

LEASEHOLDER'S HANDBOOK

Your Guide to Leasehold Home Ownership



EAST RIDING

OF YORKSHIRE COUNCIL

Welcome to the East Riding of Yorkshire Council's Leaseholder's Handbook.

It is designed to be a general guide to leasehold ownership and to provide you with information on who to contact should you have any queries or problems. For more detailed information please visit the East Riding of Yorkshire Council's Website (www.eastriding.gov.uk)

Please keep this handbook for future reference. We hope that you will find it useful.

1. Introduction
2. The Rights and Responsibilities of the Leaseholder and the Council.
3. Service Charges
 - Management and Administration Charges
 - Paying your Service Charge
 - First-tier Tribunal (Property Chamber)
4. Repairs and Maintenance
 - Planned Maintenance and Improvements
5. Building Insurance
6. Leaseholders' Feedback
7. Selling or Sub-Letting your Home
8. Losing Your Home
9. Buying the Freehold of your Property
10. Frequently asked Questions

Appendix 1 - The Number of Leasehold Properties at Different Locations
in the East Riding

Appendix 2 - The Management and Administration Charge

Appendix 3 - The Apportionment of Service Charge Costs

Appendix 4 - Useful Telephone Numbers

1. Introduction

As a leaseholder you have the lease to a property where the Council owns the building and in the past that property has been purchased from the Council under the Right to Buy Scheme.

The number of leasehold properties continues to grow, as other Council tenants take up the option to buy their properties. At October 2022 there were 232 Council leasehold properties, compared to 89 on 1 April 1996 when the East Riding of Yorkshire Council was formed. These are distributed across the East Riding and Appendix 1 shows how many there are in different locations.

The information set out within this booklet is designed to help and guide you. If you have any queries regarding leasehold issues, please contact us and we will try our best to assist you.

2. The Rights and Responsibilities of the Leaseholder and the Council

Your lease is a contract between yourself and the Council. It is a legal document that gives you the right to possession of your home for a fixed number of years (up to 125 years). The Freeholder (the Council) owns the building in which you live and is responsible for the structure of the building and any communal areas. Your lease tells you the terms and conditions that you need to abide by in order to retain ownership of your home and the Council's responsibilities as the owner of the building.

Set out below are the terms common to most leases, but you should refer to your own lease for the precise conditions. If you do not have a copy of your lease you can obtain one from the Land Registry, but there may be a charge.

The main terms covered by the lease are:

- (i) The responsibilities of the leaseholder and the Council with regard to the repair and maintenance of the property, the building and any communal areas

- (ii) The ground rent and service charge payable, including what proportion of the costs you have to pay, what you can be charged for and when payment is due
- (iii) The insurance of the property
- (iv) General conditions about the occupancy of your property
- (v) What to do if you sell your lease
- (vi) The grounds on which the Council may terminate your lease

Leaseholders are reminded that when they have purchased their flat (particularly where the loft hatch is in your property) you have not purchased the loft space and have no rights to enter or use the loft space.

3. Service Charges

All leaseholders pay a variable service charge, 97% of East Riding leaseholders pay their charge in arrears at the end of the financial year. You should check your lease for the precise details relating to your property. If your lease requires you to pay an estimated charge in advance, this can be changed by mutual agreement.

The service charge is made by the Council to recover the money that it has spent on your property, the building and/or associated communal areas during the year. The charge may include the following (depending on the layout of your property and the terms of your lease):

- Maintenance of the following:
 - Lighting to communal areas (including cost of electricity)
 - Internal and external communal areas
 - Fire alarm system or extinguishers
 - Communal television aerial
 - Combined services (e.g. gas, water, drainage, electricity)
 - Lift
 - Exterior of building
- Buildings insurance
- Management and administration

- Caretaking
- Planned maintenance
- Improvements
- Reserve fund
- Ground rent

If you purchased your property from the Council and you are within the first five years of your lease your service charge will be subject to the maximum charges that were set out when the property was purchased from us. After this five year period, the Council charges the actual costs that it has incurred.

The Council will send you a ‘Certificate of Service Charge’ and a ‘Service Charge Calculation Sheet’ at the end of each financial year. The certificate details the Council’s actual expenditure on your property during the last twelve months and is usually sent to you within three months of the end of the financial year. The certificate breaks the charge down into categories, e.g. communal lighting and repairs to external communal areas.

Some leaseholders pay a ‘reserve fund’, as part of their service charge, however, the Council can only set up such a fund if the lease allows and will deduct the monies from the service charge as appropriate. This charge is a contribution which is set aside to be used to offset the cost of planned maintenance or improvements such as replacing the roof, external redecoration, communal rewire or new windows/doors. It is designed to help leaseholders reduce the cost of these works.

Management and Administrative Charges

This part of the service charge is made up of a number of different elements (see Appendix 2). It largely concerns the cost of Council Officer’s time spent doing work in relation to your property e.g. preparation of service charge accounts or surveys for planned maintenance.

Paying Your Service Charge

You can pay your service charge and ground rent by a number of different methods and at a number of locations. You can pay a bill by post, or at any of the Council's Customer Service Centres. If you cannot afford to settle the bill in full, you can contact the Council's Corporate Billing Section to arrange a different way to pay, e.g. by instalments, standing order or direct debit.

What If I Disagree With The Service Charge?

If you are unhappy about the amount of your service charge or what you are being charged for, you should first contact the Leasehold Services Team, Housing Services Section, County Hall, Beverley. If you are not happy with the response that you receive you can then go through the Council's complaints procedure.

The Leasehold Advisory Service (LEASE) can also help you. If you cannot find the answer to your question on their website at www.lease-advice.org you can call one of their trained specialist lawyers on 020 7832 2500 for FREE legal advice. The service is government funded and completely free to you.

If you are still not happy, you can refer the matter to the First-tier Tribunal (Property Chamber). See Appendix 4 for contact details. There is a charge for this service.

The First-tier Tribunal (Property Chamber) have legal powers to determine the reasonableness of service charges and the Council's choice of insurer and to appoint a manager where properties have been badly managed.

4. Repairs and Maintenance

In broad terms, the Council is responsible for the repair and maintenance of the structure of the property and communal facilities. The structure of the property includes such items as the roof, brickwork, window frames (but not the glass), guttering, sewers, drains and chimneys. Communal facilities may include paths, drying areas, gardens, parking areas and communal entrances.

If you wish to carry out any works yourself, to the structure of the building, e.g. replace your windows or doors, you must obtain the Council's written permission before work commences.

The leaseholder is responsible for the repair and maintenance of the interior of the property including the internal walls and ceilings.

The cost of any works carried out by the Council will be recharged in part or in total to the leaseholder through the service charge (see Appendix 3 - Apportionment of Costs for Service Charges).

Contact telephone numbers for reporting repairs can be found at the back of this booklet.

If you, or someone you have employed, are carrying out repairs inside your property, you must make sure that no damage is done to shared services or the structure of the block. You will be liable for any damage caused and will have to pay to have it put right.

If your flat entrance door opens onto a communal hallway (and not to the outside) then it will be a fire door. This type of door reduces the risk to your household and the other residents in the block in the event of a fire. This door forms part of the structure of the building and therefore remains in the ownership of the council, and it is the council's responsibility to maintain it (the cost of which will be included in your service charge). **You must not make alterations to this door under any circumstances** as the fire protection would be compromised.

If you are elderly or disabled and find the door too heavy to use you can request an Occupational Therapist assessment by telephoning (01482) 393939, and they will identify whether the council needs to carry out any works to the door.

Planned Maintenance and Improvements

The Council periodically surveys its properties to establish what external maintenance work is required. This work includes repairs to windows, guttering, roofs, brickwork and external painting. We will also carry out improvement programmes such as window replacements and cavity wall insulation. We must consult leaseholders prior to carrying out such works if the cost of the work is likely to be more than £250.

5. Building Insurance

The Council has a legal obligation to provide building insurance for leasehold properties. The Council does this on a 'block' policy that covers all Council owned property, but is limited to the risks Fire and Lightning, Explosion, Aircraft, Riot and Civil Commotion (Fire & Explosion only), Earthquake, Storm or Flood. A proportion of the cost of the policy premium is recharged to you as part of the service charge.

6. Leaseholder's Feedback

The East Riding of Yorkshire Council is committed to ensuring that leaseholders and tenants alike are given the opportunity to express their opinion on the services that they receive. If you have any specific comments, complaints or compliments that you would like us to respond to then please let us know, telephone numbers are printed at the back of this booklet. The Council previously asked leaseholders if they would like to meet as a group to discuss leasehold issues (e.g. in a forum). The majority were happy to be consulted on an ad hoc basis by letter, email or telephone. If you wish to establish a group for leaseholders in your area, please contact the Leasehold Services Team for advice. You will also be sent a copy of the Housing

Services newsletter (Homing In) every quarter to keep you up to date with housing matters. Every two years lease holders are sent a satisfaction survey and the results are used to improve the service, where possible.

7. Selling or Sub-Letting Your Home

If you sell your home, the lease will be transferred to the new owner. Under the terms of your lease, as you were the legal owner, you are responsible for the charges up to the date of sale. Please note we cannot bill the new owner for a period that they did not own the property. If you sell part way through the year the bill will be pro-rata and sent to you in June after the financial year end. If a Solicitor requests information about your lease from us as part of the sale process a fee is payable and they may pass the cost on to you. You must tell the Council when you sell your home, or if you rent it out to someone else. The Leasehold Services Team need to know the name of the new leaseholder, the date of the sale and a forwarding address for the person selling the property. If you sub-let your property the Council needs to know your new address and the date that you let the property.

8. Losing your Home

Everyone knows that you can lose your home if you do not pay your mortgage but leaseholders can also forfeit their home if they break the conditions of their lease e.g. if they don't pay their service charge or cause a nuisance to their neighbours. Forfeiture occurs where the Council applies to the Court to end your lease. If the Court decides that you have committed a serious breach of the lease, it may terminate it and give the Council possession of your home. You would lose your property and would not be entitled to any payment. Forfeiture is a last resort action for the Council and is very rare. Every effort will be made to resolve any problems before such action is considered. In the case of service charges, the Council will make every effort to help those with financial problems.

9. Buying the Freehold of your home

The 1993 Leasehold Reform Act (as amended by the Commonhold and Leasehold Reform Act 2002), gives leaseholders the right of collective enfranchisement – this means the enforced sale of the freehold of the building to a special company set up by leaseholders. The Right to Enfranchise Company serves notices, conducts and finalises negotiations for the purchase and becomes the new owner of the freehold. To be able to take up this right at least two-thirds of the flats in the building must be let to qualifying leaseholders. Once they have bought the freehold, the leaseholders can decide for themselves how to manage the building.

10. Frequently asked questions

What is a Leaseholder?

If you buy a flat or maisonette you will become a leaseholder. You buy the right to occupy the property (the leasehold) and are responsible for the property's interior. The Council still owns the building (the freehold) and will still be responsible for looking after the main structure, the exterior of the building and any communal areas and will carry out repairs to it. Your proportion of the cost in respect of any works carried out to the building will be included in the annual service charge.

What is a Lease?

A lease is a contract between yourself (Leaseholder) and the Council (Freeholder). It is a legal document that gives you exclusive possession of your home for a fixed period of time (which will be specified in your lease). It also tells you the terms and conditions that you need to abide by in order to retain ownership of your home and the Council's responsibilities as the owner of the building.

Where can I get a copy of my Lease and is there a cost involved?

A copy of your lease should be given to you when you purchase a leasehold property. If you have a mortgage on the property, you may be able to obtain a copy from your mortgage lender. Alternatively, the Land Registry will hold a copy. An administration fee may be charged for providing a copy of the lease.

What are Service Charges?

The service charge is payable under the terms of your lease and is a proportion of the money that the Council has spent on the building and/or associated communal areas during the year. The service charge will be divided into categories and may include the following, depending on the layout of your property and the terms of your lease:

- Maintenance of the following:
 - Lighting to communal areas (including cost of electricity)
 - Internal and external communal areas
 - Fire alarm system or extinguishers
 - Communal television aerial
 - Combined services (e.g. gas, water, drainage, electricity)
 - Lift
 - Exterior of building
- Buildings insurance
- Management and administration
- Caretaking
- Planned maintenance
- Improvements
- Reserve fund
- Ground rent

What does the Buildings Insurance cover?

The Council has a legal obligation to provide buildings insurance for leasehold properties. The Council does this on a 'block' policy that covers all Council owned property, but is limited to the risks of Fire and Lightning, Explosion, Aircraft, Riot and Civil Commotion (Fire & Explosion only), Earthquake, Storm or Flood.

What do Management and Administration charges cover?

This part of the service charge is made up of a number of different elements. It largely covers the costs of Council Officer's time spent doing work in relation to your property e.g. preparation of service charge accounts or surveys for planned maintenance. A breakdown of the charge is available to leaseholders on request.

What is Planned Maintenance and Improvements?

The Council periodically carries out planned maintenance surveys to its properties to establish what external or communal maintenance work is required. This work includes repairs to windows, guttering, roofs, brickwork and external painting.

We also carry out improvement programmes such as window replacements and cavity wall insulation.

Will I be consulted about major works?

Yes, the Council will usually consult with all Leaseholders who would be expected to make a contribution of more than £250.00 towards the charge for any single job. If the Council do not consult, for whatever reason, then you cannot be charged any more than £250.00 for the job.

What is a Reserve Fund and do I have to contribute to it?

A reserve fund is money collected over a period of time that is set aside to be used to offset the cost of planned maintenance or improvements such as replacing the roof, external redecoration, communal rewire or new windows/doors. It is designed to help leaseholders reduce the cost of these works. The Council can only set up such a fund if the lease allows and will deduct the monies from the service charge as appropriate.

What is ground rent?

Ground rent is a fee that you pay to the Council as a condition of your lease. The amount is specified in your lease.

Will I be able to carry out improvements to my flat?

Yes, as long as your lease allows you to and that you have obtained written consent from Housing Services, as well as any necessary planning permission or building regulations consent.

Will I be able to sub-let my property?

Yes, as long as your lease allows you to and that you have notified the Leasehold Services Team of your new address.

You will need to check with your mortgage provider and insurance company to obtain their consent (if required).

If you have any problems or concerns in relation to the leasehold management service that you receive from the Council, please get in touch with us as soon as possible. We have found that it is easier to try and sort out issues at an early stage, rather than letting them build up into a bigger problem later.

Appendix 1

The number of Leasehold Properties at different locations within the East Riding of Yorkshire as at October 2022:

Anlaby	23	Barmby Moor	5
Beverley	28	Bilton	3
Bridlington	20	Brough	3
Cottingham	67	Gilberdyke	1
Goole	12	Hessle	24
Hornsea	5	Howden	6
Market Weighton	10	North Cave	1
North Newbald	1	Pocklington	7
Skidby	2	Swanland	6
Swinefleet	1	Wilberfoss	1
Willerby	4	Withernsea	1
Woodmansey	1		

Appendix 2

A Breakdown of the Management and Administration Charge

The Management and Administration Charge is made up using the relevant cost (mainly in terms of the cost of paying a Council Officer for the time taken to do an item of work) for each year under the following categories:

- (i) Compiling information for and preparing the Service Charge Certificate
- (ii) Verification of Certificate information by an accountant as required under the terms of the lease
- (iii) Issuing invoices – amount charged by the Finance Department to generate and send out invoices
- (iv) Use of offices and equipment – a standard charge that is increased each year by the rate of inflation
- (v) Planned Maintenance Surveys – in the year in which planned maintenance is carried out to a property an additional cost for the time taken to survey the property is incurred. Therefore this element is not paid every year.

Appendix 3

The Apportionment of the Cost of Works for Service Charge Purposes

Service Charges will be apportioned in line with the terms of the lease but where this is not specified they will be apportioned as follows

- The cost of works to the roof (except chimneys), guttering, fallpipes, soffits, fascias and foundations will be divided by the number of dwellings that share the roof.
- The cost of works to chimneys will be divided by the number of dwellings that share the flue.
- The cost of works to the brickwork of the building will be charged to an individual dwelling where such works are specific to that property, where this is not the case the costs will be divided by the number of dwellings in the building.
- The cost of works and lighting to internal communal areas will be divided by the number of flats that have entrances leading from the area.
- The cost of works to balconies that lead from a communal area will be divided by the number of dwellings on the floor on which the balcony is located. The cost of works to a balcony that is for the sole use of a leasehold dwelling will be charged to the relevant dwelling in full.
- The cost of grounds maintenance will be apportioned as follows: (a) Grass Cutting – the cost of cutting the defined area of grass for the building will be divided by the number of dwellings that fall within that area. (b) Hedge Cutting – the cost will be divided by the number of dwellings to which the hedge relates. (c) Weedkilling on paved areas – the cost will be divided by the number of properties having access on to the area.
- The cost of works to combined services (gas, water, electricity, drainage etc.) will be divided by the number of dwellings that the service is linked to.

- The cost of works to external communal areas will be divided by the number of dwellings that the area serves.
- The cost of works to and maintenance of fire alarm systems and/or fire extinguishers in communal areas will be divided by the number of dwellings that have entrances leading from the area.
- The cost of insurance is calculated by dividing the total cost of the policy (i.e. the premium) by the number of dwellings that the Council owns and leases.
- The cost of management and administration charged to a leaseholder is a standard charge as detailed in Appendix 2. Periodically there is an additional charge as a result of the administration of the planned maintenance programme. An extra charge may also be made if any improvements are made to the building in which the dwelling is situated. The management and administration cost will increase yearly in line with the Council's increased costs. However, if no works are carried out to your building during the year then the charge for the administration of repairs will not be made.

Appendix 4

Useful Contact Numbers

East Riding of Yorkshire Council

Leasehold Services/Service Charge Calculations

- Leasehold Services Team
Housing Services, County Hall, Beverley,
East Riding of Yorkshire, HU17 9BA
Right to Buy Officer (01482) 396301
Right to Buy Assistant (01482) 396301
Email: Leaseholdservices@eastriding.gov.uk

Repairs Reporting/Housing Management (01482)396301

Emergency Repairs Out of Office Hours (01377)256264

Payment Issues (i.e. instalments, direct debits)

- Corporate Billing Section (01482)394862

Planning and Building Control (01482) 393939

External Organisations

Citizens Advice Bureau

- 5A Prospect Arcade, Bridlington, YO15 2AL
- 100 Lairgate, Beverley, HU17 8JQ Advice Line
- 80 Pasture Road, Goole, DN14 6HD 03003300888

First-tier Tribunal (Property Chamber) (0161) 237 9491
Northern Residential Property
1st Floor, Piccadilly Exchange, 2 Piccadilly Plaza, Manchester, M1 4AH

The Leasehold Advisory Service (LEASE) (020)7832 2500
Fleetbank House, 2 – 6 Salisbury Square, London, EC4Y 8JX
Website: www.lease-advice.org

Housing Ombudsman Service 0300 111 3000
Exchange Tower, Harbour Exchange Square, London, E14 9GE
Website: www.housing-ombudsman.org.uk

Originally printed: April 2003

Revised: October 2022