020 7944 4400**

Website: **[www.communities.gov.uk](http://www.communities.gov.uk)**

Communities and Local Government can provide, as well as other things, free copies of the Commonhold and Leasehold Reform Act 2002.

### **Gas Safe (Registered Gas Installers)**

Phone: **0800 408 5500**

Website:

**[www.gassaferegister.co.uk](http://www.gassaferegister.co.uk)**

### **National Grid (for gas leaks)**

Phone: **0800 111 999**

Phone National Grid straightaway if you think you may have a gas leak.

## English

If you would like to receive this in your own language, please contact us on 0845 6124700

## French

Pour les recevoir dans votre propre langue, veuillez nous contacter au 0845 6124700

## Polish

Aby otrzymać je we własnym języku, zgłoś się do nas pod numer 0845 6124700

## Somali

Haddii aad jeceshahay inaad kani ku hesho luqaddaada, fadlan nagala soo xiriir 0845 6124700

## Punjabi

ਜੇ ਤੁਸੀਂ ਇਸਨੂੰ ਆਪਣੀ ਭਾਸ਼ਾ ਵਿੱਚ ਲੈਣਾ ਚਾਹੁੰਦੇ ਹੋ ਤਾਂ ਕਿਰਪਾ ਕਰਕੇ ਸਾਡੇ ਨਾਲ 0845 612 4700 ਤੇ ਸੰਪਰਕ ਕਰੋ

## Bengali

আপনি এটা আপনার ভাষায় জানতে চাইলে আমাদের 0845 6124700-এ যোগাযোগ করুন

## Arabic

إذا كنت تريد الحصول على هذه المعلومات في لغتك، يرجى الاتصال بنا على الرقم 0845 6124700

## Urdu

اگر آپ اسے اپنی زبان میں حاصل کرنا چاہتے ہیں تو، براہ کرم ہم سے 0845 6124700 پر رابطہ کریں

If you would like a copy of this document in Large Print, Braille or on CD please call 0845 612 4700.