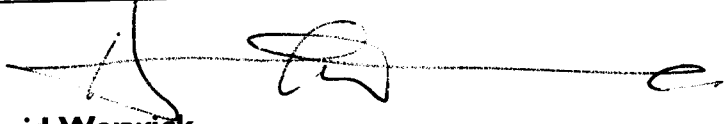


**Council** On **17 November 2003**

<b>Report title:</b>	<b>Response to the Scrutiny Review of Leasehold Services</b>
<b>Report of:</b>	<b>Chief Executive</b>
<b>Wards affected:</b>	<b>All</b>
<b>1. Purpose</b>	
1.1	To set out the Executive's response to the recently completed Scrutiny Review of Leaseholder Services.
<b>2. Recommendations</b>	
	To note the comments of the Director of Housing and to endorse the Executive's response to the Scrutiny Review of Leasehold Services as summarised in paragraph 6 (1- 10).
<b>Report authorised by:</b>	 <b>David Warwick</b> <b>Chief Executive</b>
<b>Contact officer:</b>	<b>Jackie Thomas</b>
<b>Telephone:</b>	<b>0208 489 5912</b>

### **3. Executive summary**

3.1.1 This report sets out the Executive's response to the scrutiny review of leasehold services and sets out proposals for responding to the areas for service improvement as highlighted by the recommendations arising from this review.

### **3.2 Policy implications**

3.2.1 Proposals for changes to procedure do not impact on existing Council policy. The report proposes that the Council review whether it is in its interests to adopt a buy-back policy.

### **4. Access to information: Local Government (Access to Information) Act 1985**

**The following background papers were used in the preparation of this report:**

Report to the Overview and Scrutiny Committee on 15 May 2003 on the Review of the Housing Scrutiny Panel of Leaseholder's Services.

**For access to the background papers or any further information please contact Jackie Thomas on 020 8489 5912.**

## **REPORT**

### **5.0 Introduction**

- 5.1** The Housing Service welcomes the report of the Scrutiny Review as an opportunity to reflect on the provision of services to Leaseholders in the borough. This comes at a particularly opportune time as the Authority is currently awaiting the publication of the new regulations relevant to leasehold management by the ODPM and will need to review our procedures once we know the detail of these.
- 5.2** We are pleased that the report acknowledges the improvements that have undoubtedly been made to the service in recent years and further that the overall thrust of the report and the resulting recommendations, concentrate on moving the service forward.
- 5.3** We agree that there is a legacy of distrust by service users as a result of past experiences and indeed some aspects of the current service. Like many other Local Authorities we have suffered from a lack of a clear legislative framework and guidance that is specifically relevant to public sector leasehold management. We however also agree that we have failed to make the necessary level of investment to improve the service to meet user expectations and aspirations. This is an issue that we agree we need to urgently review and address.
- 5.4** Public and private residential leasehold management are very different. Local authorities and housing associations are already subject to controls that do not apply to private leasehold managers (e.g. Best Value, regulation by the Audit Commission). Furthermore local authorities are bound to follow procurement procedures that do not apply to the private sector.
- 5.5** There are existing codes of guidance and best practice guides, such as: the CIH Good Practice Guide for Social Landlords (1996); the LHU Good Practice Guide for Managing Local Authority Leaseholds (1996/7); the RICS Code of Guidance for Residential Leasehold Management; and the Department of the Environment Best Practice Guidance on service charges (1995). Public sector leasehold management has moved on since these publications, which do not consider the impact of PFI, ALMOs etc, or the changes introduced by the Commonhold & Leasehold Reform Act (2002).
- 5.6** The RICS Code of Guidance and the CIH Good Practice Guide are in the process of being updated. However these publications apply to all sectors and do not explain the idiosyncrasies of local authority leasehold management. We have therefore supported work commissioned by the ALG to formalise standards and principles within public sector leasehold management and to develop a guide that is relevant to us and our leaseholders. This guide is currently at draft stage whilst we await the revised regulatory guidance referred to above.

- 5.7** The report acknowledges that one of the key barriers to further service improvement is the lack of staff resources, and benchmarking carried out as part of the review and elsewhere suggests that better performing authorities have on average twice the staff numbers dedicated to this task. There will be some differences between the respective roles and responsibilities and how these are spread across various services, but the need to review and increase staffing resources is fundamental to improving service in this area. We are however mindful that these extra direct costs will be passed onto leaseholders by way of increased administrative charges (not-with-standing any scope for the increased capitalisation of salaries) and therefore any reorganisation must be seen to provide value for money.
- 5.8** Further, the attention of the Council Executive is drawn to the comments of the Director of Finance: that whilst financial administration should be improved so that costs are properly controlled and minimised, it is important to bear in mind that they must also be recovered from leaseholders, so that they do not become a burden on tenant or council tax payers. It is important that leaseholders pay for services they benefit from.
- 5.9** The Housing Service believes that the Scrutiny report has highlighted the key areas of service weakness and our responses to the individual recommendations made are highlighted below.

## **6.0 Response to Recommendations**

The *Recommendations* are reproduced below together with short comments in response to the points that have been made.

### **6.1 Recommendation 1- Key Messages and Broad Conclusions.**

**The Housing Scrutiny Panel recommends that additional staff resources are invested within HOT (Home Ownership Team) and some other associated parts of the Council, for at least a period of time, in order to enable all the backlogs to be cleared and the recommended improvements in systems and communications to be implemented.**

An urgent review of the present structure of the HOT team is currently underway and will be completed within the next three months. In advance of this review and so that we can ensure that the service effectively responds to the issues highlighted within the report, it has been agreed to designate a new third tier officer post within the housing management division with specific responsibilities for leasehold management issues.

The tenant participation team resources have recently been expanded and we will be considering further resource needs in this area as part of the review above. A consultation officer has recently been appointed to the project management team, whose role will be to ensure that a detailed consultation plan is in place for all new projects along the lines suggested by the review report. It is likely that two additional tenant participation officer type posts as well as a quantity surveyor type post, which are dedicated to leaseholder issues, will be required, particularly to ensure that the Section 20 Notice consultation process is meaningful and transparent.

The current temporary post of litigation officer within the HOT team will be made a permanent appointment, since this has proved to be very effective in dealing with the backlog of legal work. Two additional posts for finance officers have already been agreed in order to provide a greater capacity for undertaking the general day to day work of the Home Ownership Team.

## **6.2 Recommendation 2 - Backlog of Uncollected Income & Current Legal Cases**

**The Executive set a target of clearing, one way or another, all the outstanding debts from past or current leaseholders (including any backlogs from previous years) within 6 months and that it ensures through regular and frequent monitoring that any future arrears are dealt with promptly and decisively, to prevent any future accumulations.**

In accordance with our current objectives, the service is engaged in a major effort to invoice all works for which charges are due from leaseholders. A number of leaseholders have mounted legal challenges regarding the validity of the Section 20 Notices, and these are the subject of court action. Thus it will not be possible to clear the majority of cases relating to arrears until the legal issues have been resolved through the courts, which is not likely to be before the end of 2003. The prospect of appeal by the losing party would also have to be factored in. Further, we have been advised to bring to the attention of all leaseholders in areas where the issue of dispute apply, the fact that these matters are currently subject to a legal challenge. The consequence of this is that those cases are also adjourned and linked up with the existing test cases. HOT will continue to issue claims through the courts with respect to all outstanding invoices, regardless of the grounds for non-payment.

An important part of the duties of the litigation officer is to liaise with the Legal Department to ensure that questions of legality / disputes about Section 20 Notices are resolved as soon as possible.

### **6.3 Recommendation 3 - Relationships between Service Users and the Service Provider.**

**The Review has identified this aspect as one of the major current weaknesses. There are evident shortcomings and gaps in the way the Council communicates and consults with its leaseholders.**

**(a) Establishing a “champion of leaseholders related issues” within the authority; this could be in the form of a councillor appointed by the Executive member for housing as the lead-member, adviser and chief monitor etc.**

Agreed - Lead Member for Housing to appoint to this position and agree terms of reference etc.

**b) Ensuring that the relevant council structures (Executive, Scrutiny, Housing Management Board) are made continuously aware of performance problems and progress in this area – Monitoring & Progress report, indicating progress against action plan targets and performance indicators, and incorporating uncensored comments of the Leaseholders Association and Forum, submitted quarterly to the Executive, the Housing Scrutiny Panel and the HMB for consideration.**

The Action Plan developed as a result of this review will be presented for approval to the Council Executive, Housing Management Board, Housing Scrutiny Panel and HLA and regular progress reports will be provided at appropriate intervals determined by each of these fora. The Council Executive will need to agree what additional regular performance monitoring information is required so that these can be incorporated into existing performance monitoring mechanisms. As a minimum, performance information with respect to income recovery should be provided as part of the financial reports considered by the Council Executive. HMB/ Housing Scrutiny may wish to look at performance in other specific areas:

- Customer Care issues
- RTB applications received and processed
- Cases pending legal action

**(c) Making the Council’s priority for this issue visible through its main communications instruments (web-site, Haringey People, Housing Newsletter) through regular features, demonstrating both the Council’s concern and its efforts to deal with the identified problems.**

Agreed - This issue to be built into the Housing Services’ communication / media plan.

**(d) Sending a brief annual report to each leaseholder, in the name of the Executive Member for Housing (or the leaseholders lead member) and the Director, indicating progress made on relevant issues during the year**

Agreed - as part of (c) above.

**(e) Organising an annual leaseholder' conference, jointly with the Leaseholders Forum/Haringey Leaseholders Association, to present and discuss the annual report and any other issues of concern to leaseholders.**

We currently organise an annual joint tenant and leaseholder conference (the next one will take place in the Spring) and it has been our practice to have a separate slot on this agenda for leaseholder issues. It is proposed to continue with this arrangement and then review this with the HLA thereafter, with a view to establishing a separate leaseholder conference if this is thought to be necessary / desirable.

Reference is made to a Leaseholder Forum. This does not currently exist. The Leaseholder Forum as it existed some years ago was subsumed into the Housing Management Board.



#### **6.4 Recommendation 4 - Borough wide Consultation Structures and the Haringey Leaseholders Association.**

**a) The Panel recommends that the Council negotiates with the HLA a formal “partnership” agreement, leading to a formal obligation to automatically consult the HLA on specified borough wide issues of relevance to leaseholders, and to the formal integration of this role within the HMB, the Tenant Participation Agreement and the Housing Scrutiny Panel.**

Agreed - the partnership role will be developed as part of the next phase of the Tenant Participation Agreement. The HMB already formally recognises the HLA through its membership structure (the HLA holds two places on the Board as of right and this is the main forum for service user consultation on all housing management matters).

**b) The Housing Scrutiny Panel recommends that the Leaseholders Forum be recast as a joint forum between the Council and the HLA, integrated within the HMB structure and with formalised terms of reference and regular meetings.**

As indicated before, the Leaseholders Forum (as existed) has been subsumed into the Housing Management Board structure, with nominees from the Haringey Leaseholders Association sitting on the Board. However, the service believes that the establishment of a separate leaseholder forum will give even greater focus to the specific needs of this group and would be a useful way forward. It is our intention to consult the HLA further about this proposal, as it is clear that whilst willing to work in partnership with the Council, they do not wish to compromise their role as an independent body representing the interests of leaseholders. The Service also needs to consider how this may be managed and facilitated and would not be able to do this within existing resources.

**c) The Housing Scrutiny Panel recommend that part of the formal Partnership agreement with the HLA includes a council undertaking to make available to the HLA a separate page within the authority’s web-site, a similar page within the Housing current or future newsletters and to circulate at least once a year an HLA communication to all the council’s leaseholders. We are envisaging all these to be uncensored by the authority, as long as the contents do not compromise the council’s legal position and obligations.**

The general principle that the Council should provide reasonable assistance with publicity and the dissemination of information to tenant and resident associations is already agreed and in place. There is no reason that this could not be extended in principle to the website or through our own publications. However, the fact that the Council would have to ensure that the contents do not compromise the council’s legal position and obligations, nor undermine

Council policy in any other way, means that a degree of censorship is unavoidable. Similarly the Council may wish to disassociate itself from any views expressed by the HLA that it feels it cannot support.

**d) The Panel recommends that the HOT explores with the Legal Department the legality of notifying every individual leaseholder (say through a letter attached to the next service charges bill) that the council intends to pass on his/her contact details to the HLA, unless it receives an explicit objection by a specified time.**

This has been actioned and the clear advice is that the Council will be in breach of the requirements for data protection unless there is explicit consent for details to be passed on. We have therefore written to all leaseholders asking for their consent and over 1000 names and addresses have been passed onto the HLA by this method.

**e) The Panel also recommends that, if needed at the time, the council provides to the HLA technical support to assist with the development of its relevant databases, enabling it to communicate efficiently with its members.**

Agreed and this offer has already been extended.

**f) The Housing Scrutiny Panel recommends as part of the proposed partnership agreement with the HLA.**

**(i) The Tenants Participation Section of the Housing Service makes available to the HLA the same modest level of support (towards meetings and printing and postage costs) that it provides to other approved residents associations, under the same conditions, and also assists it whenever required with any legitimate bids it may wish to make under the community chest arrangements in parts of the borough.**

**(ii) The Council encourages its leaseholders (and future approved tenants associations of leaseholders) to subscribe to the HLA.**

Both of these support arrangements are already in place / have been actioned and the HLA receives grant aid in accordance with the current Tenant Participation agreement. Financial support to all TRAs is to be reviewed as part of the next phase of this work.

**g) Consultation at area or estate level**

The *Recommendations* draw attention to the fact that the Landlord and Tenant Act (1985) makes provision for the setting up of *Recognised*

**Tenants Associations** (RTAs) for leaseholders. These have some additional statutory rights with regard to consultation prior to the undertaking of rechargeable major works. To date no RTAs have been set up in the borough.

**The Housing Scrutiny Panel recommends:**

- (i) The Council commits itself to a major effort to develop RTAs for leaseholders, along the broad approach adopted by Camden;**
- (ii) The Executive adopts a target for ensuring that the majority of the borough's leaseholders are represented by RTAs within say 2 years,**
- (iii) The HMB devises and adopts within 6 months at the latest a clear action plan for achieving this target,**
- (iv) The Executive ensures that the Tenants Participation section of the Council is adequately resourced to deliver this task,**
- (v) The Council negotiates with the HLA, as part of the proposed partnership agreement, an 'umbrella' role vis-à-vis RTAs, and in response encourages strongly RTAs to adopt a model constitution which includes a clause requiring them to affiliate to the HLA and to play an active role within it.**

The low number of active formal tenant participation organisations at a local level is a matter that needs to be addressed across the borough. One of the key issues arising from the recent Tenant Participation Agreement review is that the Council needs to develop a framework that allows involvement outside of formal structures and allows involvement to a greater or lesser extent as service users wish. To this end a system of focus / topic groups and the use of advocates is currently being developed.

Whilst we are not opposed to the setting up of RTAs for leaseholders (as sub groups of general associations) along the lines adopted by Camden, we also have to be realistic in that our tenant movement is not as well developed as Camden's and any insistence that separate RTAs are established for leaseholders may fragment an already weak structure. Whilst we would wish to encourage RTAs to consider the specific needs of leaseholders; to send representatives to meetings of the HLA etc., in the main we feel that tenants and leaseholders have more in common in terms of the services they expect from the Council as landlord and would be wary of imposing any requirements upon tenant associations at this stage which is likely to discourage them from seeking formal recognition.

**h) Consultation and communication at individual leaseholder level:**

**The Housing Scrutiny Panel recommends**

- (i) All leaseholders receive each year an advance indication of what major works are likely to be required affecting their properties within the following 5 years.**

Agreed that this should be implemented as soon, as is reasonably practicable. The recently completed stock condition survey which details the stock

investment needs over the next 30 years gives us the basis for better planning of our capital programme over a longer timespan.

**(ii) The head of HOT is given the power to demand a delay in the start of any contract that affects leaseholders if he is of the opinion that the council has not fully met beyond any reasonable doubt all the relevant legal consultation requirements.**

It would be possible, though possibly not appropriate, for the responsibility for the commencement of contracts to reside outside the technical services division (Home and Building Services). However under the proposed reorganisation, the manager of leaseholder services will be given the responsibility for ascertaining whether the section 20 requirements have been met and to report on compliance issues. It would be possible to comply with the spirit of this recommendation by making it mandatory for all tender approval reports to contain a comment from the leasehold service manager that the requirements have been met, and that this approach be adopted at the earliest opportunity.

**(iii) The HOT undertakes at least two widely advertised surgeries at suitable times and on location, prior to the commencement of any capital works project affecting leaseholders to discuss with individual leaseholders the proposed works and their implications for them, whether in conjunction with a parallel consultation exercise for tenants, or separately.**

It is proposed that in future a consultation plan will be drawn up at the start of each individual project and to this end a consultation officer is already in post within the major works team. There will be provision within the plan for leaseholders to be separately consulted and the HOT will be required to participate in this process. In addition HHBS has recently established a framework whereby consultation will be undertaken with leaseholders at 5 key stages in the undertaking of major project. The five key stages of consultation are as follows:

- **The Feasibility Stage.** Consultation is undertaken with all residents by letter or meeting or both depending on the size and complexity of the scheme.
- **The Detailed Design Stage.** A meeting is held to provide all residents with details of the Council's proposals and to receive their comments.
- **Section 20 Notice.** This provides leaseholders with an opportunity to make comments on the scheme under the provisions of the Landlord & Tenant Act (1985). These are to be formally acknowledged, the issues summarised and considered, and the Council's responses to the issues raised sent to all leaseholders affected by the works.
- **Prior to commencement of works.** A meeting is held with all residents to inform them of the proposed timetable for the works, the site arrangements, etc. This gives a further opportunity for residents to be

involved in the way the work is to be undertaken, to minimise inconvenience, etc.

- **Customer satisfaction survey.** A brief questionnaire is sent to all residents following the completion of the works to obtain feedback on various aspects of the works.

**(iv) That a standing order is adopted specifying that in every case of a capital project affecting leaseholders, the technical services develops at the start a clear and comprehensive “tenants and leaseholders consultation plan” covering all aspects from the inception to the completion of the proposed project, approved by the head of HOT. This plan to be made public and available to all the affected tenants and leaseholders and to form part of the tendering process, and of the contract with the successful contractor, backed up by appropriate and enforceable financial sanctions in case of failures.**

The general principle to establish such a plan is agreed as above. Further consideration will need to be given to the application of financial sanctions additional to those that already exist in the context of standard contractual arrangements. It may be more appropriate to ensure that a performance framework is in place to ensure that the consultation plan as agreed, is implemented.

**(v) That the council funds a specialist leaseholders adviser post in the CAB (or other appropriate external organisation) providing independent advice to individual leaseholders about any problems they may have in their dealings with the authority.**

The Council already funds a number of independent legal advice agencies across the borough that are able to provide this support. In addition the Housing Service funds a number of dedicated posts within the CAB to help tenants who are having difficulty managing debt. It is proposed that this facility should be extended to leaseholders that find themselves in a similar position.

**(vi) That all comments made by individual leaseholders in response to section 20 notices, are individually acknowledged by HOT, indicating what the service response was and the reasons. To this effect the head of HOT will be expected to use all the responses received as the basis of negotiations with the technical services section, before the specifications are finalised.**

The general principle that there should be a formal and transparent process for considering responses and feeding back the outcomes is agreed above.

It should also be noted that the whole question of consultation is currently under review on account of the changes to the legislation which are being

introduced as a result of the ongoing implementation of the Commonhold & Leasehold Reform Act (2002). The Legal Department has been requested to provide advice on the substantial new requirements contained in the Act.

**(vii) That the Executive and the HMB produce a revised Leaseholders Charter, incorporating all the above points, with copies delivered to each individual leaseholder, within 6 months.**

The Leaseholders' Charter will need to be significantly revised in view of the changes to the legislation proposed under the Commonhold & Leasehold Reform Act (2002). The details of these changes are currently the subject of consultation by the ODPM and are likely to be finalised early in 2004. It is therefore unlikely that revision of the Charter can be concluded until 2004. It is anticipated that as many of the above points as possible will have been addressed by the production date.

**(viii) That the wording and contents of all standard communications with leaseholders, including section 20 notices, is urgently reviewed in consultation with the HLA and the HMB, to ensure that they are as readable, user friendly and informative as it is practicable and that, wherever possible, they provide more information and explanations than the minima required by legislation.**

This work is currently in progress and the HLA will be consulted before the final draft is submitted to the Plain Language Commission for checking.

**(ix) That the Housing department reviews the current mechanism for receiving feedback on the operation and quality of work of its capital works (customer satisfaction cards etc) to ensure that response rates are increased to a level where they become truly meaningful and a useful management tool.**

Agreed.

## 6.5 Recommendation 5: Adequacy of Current Staff Resources

The Review has identified a major underlying problem in this respect.

**Both a detailed analysis of certain identified failures and comparisons with certain well-performing authorities indicate that the service is under-resourced.**

A review is being undertaken with regard to this matter - see Recommendation 1.

**a) The Housing Scrutiny Panel recommends an urgent review of staffing levels in the HOT, with the aim to increase the establishment, within 6 months and for a period of at least 2 years, to the levels that would be necessary to implement all the recommendations of this review and to achieve a 3-star rating. This review should also examine the adequacy of staff resources in the main other sections of the council which are contributing to this area of work and in particular legal, technical and tenants involvement sections.**

See above.

**b) The Housing Scrutiny Panel recommends that the Executive undertakes an urgent review of the current formulae and methods of charging leaseholders for the administration of the services they receive from the council, with the aim to:**

- **Ensure that the true costs of administering the service are fairly and accurately allocated between leaseholders and tenants, and**
- **Work out the most efficient and leaseholder friendly method of accounting for these costs, including the optimisation of levels of capitalisation.**

Agreed - it is proposed that an independent consultant be appointed to provide a report on these matters. It is however necessary to point out that the aim of such an exercise would not be to find the most leaseholder friendly method, but the most appropriate balance between leaseholders, tenants and council tax payers.

## **6.6 Recommendation 6 - Procedures for Contract Works & Value for Money**

- a) The Technical Services section introduces urgently a rolling, 5-year advance planning and advance notification of forthcoming works, on the basis of a 5-year rolling Capital Programme and the recent Stock Condition Survey.**

Agreed - The Technical Services Department (HHBS) is making arrangements for the necessary information to be held on their files to enable this to be done in future. It is anticipated that the arrangements necessary for this to be done will be put in place within the next 6 months.

- b) The Executive considers increasing the number of competitive tenders for major works to a minimum of 3, including always one based on a term contract arrangement by an appropriately chosen term contractor, whilst preparing for the more widespread use of term-contractors and/or partnership arrangements as soon as the forthcoming legislation permits.**

The Council's policy, within the rules set out in Contract Standing Orders, is to invite at least three and up to five contractors to tender for major works. It will be noted that the Review has also referred to the use of term contracting. However under the current statutory framework, this is not something that can be combined with competitive tendering in the same procurement exercise. The Council moved away from term contracting arrangements as a result of concerns raised by leaseholders some time ago, and we therefore do not have a term contractor we could readily use for comparison purposes. We will be looking to develop such arrangements again within the context of the awaited new legislation and the Government's Rethinking Construction agenda that encourages long term strategic partnerships with contractors.



## 6.7 Recommendation 7: Management Information & IT Systems

**The Housing Scrutiny Panel recommends that:**

**a) The various data migration and reconciliation problems between corporate IT and internal HOT database systems are urgently ironed out and proper foundations built into the council's IT development processes to ensure that the identified types of problems do not re-occur in the future.**

The problems referred to here are ones of implementation arising from the introduction of the new SAP computer system throughout the Council. These problems are not to do with any problems of interface between the HOT databases and the new system. Problems have arisen as a result of the allocation of receipts to temporary holding accounts. These will be resolved when all the implementation issues arising out of the new system have been dealt with and whilst every effort is made to minimise impact, the introduction of major computer systems almost inevitably means that there will be unforeseen problems.

**b) The problems around regular and effective transfer of data between Legal and HOT are ironed out and appropriate systems put into place for preventing similar problems in the future to the satisfaction of the District Auditor.**

Reconciliation of the parallel records maintained by the HOT and the Legal Department are now undertaken on a regular basis. No problems have arisen with regard to data transfer.

**c) Adequate staff resources and appropriate training of staff in IT are invested within HOT to develop further its Access based databases and associated systems to reach at least the level of sophistication of the current Westminster systems, within 6 months.**

Agreed - A review of additional IT support needs within HOT will be carried out as part of the review of the function area as a whole - referred to in para 6.1.

**d) Adequate staff resources are invested within HOT and Finance to systematically overhaul current property-based databases and expenditure coding, in ways that enable easy and safe apportionment of charges to individual leaseholders, to reach at least the level of sophistication of the current Camden systems, within 6 months.**

Agreed - resources to carry out this review to be identified.

**e) The scope and quality of the information collected about individual leaseholders within the HOT databases, is reviewed and**

**expanded to enable continuing customisation of policies and procedures.**

Agreed.

**f) A determined effort is made to improve in general and utilise management information systems, including effective systems for collecting and utilising users' consultation and feedback inputs.**

Agreed and this matter is currently under review.

**g) A systematic review is carried out of the precise functions of HOT within 3 months, to be used as the basis of managerial decisions about staffing issues and performance management within HOT and also for clarifying, agreeing, codifying and publicising accordingly the respective roles and responsibilities of all other sections and departments of the authority involved in leaseholder related issues.**

Agreed. Although HOT has no responsibility for the actual provision of housing and repair services, it does have a lead role in resolving any queries that arise in relation to the services provided to leasehold properties. As part of the review and reorganisation of HOT referred to in para 1, we will look to ascertain ways of strengthening and enhancing this role in future, where applicable.

#### **6.8 Recommendation 8 - Apportionment of Costs & Charging Mechanisms:**

**The Housing Scrutiny Panel recommends that the council undertakes an urgent investigation and evaluation of the options open to it for introducing some form of charging freeholders for the costs of the benefits that they receive from services and works implemented under the HRA, for which leaseholders have to pay their share.**

Agreed. The Property Services Department is currently conducting a review with regard to this matter. However it should be noted that this question relates almost entirely to the maintenance of grounds in a small number of the Council's housing estates.

## **6.9 Recommendation 9. Financial Management & Income Collection Systems:**

**The Housing Scrutiny Panel recommends that:**

- (a) The current procedures for dealing with the closure of outstanding debtor accounts are urgently reviewed and improved to the satisfaction of the District Auditor.**

The debtor accounts are currently being reviewed on a case by case basis with a view to addressing any problems that remain outstanding in arrears cases which have not arisen as a result of the matters that are currently subject to legal challenge.

- (b) Provide from now on standard monitoring information in a format that clearly separates collection rates and related performance indicators between current and historic amounts due.**

The information will be presented in future in a format that meets these requirements. Please see appendix A setting out current performance in this regard.

- (c) Expand the measures currently available for supporting individual leaseholders who are genuinely unable to meet large bills due to capital works, to encompass buy-back provisions and ensure that the list is at least as comprehensive as those of Camden and Westminster. Also ensure that all leaseholders are fully aware of these facilities and that the council is adequately resourced to deal with any related requests promptly and efficiently.**

It will be necessary to liaise with other registered social landlords (such as housing associations), since these bodies often have a policy of buying council flats. We will also use the opportunity to review whether it could be in the Council's interests to adopt a buy back policy.

We will ensure that all payment options have been considered and these are widely advertised.

- d) Introduce procedures for ensuring that each leaseholder is supplied with copies of the estimates from at least two appropriate contractors, in a legible format that enables easy comparisons.**

Revisions are currently being undertaken to the standard Section 20 Notice format. Copies of two estimates will be provided in future

- (e) **Introduce procedures for securing acknowledgement of liability for charges from leaseholders and for returning of signed duplicates of section 20 notices agreeing to urgent works.**

The return of signed Section 20 Notices cannot be legally enforced and therefore this cannot be implemented. The revised arrangements for considering and responding to all issues raised within the consultation process, will it is hoped, in time, encourage a greater level of response.

#### **6.10 Recommendation 10: Quality & Performance Management Systems:**

**The Panel recommends that a two-year target is also adopted for achieving the ISO 9000 quality standard accreditation.**

All of our new procedures are developed in line with QS principles and the Housing Service has already achieved ISO accreditation in a number of areas. Whilst we have valued this as a framework for improving our systems, in light of this experience we believe that QS systems have their limits and the maintenance of them can be time consuming and overly bureaucratic. We suggest that it would be better to deploy resources into the development of a robust and flexible performance management framework encompassing all of the key elements of leasehold service management, which can be readily audited.

#### **7.0 Comments of the Director of Finance**

- 7.1 This report refers to a number of improvements in services to leaseholders. Several areas relate to the improvement of financial administration, so that costs in respect of leaseholders are properly controlled and minimised, but are also recovered, so that they do not then become a burden on rent or council tax payers. It is important that leaseholders pay for the services they benefit from.
- 7.2 It is proposed (6.1.) to fund the structural review of the Home Ownership Team (HOT) via leaseholder charges; this is appropriate, but recovery of income will require ongoing monitoring.
- 7.3 Measures (6.4.h)ii) to strengthen HOT's input in the letting of capital contracts are particularly supported; this will help to ensure that the cost of capital works, for which leaseholders benefit, does not fall on tenants or council tax payers.
- 7.4 It is noted that in 6.7.d), the service intends to overhaul property databases and expenditure coding, aimed at facilitating more accurate charging. This is an important area, in helping to ensure that charges are robust to challenge.

## **8 Comments of the Borough Solicitor**

8.1 At present, the work generated by the Home Ownership Team is processed by one temporary member of staff, to include all of the test cases that are subject to court challenge. Given the Corporate initiative to take action to clear past and present debts, it is envisaged that a review of staffing levels within the Legal Service is undertaken in line with the Panel's first recommendation (see paragraph 6.1 above).

8.2 With regard to sub paragraph 6.4 (h)– Members may wish to modify the test of “beyond any reasonable doubt” in relation to consultation requirements. The basis for this view is that there may be cases where for some good reason it has not been possible to meet all consultation requirements. In those circumstances, the legislation as it now stands, and it is envisaged will stand after the new Act comes into force, enables the Council to apply to a court/tribunal for dispensation from the need to comply with all parts of the consultation process.

## **9 Equalities Comment**

A guiding principle of service reviews is to improve performance in relation to equality implications for key stakeholders such as residents. The injection of additional staff resources, the development of a comprehensive service user data base and critically the appointment of a new third tier manager with responsibility for leasehold issues will enable equalities issues to be measured and service outcomes developed in line with requirements.

# Leasehold Services Improvement Plan

## Report to Council Executive

Key Task / Service Area		Responsibility of	
To improve the efficiency and effectiveness of the service in order to deliver higher standards of customer care and service performance.		Assistant Director - Housing Management	
<b>Recommendations identified in the Scrutiny Review of Leaseholder Services</b>			
<ul style="list-style-type: none"> <li>Review and increase staffing resources to eliminate backlogs / improve efficiency</li> </ul>			
<b>Description of targets and performance measures</b>			
<ul style="list-style-type: none"> <li>Review complete and service restructured.</li> </ul>			
Activities to be undertaken	Who will undertake these activities?	When?	Resources and source
Review third tier responsibility for the management of leasehold services and recruit as necessary.	AD - Housing Management	By Dec 03	£50k - to be met from existing resources and resources identified in 2003/04 budget and beyond. ( assumption that additional costs are fully recoverable from leaseholders).
Establish permanent posts of <ul style="list-style-type: none"> <li>Litigation Officer</li> <li>Consultation Manager</li> <li>Finance Manager x 2</li> </ul>	AD - Housing Management	By October 03	£100K - Existing resources - ( assumption that additional costs are fully recoverable from leaseholders).
Review Home Ownership Team role / responsibilities and further staff resource needs.	AD - Housing Management	By Dec 03	Possibly 2 additional participation officer posts and additional Legal service support - £100k.
<b>Monitoring and evaluation record</b>			
<b>December 2003</b>			
<b>March 2004</b>			

Key Task / Service Area	Responsibility of		
To fully recover outstanding arrears, implement prompt recovery action, and increase annual collection rate to meet budgetary requirements.	Assistant Director - Housing Management		
<b>Recommendations identified in the Scrutiny Review of Leaseholder Services</b>			
<ul style="list-style-type: none"> <li>To clear all outstanding debts from past and current leaseholders and ensure that future arrears are dealt with promptly and decisively to prevent future accumulations.</li> <li>That the Council undertakes an urgent review of the current formulae and methods of charging leaseholders to ensure that the true costs of the service are accurately allocated between leaseholders and tenants.</li> <li>That the Council ensures that all re-payment options are made available to leaseholders and that the council considers adopting a buy back policy.</li> <li>That the options for charging freeholders are examined.</li> </ul>			
<b>Description of targets and performance measures</b>			
<ul style="list-style-type: none"> <li>Review complete and costs apportioned appropriately.</li> <li>Realistic income recovery targets established and being met.</li> <li>Payment options and advice provisions reviewed and widely publicised.</li> </ul>			
Activities to be undertaken	Who will undertake these activities?	When?	Resources and source
Resolve outstanding issues relating to the introduction of SAP	Housing Mgt. Finance Manager	By Dec 03	Existing.
Review recovery procedure, including timescales involved in taking recovery action.	Housing Mgt. Finance Manager / AD - Housing Management	By Dec 03	Existing
Review of the current formulae and methods of charging leaseholders	External consultant	Jan 04	£20k
Review options for charging freeholders on housing estates.	H of Property Services / Borough Solicitor	Dec 03	Existing
Produce monthly management reports on the following. <ul style="list-style-type: none"> <li>Day to day, External &amp; Major works arrears</li> <li>Debtors analysis by age</li> <li>Performance indicators to include collection rates and number of arrangements made</li> <li>Balance movements between months / Quarters.</li> </ul>	Housing Mgt. Finance Manager	By Dec 03	Existing
Extend existing debt counselling arrangements with CAB, to leaseholders.	Housing Mgt. Finance Manager	By Oct 03	Existing
Produce "Plain English" accredited leaflets which should contain the following: <ul style="list-style-type: none"> <li>Payment Options</li> <li>Charging for Major Works</li> <li>Reductions under Capital Regulations</li> </ul>	Head of the HOT	By Dec 03	Existing

Key Task / Service Area	Responsibility of		
<b>Improve communication / consultation and responsiveness of the service to leaseholder concerns.</b>	Assistant Director - Housing Management Assistant Director - Home and Building Services		
<b>Recommendations identified in the Scrutiny Review of Leaseholder Services</b>			
<ul style="list-style-type: none"> <li>Leaseholders to receive advance notification of major works due to be carried out within 5 years.</li> <li>Relevant S20 consultation requirements to be 'signed off' by the HOT Manager / Legal Service.</li> <li>Develop a consultation strategy specifically for leaseholders in advance of any major work project.</li> <li>Responses to S20 notices are individually acknowledged and issues raised responded to.</li> <li>Review clarity of S20 notices and other legal documents to ensure clarity.</li> <li>Revise Leaseholders Charter</li> </ul>			
<b>Description of targets and performance measures</b>			
<ul style="list-style-type: none"> <li>Major works consultation and satisfaction with this process improved as evidenced by consultation surveys</li> </ul>			
Activities to be undertaken	Who will undertake these activities?	When?	Resources and source
Offer induction sessions to all new sale & re-sale Customers and prepare Induction Packs to include answers to all commonly asked questions.	Head of HOT	By Dec 03	Existing.
Complete review of section 20 Notice, to provide user-friendly, clear, accessible information.	Head of HOT	By Dec 03	Existing.
Notify each year an indication of any major works proposed within the next 5 years.	Head of HOT // AD - HHBS	By April 04	Existing
Implement revised Major Works consultation strategy	AD - HHBS	By Dec 03	Existing
Arrange 'out of hours' surgeries following the despatch of Actual accounts and Estimates.	Head of HOT	By Oct 03 & ongoing	Existing
Revise Leaseholders Charter	Head of HOT	By Sep 04	Printing Costs - £10k
<b>Monitoring and evaluation record</b>			
<b>December 2003</b>			
<b>March 2004</b>			



Key Task / Service Area	Responsibility of		
<b>Improve relationships between the Council and Leaseholders in general and bodies that represent leaseholder issues.</b>	Assistant Director - Housing Management Assistant Director - Home and Building Services		
<b>Recommendations identified in the Scrutiny Review of Leaseholder Services</b>			
<ul style="list-style-type: none"> <li>Establish a 'Champion' of leaseholder issues at Member level.</li> <li>Increase the visibility of leaseholder issues and the council's response to them through the website , publications etc.</li> <li>Produce an annual report to leaseholders.</li> <li>Agree and establish a formal partnership between the Council and the HLA.</li> <li>Publicise the existence of the HLA and assist them in the development of a member database.</li> <li>Establish a leaseholder consultative forum.</li> <li>Develop a strategy to enable tenants and leaseholders to influence the delivery and development of services and to become involved in the monitoring of the service.</li> </ul>			
<b>Description of targets and performance measures</b>			
Agreed actions complete.			
Activities to be undertaken	Who will undertake these activities?	When?	Resources and source
Housing Lead Member to appoint Leaseholder 'champion'	Hsg. Lead Member	By Dec 03	Existing.
Produce an annual report to leaseholders / Increase visibility through all communication media.	Head of HOT / Head of Publicity and Communications	By Apr 04 & ongoing	Printing costs - £10k
Agree and establish a formal partnership between the Council and the HLA.	Lead Member Housing / AD - HM / Tenant Participation Mgr.	By Apr 04	Existing
Publicise the existence of the HLA and assist them in the development of a member database.	AD - HM / Tenant Participation Mgr.	By Dec 03 & ongoing	Existing
To develop a database / profile of service users, so that the service can more effectively be tailored to meet their needs.	Head of HOT	By Apr 04	Existing
Establish a Leaseholders Forum ( to include discussions re further development & monitoring of the service).	Lead Member Housing / AD - HM / Tenant Participation Mgr.	April 04	Servicing costs - will depend on agreed meeting frequency.
<b>Monitoring and evaluation record</b>			
<b>December 2003</b>			
<b>March 2004</b>			

## Key Task / Service Area

## Responsibility of

To review IT needs and improve Management Information systems to improve performance monitoring, reconciliation of account information and to realise service improvements.

Assistant Director - Housing Management  
Assistant Director - Home and Building Services

### Recommendations identified in the Scrutiny Review of Leaseholder Services

- To review the arrangements for the transfer of data between the HOT Team and legal service.
- To ensure that staff have sufficient and appropriate IT training.
- To ensure the Access databases used by the HOT achieve levels of sophistication, to enable further service improvements.

### Description of targets and performance measures

- IT Review undertaken and actions arising complete.

Activities to be undertaken	Who will undertake these activities?	When?	Resources and source
Reconciliation of new sales records with Legal Service	Head of HOT / / Head of Litigation	Review complete / monthly reconciliation now in place.	Existing.
Review expenditure codes and cost centres	Head of HOT/ Hsg Mgt Finance mgr.	By March 04	Existing.
Provide standard monitoring information in a format that clearly separates collection rates and related performance indicators between current and historic amounts due.	Head of HOT/ Hsg Mgt Finance mgr.	By Dec 03	Existing
Review staff IT training needs / further database development	Head of HOT/ Hsg Mgt Finance mgr./ CITS	By Dec 03	IT project management support costs

### Monitoring and evaluation record

December 2003

March 2004

## Appendix A

### **COUNCIL EXECUTIVE MEETING - 21 October 03** **Briefing on service charge recovery issues.**

Over the last few years the Home Ownership Team has successfully cleared an historic backlog of billing for Section 20 works and has issued bills in respect of major works at the earliest opportunity following works completion and in accordance with the terms of the leases.

Systems have been put in place to improve the collection rate with regard to all service charge debts, but with particular emphasis on invoices for major works and exterior decorations. A dedicated litigation assistant has been engaged by the Home Ownership Team to prepare documents in support of legal claims; the Legal Service has similarly employed extra resources to issue claims to the court and Home and Building Services have increased staff resources in order to respond to queries on major works and exterior decorations, so that any challenges can be readily defended.

#### **1. Total Value of Bills That Have Already Been Raised.**

	<b>Billed</b>
	£
Exterior decorations	3,841,630*
Major works	6,012,497**
	9,854,127

**Notes:**

\* No amounts written off - £2,028,967 paid in advance.

\*\* Includes amounts written off.

#### **2. Amounts Written Off In Relation to Service Charges.**

The major sums that have been written off:

<b>Reason for loss</b>	<b>£k</b>
Delays in issuing invoices, following S.20 notices	239
Failure to invoice improvement works in the financial year following completion of work (as required the lease).	657
<b>Total</b>	<b>896</b>

### **3. Debt Subject To Current Recovery Action**

#### **Recovery Performance as at 10/10/2003**

	Bal. BF as at 31/03/03	Total Billed this fin. yr	Total Recoverable	Bal. as at 10/10/2003	Total Collected so far this year
Day to day	£666,729	£2,427,375	£3,094,104	£1,651,269	£1,442,835
Exdecs	£753,005	£131,255	£884,260	£595,792	£288,469
Major Works	£2,524,876	£1,423,325	£3,948,201	£3,138,636	£809,565
<b>Total</b>	<b>£3,944,610</b>	<b>£3,981,956</b>	<b>£7,926,566</b>	<b>£5,385,696</b>	<b>£2,540,869</b>

#### **Recovery Procedures**

##### **Letters Before Action**

- Before any legal action is commenced a 'letter before action' is sent to the Leaseholder giving them seven (7) days to respond to the letter. It provides them with information regarding the amount of arrears owing, the consequences of non-payment and how they can make payment.
- To date, the Home Ownership Team's legal recovery programme has resulted in 1,215 'letters before action' being sent. The total value of amounts demanded stands at over £3.3 million.
- Following the issue of a letter before action, full or part payment was made in 197 cases, representing £308,210. Payment arrangements were entered in 242 cases, representing £532,847.

##### **Claims**

- Following the letter before action, if no response is received from the leaseholder, a Claim is drafted and sent to our Legal Department for filing at the appropriate County Court. To date, 587 Claims have been issued to Legal Services representing £2,083,515.
- Following the receipt of a Claim, full payment or payment arrangements were made in 152 cases, resulting in the recovery of over £433,497.
- We requested and received 168 County Court judgements. These judgements represented £502,114.26
- 114 Claims have been defended - see below
- There are 153 Claims filed with the Court that are currently being processed (i.e. service of Claim on Defendants, time period for defendants to file a defence). These Claims represent £117,676.

### **Judgement Enforcement**

- Upon receiving the Default Judgement from the Court, a copy is sent to the leaseholder's mortgage lender with a request for payment. Generally, the mortgagee will make payment to protect their interest in the property.
- If no payment is made following the receipt of a judgement, the matter is handed to our Legal department who will commence enforcement proceedings.
- Legal Services have obtained six (6) final charging orders. These charging orders represent £35,290. Applications have been made to the court in a further four (4) cases.

### **Defended Claims**

- 114 leaseholders have entered defences. These cases represent £1,030,228.
- The majority of these defended cases are involved in the on-going Test Case litigation that the Council is involved in. A small number of cases have been selected to go to trial as test cases with the remainder of the cases being stayed. The outcome of the test cases will be binding on all.

Stephen Turner - Litigation Manager (Legal Service) comments that:

Approximately 60% of cases pay as a result of the legal proceedings; about 10% of the cases file a Non-Section 20 Defence raising other issues such as quality of work - these cases proceed in the normal way; and about 30% raise a Section 20 or "Test Case issue" Defence - these cases are normally stayed by the Court pending the outcome of the Test Cases.

### Hearing Date

There will be a Case Management Conference before the Chancery Judge at Central London Trial Centre on 14 November 2003. This is listed for a full day hearing and the Court is expected to give full directions for the future conduct of the Test Cases, including directions for trial. I will be able to answer this question after 14 November.

**Jackie Thomas**  
**Assistant Director Housing Management**



**The London Borough of Haringey**

# **Overview & Scrutiny**

**REPORT OF THE**

**SCRUTINY REVIEW OF  
LEASEHOLDER SERVICES**

**November 2003**

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# 1. General Conclusions

- 1) We have found that there have been serious problems with this service in recent years.
- 2) We have found that numerous other authorities are experiencing similar problems, (and we have found evidence of significantly worse situations in some other comparable councils), but we have also found evidence of many other authorities having sorted these problems out.
- 3) We have found that despite recent improvements the overall performance of the service and the satisfaction rates amongst service users are still below average and a source of concern.
- 4) We have found no evidence to indicate that Haringey's Leaseholders Service in general could not become one of the very best performers in London.
- 5) We have identified the broad area of communications with the client group as one of the key areas that needs attention.
- 6) We found that the current staff members are working hard at it and there is evidence of recent progress towards sorting out a lot of the problems, but also that the human resources invested by the council in this service area are significantly less than those of other, comparable, well performing London councils.
- 7) We have found other sections within the Housing Directorate and other departments outside Housing to be major contributors to the current performance levels.
- 8) We have found that current performance suffers from the pressures on staff to deal with backlogs from the past, creating a vicious circle.
- 9) We have found that failure to collect income due from leaseholders would effectively transfer the costs to the tenants' side of the Housing Revenue Account and therefore, we have reached the clear conclusion that it would be wrong for the council to reduce its efforts to collect the maximum possible amounts of outstanding debt.

## 2. Recommendations

### General Recommendations:

#### We are recommending that:

- the Executive accepts the challenge of adopting the ambitious, but achievable target of securing a 3-star rating within 2 years.
- the list of detailed recommendations, which we are presenting here should be treated as a corporate and departmental initiative (i.e. rather than just an internal one applying only to Home Ownership Team (HOT)).
- the council intensifies its efforts to collect the maximum possible amounts of outstanding debt.
- the Executive sets a target of clearing, one way or another, all the outstanding debts from past or current leaseholders (including any backlogs from previous years) within 6 months and that it ensures through regular and frequent monitoring that any future arrears are dealt with promptly and decisively, to prevent any future accumulations.

### Specific Recommendations:

#### 1) The Council becomes a friend of its Leaseholders:

##### □ We are recommending:

- That the council publicly demonstrates its concern about the issues raised by its leaseholders and its determination to deal with the identified problems, by taking the following visible steps:
- Establishing a "champion" of leaseholders related issues within the authority. This could be in the form of a councillor appointed by the Executive member for housing as the lead-member, adviser and chief monitor of this service area.
- Ensuring that the relevant council structures (Executive, Scrutiny, Housing Management Board) are made continuously aware of performance problems and progress in this area. This could be in the form of a regular, publicly available, Monitoring and Progress report, on a standard format indicating progress against action plan targets and performance indicators, and incorporating uncensored comments of the Leaseholders Association and Forum, submitted 4 times a year to the Executive, the Housing Scrutiny Panel and the HMB for consideration.
- Making the council's priority for this issue visible within its main communications instruments (web-site, Haringey People, Housing Newsletter) through regular features, demonstrating both the council's concern and its efforts to deal with the identified problems.

- Sending a brief annual report to each leaseholder, in the name of the Executive Member for Housing (or the leaseholders lead member) and the Director, indicating progress made on relevant issues during the year.
- Organising an annual leaseholders' conference, jointly with the Leaseholders Forum/Haringey Leaseholders Association (HLA), to present and discuss the annual report and any other issues of concern to the leaseholders.

**2) The Council improves its borough-wide consultative mechanisms:**

- **We are recommending that the council sets up clear negotiating and consultation structures at borough wide level, within the evolving Tenants Compact mechanisms, within which the Haringey Leaseholders Association's (HLA) role is clarified, formalised and supported, as the recognised independent advocate of leaseholders, through the following measures:**
  - Negotiating with the HLA a formal "partnership" agreement, leading to a formal obligation to automatically consult the HLA on specified borough wide issues of relevance to leaseholders, and to the formal integration of this role within the HMB, the Tenants Compact and the Housing Scrutiny Panel.
  - Recasting the Leaseholders Forum as a joint forum between the council and the HLA, integrated within the HMB structure and with formalised terms of reference and regular meetings.
  - Incorporating within the formal Partnership agreement with the HLA a council undertaking to make available to the HLA a separate page within the authority's web-site, a similar page within the Housing current or future newsletters and to circulate at least once a year an HLA communication to all the council's leaseholders. We are envisaging all these to be uncensored by the authority, as long as the contents do not compromise the council's legal position and obligations.
  - Exploring the legality of notifying every individual leaseholder (say through a letter attached to the next service charges bill) that the council intends to pass on his/her contact details to the HLA, unless it receives an explicit objection by a specified time.
  - Offering to provide to the HLA, if needed at the time, technical support to assist with the development of its relevant databases, enabling it to communicate efficiently with its members.
  - Making available to the HLA the same modest level of support (towards meetings and printing/postage costs) that the Tenants Participation Section of the Housing Service makes available to other approved residents associations under the same standard council conditions and, also, assisting whenever required the HLA with any legitimate bids it may

wish to make under the community chest arrangements in parts of the borough.

- Encouraging its leaseholders (and future approved tenants associations of leaseholders) to subscribe to the HLA.

**3) The Council establishes effective local-Estate level consultative mechanisms:**

**□ We are recommending that the council takes determined steps to establish an effective network of leaseholders representative bodies at local and estate level, including the following:**

- The council commits itself to a major effort to develop Recognised Tenants Associations (RTAs) for leaseholders, as envisaged by the relevant legislation, along the broad approach adopted by Camden, (i.e. as sub-committees of existing Tenants and Residents Associations)
- The executive adopts a target of ensuring that the majority of the borough's leaseholders are represented by RTAs within two years,
- The HMB devises and adopts within 6 months at the latest a clear action plan for achieving this target,
- The Executive ensures that the Tenants Participation section of the council is adequately resourced to deliver this task,
- The council negotiates with the HLA, as part of the proposed partnership agreement, an "Umbrella" role vis-à-vis RTAs, and in response encourages strongly RTAs to adopt a model constitution which includes a clause requiring them to affiliate to the HLA and to play an active role within it.

**4) The Council improves its customer care and communications at individual level systems.**

**□ We are recommending that the council thoroughly overhauls its current approach to communicating with individual leaseholders through a package of measures, including the following:**

- All leaseholders to receive annually advance indication of what major works are likely to be required affecting their properties within the following 5 years.
- The head of HOT is given the power to delay the start of any contract that affects leaseholders if he is of the opinion that the council has not fully met beyond any reasonable doubt all the relevant legal consultation requirements.
- The HOT undertakes to hold at least two widely advertised surgeries at suitable times and on location, prior to the commencement of any capital works project affecting leaseholders, to discuss with individual leaseholders the proposed works and their implications for them, whether in conjunction with a parallel consultation exercise for tenants, or separately.

- A standing order is adopted specifying that in every case of a capital project affecting leaseholders, the technical services develops at the start a clear and comprehensive “tenants and leaseholders consultation plan” covering all aspects from the inception to the completion of the proposed project, approved by the head of HOT. This plan to be made public and available to all the affected tenants and leaseholders and to form part of the tendering process, and of the contract with the successful contractor, backed up by appropriate and enforceable financial sanctions in case of failures.
- The council funds a specialist adviser post in the CAB (or other appropriate external organisation) providing independent advice to individual leaseholders about any problems they may have in their dealings with the authority.
- All comments made by individual leaseholders in response to section 20 notices, are individually acknowledged by HOT, indicating what the service response was and the reasons. To this effect the head of HOT will be expected to use all the responses received as the basis of negotiations with the technical services section, before the specifications are finalised.
- The Executive and the HMB produce a revised Leaseholders charter, incorporating all the above points, with copies delivered to each individual leaseholder, within 6 months.
- The wording and contents of all standard communications with leaseholders, including section 20 notices, is urgently reviewed in consultation with the HLA and the HMB, to ensure that they are as readable, user friendly and informative as it is practicable and that wherever possible they provide more information and explanations than the minima required by legislation.
- The Housing department reviews the current mechanism for receiving feedback on the operation and quality of work of its capital works to ensure that response rates are increased to a level where they become truly meaningful and a useful management tool.
- The standard customer care aspects of the day-to-day operation of the service, including telephone and letter answering times and effective responses to customers information requests and complaints are improved through targeted training programmes and rigorous monitoring systems.

**5) The Council ensures that it has adequate staff resources to achieve its targets:**

- **We are recommending an urgent review of staffing levels in the HOT, with the aim to increase the establishment, within 6 months and for a period of at least 2 years, to the levels that would be necessary to implement all the recommendations of this review and to achieve a 3-star rating. This review should also examine the adequacy of staff resources in the main other sections of the**

**council which are contributing to this area of work and in particular legal, technical and tenants involvement sections.**

**6) The Council charges leaseholders the true costs of the services they receive.**

□ **We are recommending that the Executive undertakes an urgent review of the current formulae and methods of charging leaseholders for the administration of the services they receive from the council, with the aim to:**

- Ensure that the true costs of administering the service are fairly and accurately allocated between leaseholders and tenants, and
- Work out the most efficient and leaseholder friendly method of accounting for these costs, including the optimisation of levels of capitalisation.

**7) The Council improves its procedures for planning Capital Works and Value for Money**

□ **We are recommending that:**

- The Technical Services section introduces urgently a rolling, 5-year advance planning and advance notification of forthcoming works, on the basis of a 5-year rolling Capital Programme and the recent Stock Condition Survey.
- The Executive considers increasing the number of competitive tenders for major works to a minimum of 3, including always one based on a term contract arrangement by an appropriately chosen term contractor, whilst preparing for the more widespread use of term-contractors and/or partnership arrangements as soon as the forthcoming legislation permits.

**8) The Department improves its IT systems and its use of Management Information.**

□ **We are recommending that:**

- The various data migration and reconciliation problems between corporate IT and internal HOT database systems are urgently ironed out and proper foundations built into the council's corporate IT development processes to ensure that the identified types of problems do not re-occur in the future.
- The problems around regular and effective transfer of data between Legal and HOT are ironed out and appropriate systems put into place for preventing similar problems in the future to the satisfaction of the District Auditor.
- Adequate staff resources and appropriate training of staff in IT are invested within HOT to develop further its Access based databases and associated systems to reach at least the level of sophistication of the current Westminster systems, within 6 months.
- Adequate staff resources are invested within HOT and Finance to systematically overhaul current property-based databases and expenditure

coding, in ways that enable easy and safe apportionment of charges to individual leaseholders, to reach at least the level of sophistication of the current Camden systems, within 6 months.

- The scope and quality of the information collected about individual leaseholders within the HOT databases, is reviewed and expanded to enable continuing customisation of policies and procedures.
- A determined effort is made to improve in general and utilise management information systems, including effective systems for collecting and utilising users' consultation and feed-back inputs.
- A systematic review is carried out of the precise functions of HOT within 3 months, to be used as the basis of managerial decisions about staffing issues and performance management within HOT and also for clarifying, agreeing, codifying and publicising accordingly the respective roles and responsibilities of all other sections and departments of the authority involved in leaseholder related issues.

**9) The Council Reviews its current mechanisms for apportioning costs and charges:**

- **We are recommending that the council undertakes an urgent investigation and evaluation of the options open to it for introducing some form of charging freeholders for the costs of benefits that they receive from services and works implemented under the HRA, for which leaseholders have to pay their share.**

**10) The Council makes improvements to its Financial Management and Income Collection systems:**

- **We are recommending that the service:**
  - Urgently reviews and improves the current procedures for dealing with the closure of outstanding debtor accounts, to the satisfaction of the District Auditor.
  - Provides from now on standard monitoring information in a format that clearly separates collection rates and related performance indicators between current and historic amounts due.
  - Expands the measures currently available for supporting individual leaseholders who are genuinely unable to meet large bills from capital works, to include buy-back provisions and ensure that the list is at least as comprehensive as those of Camden and Westminster. Also ensures that all leaseholders are fully aware of these facilities and that the council is adequately resourced to deal with related requests promptly and efficiently.
  - Introduces procedures for ensuring that each leaseholders is supplied with copies of the estimates from at least two appropriate contractors, in a legible format that enables easy comparisons.

- Introduces procedures for securing acknowledgement of liability for charges from leaseholders and for returning of signed duplicates of section 20 notices agreeing to urgent works.

**11) The Council improves its Quality and Performance management systems:**

- We are recommending that a two-year target is also adopted for achieving the ISO 9000 quality standard accreditation.



### **3. Introduction**

- 3.1. There are approximately 3,600 leaseholders within the council managed estates. It was decided to review Leaseholder Services provided by Haringey Council and the associated charging and consultation practices, in response to the concerns generated by a combination of complaints received by members from individual leaseholders and the Haringey Leaseholders Association, the low performance rating of the service from external agencies, and the apparent difficulty of the council in collecting all the income due from leaseholders in the recent years. The main terms of reference for the review are described in the Scope and Aims (Chapter 5).
- 3.2. Scrutiny Reviews provide a vehicle for non-Executive Members to study a service provided by the council and make recommendations for improvement. The review considered the economy efficiency and effectiveness of the service being provided, as well as its strategic position in relation to other services and overall performance, with a view to enhancing value for money and optimising service quality. The panel undertakes extensive consultation with key stakeholders, compares the service with other service providers and examples of best practice, reviews the strategic position of the service and makes recommendations for service improvement.
- 3.3. Due to staff shortages in the Overview and Scrutiny office it was originally agreed to split the review into two phases, with the current phase concentrating primarily on capital works and a future second phase dealing with service charges. In practice, however, the inter-linkages between the two meant that many of the aspects involved could not be separated and, therefore, most of the findings and recommendations apply to both. It is doubtful whether a further full-blown review would be justified and it is instead recommended that any outstanding issues, specifically those in relation to the service charges, be dealt with within a progress review on the recommendations of this report in 6 months time.
- 3.4. The emphasis throughout this review has been to look constructively towards the future, not as an inquiry or criticism of past practice. The review panel has examined current and anticipated changes in legislation, as well as possible changes in Housing Management (e.g. Stock Transfers, ALMOs etc) and throughout has attempted to use any past "failures" identified as the basis for making recommendations for the future, rather than duelling on possible criticisms of past or current individuals, or departments.
- 3.5. The review panel has throughout received the services of an external specialist, Mr. Michael Connor, a consultant recommended by the

London Housing Unit, who has worked with a number of London Authorities, including the best performing, assisting them with restructuring exercises and the achievement of high performance ratings. Mr. Connor provided the panel with valuable expert advice throughout the exercise.

- 3.6. The review has benefited from timely recent reviews by both the District Auditor and the Council's Internal Audit service (Leaseholder Service Charges Draft Internal Audit Report, Deloitte and Touche, The London Borough of Haringey, February 2003) on certain specific aspects of the service's operations.
- 3.7. The panel has taken evidence from the Audit Commission (including off the record confidential advice) and from the London Housing Unit, as well as extensive site visits to two comparable well-performing authorities, Camden and Westminster Councils, that provided us with detailed evidence. In addition it has received detailed testimonial evidence from the Haringey Leaseholders Association.
- 3.8. At the beginning of the review process the external adviser was asked to analyse the comments made by the inspectors involved in the Comprehensive Performance Assessment (CPA) of the most successful (i.e. 3 stars rated) comparable authorities in this service area and provided the panel with a simple "good practice" guide. The panel has used this list of key points as a reference for seeking and analysing evidence from the service and other witnesses.
- 3.9. The Home Ownership Team (HOT), the section within housing, which deals with Leaseholder charges and the Right to Buy have co-operated fully with the review. The panel was pleased to note that, during visits to the well performing authorities the head of HOT seemed familiar with his counterparts and with their systems, actively assessing various aspects for potential integration into Haringey's operations.
- 3.10. During its deliberations the panel has noticed a further encouraging sign, that is that the scrutiny process itself appears to have already contributed to the thinking and planning within the service. Although there are many issues that still need to be considered, it is also evident that a number of the recommendations are already being considered and pursued by the service.

# Membership of the Review Panel

## 4.1. Membership

**Cllr. Isidoros Diakides (Chairman)**

**Cllr. David Beacham**

**Cllr. Thomas Davidson**

**Cllr. Bernard Millar**

**Cllr. Erline Prescott**

**Cllr. Elizabeth Santry**

**Mr. Ron Crompton**

- 4.2. The Review Panel is made up of seven members, composed of six elected councillors, including one Opposition Member, and one co-optee Mr. Ron Crompton. In selecting the membership of the panel care has been taken to avoid any conflicts of interest.
- 4.3. The work of the panel has been supported throughout by an officer from the Overview and Scrutiny service of the Council and received technical independent advice from an external specialist in leasehold affairs recommended by the London Housing Unit.

## **5. Scope and Aims of the Review**

### **5.1. Scope**

To analyse and evaluate:

- a) the handling of capital works and the associated "section 20"<sup>1</sup> notices, consultation and advice/information practices, charging mechanisms and approaches to collection and enforcement issues, as well as overall performance.
  - b) the handling of other "service" charges, including consultation, charging, collection, customer care and other associated mechanisms and practices.
- 5.2. Specific aims of the review have been to analyse and evaluate the recent systems and performance of the council in this area, as well as the adequacy of the current policies, structures and performance adopted by the council.
- 5.3. Although the review focused primarily on the policies, practices and performance of the Housing Service, part of the review has examined the interface with, and related work of, other council services.

## 6. Witnesses Examined

- 6.1. The Key Stakeholders identified in relation to this review include service providers, service purchasers, service clients, client advocates and voluntary groups.
- 6.2. Interviews with key witnesses have been held in order to take evidence on the technical/operational issues, service provision, policy making, comparative practice, examples of best practice elsewhere and customer feedback. The panel has taken evidence from the departmental officers at Haringey, both from a policy perspective and from a technical/managerial perspective, from a representative of the Haringey Leaseholder's Association, an expert advisor on leaseholder services, Camden Council Home Ownership Service and from City West Homes at Westminster Council. It has also taken evidence from the Audit Commission, following from the Audit Commission report and recent update on leaseholder services.
- 6.3. The Haringey Leaseholders Association is an important representative of the client group and represents approximately three and a half thousand leaseholders throughout the borough.

### 6.4. List of Witnesses Examined

Witness		Organisation
Mr. Steve Clark	Director of Housing	London Borough of Haringey
Mr Nesson Thevanessan	Head of The Home Ownership Team	London Borough of Haringey
Mr. Bob Watts	Asst Director Housing Haringey Technical and Building Services	London Borough of Haringey
Various Officers		Haringey Legal Services
Mr. Michael Connor	Advisor to the Panel	
Mr. Rupert Marsh	Chair	Haringey Leaseholder's Association
Mr. Damien O'Neil		Audit Commission
Mr. Martin Green and colleagues	Manager	Camden Council Home Ownership Services
Mr. Randall Bevis and colleagues	Manager	Westminster Council – City West Homes
Mr. Peter O'Kane		London Housing Unit, ALG
Cllr J.Irwin and Officers from the Housing Dept.	The Lead Member for Housing	The London Borough of Haringey

## 7. Definition of the Service

7.1. Leaseholder services are provided through the Housing Management Section of the Housing Directorate.

7.2. The Housing Management Services *Vision is:*

**"The Housing Management Service aims to provide quality housing management service to all Council tenants and leaseholders – a service which is customer focused and seeks continuous improvement in efficiency and performance".**

7.3. This scrutiny review makes recommendations towards achieving this vision and in line with the stated aims of the service.

7.4. Leaseholder Services are managed by the Home Ownership section of the Housing Management Services division. There is a lead Executive Member for Housing providing the political lead for the Housing Directorate, which is subdivided into three main business units; Housing Strategy and Needs, Technical Building Services and Housing Management Services. As well as Home Ownership services, Housing Management services also provides service development, rent accounting, former tenancy accounts, housing management, concierges, housing management finance and estate services. The way in which services are co-ordinated and their working relationship with other council departments is pertinent to the quality and efficiency of service outcomes.

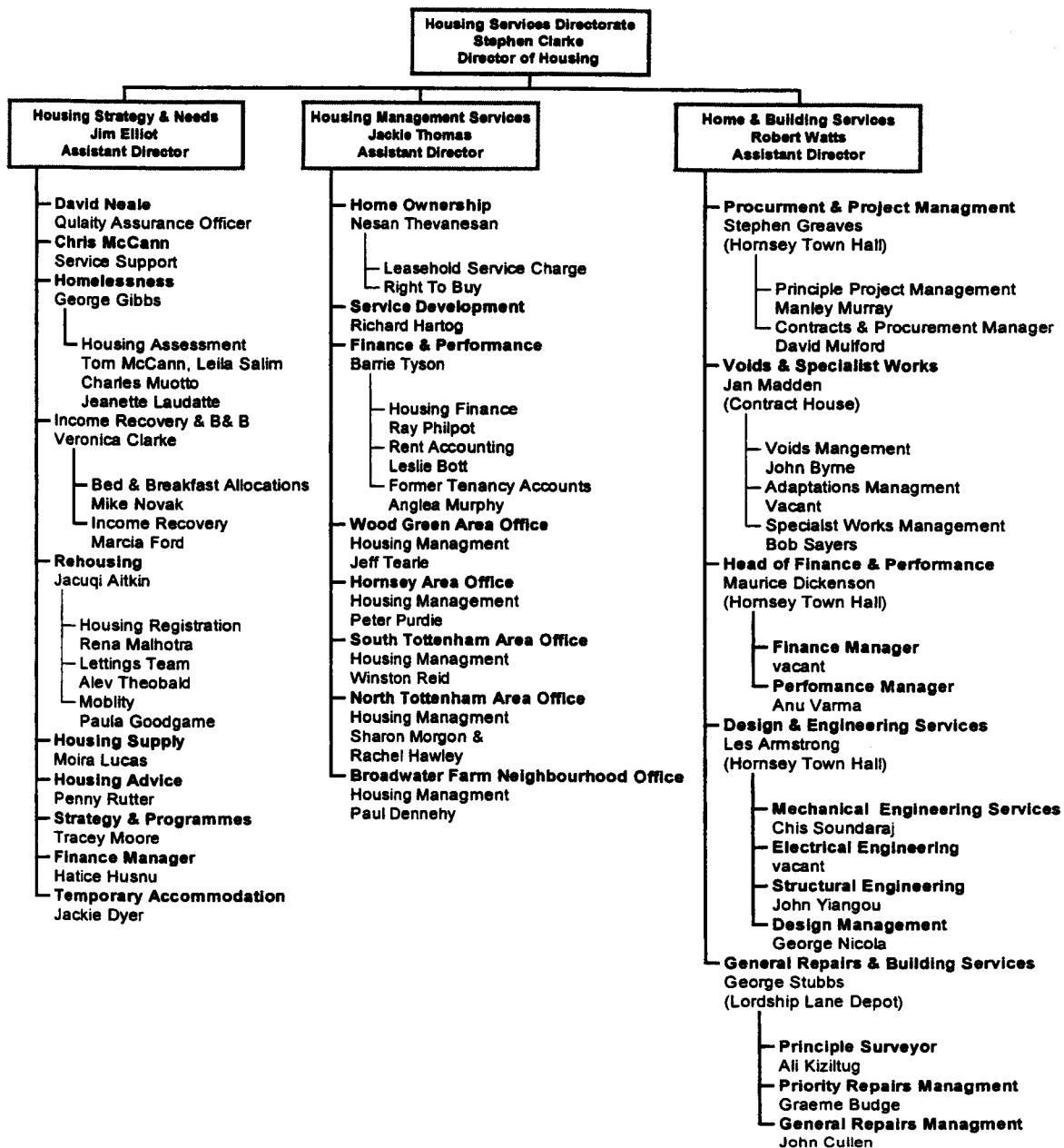
7.5. Services are provided to leaseholders where properties fall within estates managed by the Council. These are most usually flats or houses purchased under the Right to Buy scheme from the Council housing stock. An average of over two hundred flats a year is currently purchased under the Right to Buy. Estate Service Operators or Caretakers are the Housing Service staff on the front line providing caretaking and cleaning services to estates.

7.6. The leaseholder services provided by the council are defined in relation to council policy and service standards, the terms of the lease and directed by the relevant statutory obligations. The Council's main obligations towards leaseholders, as landlord, are specified in the lease under the section The Corporation's Covenants. These include general obligations to repair and maintain the properties on managed housing estates, including both internal structural works and fittings, as well as outside works in communal areas. There are two standard forms of lease in Haringey. Home ownership purchases made on or before 1<sup>st</sup> April 1990 and the current version of the lease.

- 7.7. The review panel has taken evidence to the effect that that there is a perception by leaseholders of managerial weakness, a lack of "hands on" management within the service and that front line staff may be overburdened and under-resourced. It is admittedly difficult to make proper comparisons, as organisations and service demand differ, but both Camden and Westminster home ownership services appear to be better staffed.
- 7.8. The panel recommends clarification of responsibility between different sections of housing management service, on the one hand the HOT's relationship with Technical Services (on major works, maintenance, consultation with tenants & leaseholders etc), and on the other its relationship with Housing Management (on Estate Services, involvement of tenants and leaseholders, complaints etc). It is also recommended that there be improved defined procedures linking management information from legal services to housing management, particularly with regards to client information and activation of charging accounts.

7.9. **Organisational Structure**

The Housing Services Directorate organisational chart, showing the location of the Housing Management Services and Home Ownership Team (below).





## **8. Information and Consultation**

- 8.1. During the review, the panel received evidence from leaseholders complaining that the organisational culture within the department was not customer friendly. It was felt that the organisational "gatekeepers" could present a barrier to customer-provider dialogue. The panel have received complaints from leaseholders that some letters to the council are just ignored and correspondence and information to leaseholders is often dispatched late and contain errors. The perception of the quality of consultation is therefore something that needs to be improved.
- 8.2. The Haringey Leaseholders Association in evidence to the panel expressed a desire for the leaseholders to be engaged in consultation with the service, to be included and make a difference and play its part to improve services.
- 8.3. The Haringey Leaseholders Association is, however, currently constrained in its ability to represent the client group fully, as it does not have access to records of all leaseholder properties. The Council has access to this information, but is prevented from sharing such data by data protection legislation. The Council should however be able to facilitate communication between existing leaseholders and new leaseholders emerging through the right to buy. The association is also constrained by the fact that it is not currently a recognised tenants association or affiliated to such an association.
- 8.4. Residents (including resident leaseholders) that are represented by a recognised tenants association have special rights to consultation. If some or all of the residents are represented by a recognised tenants association the Council must send a notice, which includes detailed specifications, to the secretary of the association, allowing a reasonable period for the association to propose alternative suppliers for estimates. The Council must also send the association copies of the Section 20 Notice estimates.
- 8.5. The panel recommends that the Housing Service consult the Haringey Leaseholders Association on its willingness to attain the recognised tenant's association status, assisting and facilitating such arrangements as may be necessary and introduce mechanisms to consult on service quality and procedures, in the capacity of a key independent advocate of the client group. Westminster Council operates a "consultation plan" as part of contracts and performance of contractors against payments schedules. The panel recommends that a plan and procedures for consultation is defined and then agreed with the association. In addition, the panel recommends that the service introduce surgeries at the start of planning of major works to answer enquiries and consult individual tenants and leaseholders.

## 8.6. Section 20 Notices

Section 20 of the Landlord and Tenant Act (1985, amended 1987) states that every landlord is required to consult with their leaseholders prior to major repairs, greater than £1000, to a building or estate. The notice (called a Section 20 Notice) must be sent one month before the work starts to give leaseholders the opportunity to make their observations. It must include a description of the works and at least 2 estimates, 1 from an independent contractor. The Section 20 Notice includes information about the proposed works to be carried out, the estimated charges and contact for enquiries.

- 8.8. These requirements should only be waived in the case of urgent works (The Leaseholders' Charter, Housing Services, The London Borough of Haringey 2001 p.37). This is an important consideration both to the quality of customer services and also to the Council's ability to enforce the collection of charges due. Failure to send Section 20 Notices, potentially puts the Council's ability to enforce collection in jeopardy.
- 8.9. The Council aims to consult leaseholders for all works carried out that exceed the statutory financial limits. The statutory limits are either £50 for each property x no. properties, or £1000 for the block, whichever sum is the greater amount. (Leaseholder's Charter p. 36)
- 8.10. During such a consultation, all the affected leaseholders are sent a Section 20 Notice containing details of the works to be carried out, at least two estimates for the work, and an estimate of the leaseholder's contributions and the cost of the work. A notice detailing the proposed works should also be displayed in communal areas. The notice should invite leaseholders to comment on the planned works and the Council is supposed to take these views into consideration before work commences. Leaseholders have at least one month to comment and works should not commence before this.
- 8.11. Consulting and listening to leaseholders and other tenants about maintenance requirements is also something that was raised during the review. There is no defined process for incorporating suggestions for what works need to be carried out into the forward work-plan.
- 8.12. Where the full one month notice period cannot be provided, because emergency work is needed, it is recommended to ask leaseholders to return a duplicate of the Section 20 Notice immediately, signing their agreement to the works starting straight away.
- 8.13. It was observed that Section 20 notices have improved, but that the notices give no details about the scope of works to be carried out or how long the work will take. During the review the panel received

evidence to testify that some leaseholders are dis-satisfied with the Council's implementation of the Section 20 requirements. Testimonial observations were that:

- The tendering process is not always carried out properly
  - The itemisation of costs not set out properly
  - It was impossible to tell from the itemised billing what the tendered prices were for each tender
  - The administration fee is not included on the itemised bill
- 8.13. The panel has not received evidence of specific examples to support the assertion that tenders are not being carried out in every case, but it does appear that the practice of operating "term contracts", which was common prior to 1997, worked around the requirement to competitively tender all works on an individual basis.
- 8.14. Evidence received by the panel indicated that the amount of time that elapses between the issue of a notice and the works being carried out can sometimes be more than a year, by which time a reasonable association between the notice of works and the works themselves may be lost. Leaseholders can access information about works plans on request, but it can only be viewed during office hours and at the Civic Centre, thus severely limiting access. The Landlord and Tenant Act does not actually require consultation on small improvement works, but it is the Council's policy to consult on all major works including improvements.
- 8.15. It is not clear how much, if at all, the works proposals are influenced by residents observations, either at Section 20 stage or earlier and it is recommended that the service communicate the way in which consultation feeds into service delivery back to the client.

## **9. Charging Mechanisms for Leaseholder Services**

### **9.1. Service Charges**

A service charge is made to residents and leaseholders and represents a proportion of the cost of providing a service or amenity to a housing estate. The total cost is divided into individual charges according to a certain formula. The way in which a particular property is charged is described on the lease.

- 9.2. The panel investigated the client's perceptions on the fairness of service charging e.g. for concierge services and received testimony that the charges for small works are often disproportionately high for the works being carried out.
- 9.3. There is a statement in the submission relating to freehold properties, suggesting that the Right to Buy legislation does "not contain any provisions for levying service charges on properties sold freehold". Most local authorities levy service charges on freehold properties situated on housing estates. Not to charge all residents a share of maintaining facilities all residents benefit from (such as a grassed area on an estate) was considered unreasonable by the Government appointed auditor considering accurate service charge invoicing at the City of Westminster, in 1994. Legislation allowing such charges is in Schedule 6, Part I, sub-section 5 "the conveyance [of a freehold property] or grant [of a lease] may include such other covenants and conditions as are reasonable in the circumstances" and Part II, sub-section 9 of the Housing Act, 1985.
- 9.4. **Section 125 Notices**
- The Landlords Offer Notice (Section 25 Notice) is issued when a property is purchased under the Right to Buy scheme, it describes the list of services provided to an estate as well as the relevant charges. For the first 5 years of the lease the landlord can only charge for major works that have been included in the Landlords Offer Notice.
- 9.5. Service charges, along with a statement of the services provided, are communicated in two statements sent out in March and again in September of each year. The statement contains three sections; Services, Day to day Repairs and Maintenance and Major Repairs and Improvements.
- 9.6. The first section lists the housing services provided to the building and estate and the charge for each item.

- 9.7. The Day to Day Repairs and Maintenance section statements the charges for general repairs and maintenance to the outside and communal areas of estates. Every year the works carried out on an estate are compiled and the costs are distributed in charges to residents and leaseholders in a Certificate of Actual Service Charge in September. Leaseholders can request a list of day to day repairs for which they have been charged after they have received the annual Certificate of Actual Service Charge in September.
- 9.8. Improvements in charging and billing, centred around improved identified cost code centres are recommended. This is discussed further in Chapter 12.
- 9.9. Works Charges
- There are statutory time limits laid down for invoices for major works. Section 20B(1) of the Landlord and Tenant Act 1985 (amended) requires local authorities to issue an invoice for all service charges within 18 months. If for any reason invoices are not ready to be despatched Section 20B(2) of the Act requires the Council to send a notice within 18 months informing residents and leaseholders that they will be required to pay, including an estimate of the charges.
- 9.10. Major Works and Improvements only appear on the Certificate of Actual Service Charge in September. This section describes the costs associated with three different categories of works; External Decorations, Major Repairs and Improvement Work. (The Leaseholders' Charter, Housing Services, The London Borough of Haringey 2001 p. 30).
- 9.12. The Council should not bill leaseholders for works carried out more than 18 months after the cost has been incurred unless it has given written notice during the period that such a contribution will have to be made. The Council should also include an estimate of the bill and the explanation for the delay.

## **10. Billing & Collection of Charges Due**

- 10.1. In the past bills had been reported some 5 – 6 years late and the panel received evidence during the review that that this aspect of the service has improved. The final bill, which is issued at the end of the financial year, is an important notice, as the Section 20 Notice is only an estimate of the costs; the real costs can differ widely from the estimate. The possible time elapse between the end of the works and the issue of the final bill can make it difficult to check against whether the works have been carried out fully.
- 10.2. The Estimated Annual Service Charge is a statement is sent out in March of each year and shows the estimated bill for forthcoming services and day to day repairs during the next financial year. The estimate is based upon the costs for the previous year plus inflation.
- 10.3. The Estimated Annual Service Charge is divided into 4 quarterly invoices, which are payable in advance under the terms of the lease. The first of these is sent out with the annual estimate at the end of March and followed by quarterly invoices in June, September and December.
- 10.4. A Certificate of Actual Service Charge is sent out approximately 6 months after the end of the financial year, when the accounts have been closed and relates to the preceding year. This is a statement of actual charges. The difference between the estimated charges paid and the actual charge is settled either by an invoice for the balance remaining to be paid or a refund.
- 10.5. According to the submission from the housing service, the Right to Buy legislation does "not contain any provisions for levying service charges on properties sold freehold" (Submissions to the Housing Scrutiny Panel, Housing Directorate, The London Borough of Haringey 2002). It was found by the panel that most local authorities do in fact levy service charges on freehold properties situated on housing estates and it is recommended by the panel that this policy should be revised\*.

\*NOTE: Not to charge all residents a share of maintaining facilities all residents benefit from (such as a grassed area on an estate) was considered unreasonable by the Government appointed auditor considering accurate service charge invoicing at the City of Westminster, in 1994. Legislation allowing such charges is in Schedule 6, Part I, sub-section 5 ("the conveyance [of a freehold property] or grant [of a lease] may include such other covenants and conditions as are reasonable in the circumstances") and Part II, sub-section 9 of the Housing Act, 1985.

#### 10.6. Outstanding Debts

The housing service faces a substantial backlog of debts from leaseholders of charges the services has so far failed to enforce. Procedural failures and delays in sorting out the legal position on various aspects have resulted in substantial backlogs of uncollected income and in legal challenges from leaseholders. By the time the review took off, the service had started a massive effort to deal with this backlog and part of the process involved a huge number of referrals to court.

- 10.7. The service needs to clarify the amounts of debt (if any) which has to be written off. Based on evidence submitted to the panel, balancing the total debts against credits suggests a total arrears of £2,751,966. It is at any rate a substantial sum. The first page of the Summary of the Audit Report, refers to a Court case, one outcome of which could be a further loss of £700,000 (Leaseholders' Charges, The London Borough of Haringey, District Audit, October 2002).
- 10.8. Page four of the recent District Audit report refers to 44 cases, relating to more than 50% of the debt at that time. Paragraph 28 (page 7) refers to 66 cases of leaseholders owing more than £10,000. The HOT indicate that they have now assessed all claims for hardship relief; information on any of these 66 cases not included in the 44 referred to above would be helpful in assessing the HOT debt recovery performance.
- 10.9. Although the panel has followed the progress of the court cases, it has avoided making any comments on any aspects that could be considered sub-judice or in any way undermine the Council's efforts to maximise its income collection. It has however examined issues related to the adequacy of the staff resources dedicated to this task and it has also examined whether it would be in the overall interest of the Council to write off parts, or even the whole, of some of the outstanding debts.
- 10.10. The panel has reached the clear conclusion that it would be wrong for the council to reduce its efforts to collect the maximum possible amounts of outstanding debt for two main reasons:
- I. The panel has examined who is likely to bear the costs of any failure to collect income due from leaseholders and we have been convinced that any such failures would effectively transfer the costs to the tenants' side of the Housing Revenue Account. It does not consider this to be fair to the tenants.
  - II. From the evidence that we have received it would appear that, notwithstanding the fact that in many cases the process could

and probably should have been handled more efficiently and speedily, the charges levied were fair and also that the major factor behind the delays in taking earlier action was the legal uncertainty around certain key aspects (e.g. the legality of using term contracts for certain works, a practice initially assumed to be consistent with the legislation and adopted by most authorities.

- 10.11. It is the view of the panel that backlog of uncollected charges need to be pinned down and completely cleared. Following an investigation by the District Auditor, – Westminster Council invested heavily, increasing staff from 48 staff to 80 until balances were cleared and collection and enforcement systems became effective, after which time resources could be returned to a normal level of around 40 staff. The amount of resources committed to administration also appears to be comparatively higher in Westminster, yielding better results in terms of a better and more timely service. The Service needs to set clear and tight timetable and targets, allocate resources against targets and define responsibilities and performance management.
- 10.12. At the time of drafting this report the outcome of the various court cases has not been determined, but the panel has received evidence that the all the outstanding bills are being pursued and that additional legal resources have been drafted in to this task to ensure that the council is in a position to deal with them. It is evident however that the substantial legal issues should be sorted out within a short time and that this should remove the main obstacle remaining in the way of clearing the backlogs.
- 10.13. It has been claimed that some leaseholders suspend payment, awaiting answers to simple enquiries, yet their cases are sent straight into court proceedings before the enquiries are dealt with. It is possible that such cases might be resolved through improved communications and dialogue.
- 10.14. The panel is recommending some additional provisions for assisting individual leaseholders that may have legitimate difficulties in paying large bills. Similarly if all our recommendations are adopted and enacted promptly, there should be no risk of the Council failing in the future to meet all its legal obligations to leaseholders. These should remove any excuses for any leaseholders falling behind with charges, whether for works or services.
- 10.15. The panel recommends that the Executive sets a target of clearing, one way or another, all of the outstanding debts from past or current leaseholders (including any backlogs from previous years) within 6 months and that it ensures through regular and frequent monitoring



that any future arrears are dealt with promptly and decisively, to prevent any future accumulations.

# 11. Performance Review

- 11.1. It is not entirely clear how the service currently measures or tracks performance in order to gauge how successfully they are operating or to improve performance.
- 11.2. The customer satisfaction survey seems to assess the contractors' performance; a range of questions on the performance of the contract procurement, contract management and the invoicing teams could help identify residents' concerns and possibly improve collection rates.

## 11.3. Customer Complaints

Customer complaints and customer satisfaction information need to be identified as possible non-conformances and a process defined to relate to this to management intervention and policy review.

- 11.4. The Council aims to reply to letters within 7 working days, which is sometimes a holding letter until the query or complaint can be resolved. The Council states that it will respond "quickly and efficiently" to complaints about the service. A specific problem found highlighted in evidence to the panel was, however, a failure to answer correspondence from leaseholders.
- 11.5. The panel heard evidence during the review rating the overall service leaseholders receive from the council by leaseholders, despite some improvements, as generally poor and representing poor value for money, leaseholders complaining of numerous general problems with service. There were also complaints of poor customer service and a communications breakdown with clients.

## 11.6. Previous Reviews

The Best Value Review of Housing Management report includes a table of comparative charges against other boroughs, revealing comparatively high unit costs for some services. The Council Action Plan in response to the review does not appear to address this problem.

- 11.7. The panel made reference during the review to the report from the District Auditor on his report on Leasehold Services (Leaseholders' Charges, The London Borough of Haringey, Follow up Report and Updated Action Plan, District Audit, March 2003), and received evidence directly from the auditor. One observation the panel has made of the action plan is that none of the Housing Services responses

listed to the selected recommendations give details of SMART (Specific, Measurable, Achievable, Realistic and Time-based), targets to meet the recommendations.

- 11.8. The panel made reference during the review to the review to the draft internal audit report on Leaseholder Services Charges 2003 (Leaseholder Service Charges Draft Internal Audit Report, Deloitte and Touche, The London Borough of Haringey, February 2003). This review will make recommendations relating to the integration of data systems.

## **12. Management Information & Processes**

- 12.1. The Panel observed the usual problems around Management Information, IT systems, interdepartmental co-ordination and genuine partnership with the service users, (which are problems that appear to be endemic to most of the authority), undermine the obvious efforts that HOT is making and raises doubts about the long-term sustainability of any gains made.
- 12.2. The panel recommends capacity building of in house information technology systems, development of an IT system over targeted period. The essential element of this approach is the reliance on standard industry proprietary software packages (e.g. MS Access for its databases), which are more user friendly than special software packages and easier to recruit and train future staff who would need to use and develop them etc.
- 12.3. The design of the data systems should reflect the billing requirements discussed under Chapter 9, focused around improved client information and cost code centres. The panel recommends improving information on clients. Data files should be triggered for set up at the moment home ownership starts and include all vital client information, including differentiation between resident and non-resident leaseholders. This entails improved working processes between housing management and legal services and the panel recommends improvement of information / co-ordination linkages between legal services and housing services.
- 12.4. Improving in house IT around the recommended standard industry proprietary software packages, should enable the build up in house IT knowledge through training and development, which is also a recommendation of this panel. This should be based on service deliverers developing and acquiring the necessary IT skills and know how to develop and establish their own custom-made and continuously evolving systems rather than reliance on "high tec" external specialist IT providers and consultants.
- 12.5. The Council is committed to achieving ISO 9002 status for a wide range of its housing services and to extend this quality commitment further to include leaseholder services (Leaseholder's Charter 2001).
- 12.6. Evidence received from the service suggested that the service only require two tenders in a bid for major works. Although this is correct under the requirements of the section 20 legislation, it is recommended as best practice and to improve competition and value for money, that this should be increased to a minimum of three.

## 13. Legal Implications

- 13.1. On page 9 of the Audit Report (Leaseholders' Charges, The London Borough of Haringey, District Audit, October 2002), 114 cases are referred to as "being taken to Court" [in 2000/01]. The Counsel's Opinions obtained and relied upon by the Council are generally, in the experience of the panel's adviser, in line with Opinions obtained by other local authorities in this area of work, practice and law.
- 13.2. It may be worth noting that landlords may apply to the Leasehold Valuation Tribunal for a ruling on whether a particular charge is reasonable. This may be relevant where the Council wishes to charge for services on a single apportionment basis (thus saving administrative costs) rather than charging leaseholders strictly in accordance with the lease, if some early leases have a rateable value apportionment and later ones the 'bedroom plus one' apportionment method.
- 13.3. Evidence received from the service on Section 20s says that "The only exception to the rule [that works must not start within one month after service a Section 20 Notice]". Care should be taken that only a minimum of work is undertaken to abate the immediate urgent problem (making safe a collapsing wall, for example, rather than proceeding with site clearance, layout modification and re-building). Whilst in each case the Court has jurisdiction to waive any of the requirements of Section 20, the Court may not agree to waive the one month requirement, even if the works were considered by the repair contractor or the Council to be urgent. An alternative approach is to obtain signed consent, from some, all or a majority of leaseholders, to the works starting within the one month period.

### 13.4. **Commonhold and Leasehold Reform Act 2002 - Key provisions**

The panel has received advice on some of the implications of the new legislation affecting leaseholder services.

### 13.5. **Service Charges and Administration Charges**

- The present definition of 'service charge' (Section 18, Landlord and Tenant Act, 1985 - Landlord and Tenant Act), which covers maintenance and repair works, will be extended to include "improvements".
- Administration charges for lease terms enforcement action will have to be reasonable.
- Leasehold Valuation tribunals will be able to determine whether a service charge is payable and its amount, the time and manner of payment, regardless of whether or not payment has already been made.

- Formal consultation (Section 20, Landlord and Tenant Act) will be extended to long-term contracts where annual costs are above a low threshold - £25 per annum was original suggestion; the threshold for service of a Section 20 notice is to be based on the amount due from the leaseholder - £250 is proposed.
- All service charge demands will have to be accompanied by a summary of the leaseholder's rights and obligations, in a prescribed form.
- An annual summary of costs, in a prescribed form, will have to be sent to all leaseholders (new Section 21A, L&T Act). If these two prescribed forms are not issued, leaseholders will be entitled to withhold payment.

#### 13.6. Leaseholders Right to Manage

This has been widened and applies to Registered Social Landlords. It does not apply to local housing authorities (Schedule 6, Commonhold and Leasehold Reform Act 2002).

#### 13.7. Ground Rent

A separate notice, in a prescribed form, will have to be given of the amount of ground rent due.

#### 13.8. Forfeiture of the lease

Forfeiture of the lease is being made much more difficult, with prior application being required to the Leasehold Valuation Tribunal. There are proposals to exclude the right of forfeiture altogether for RTB leases, i.e. where the ground rent is a nominal amount (below £350 per annum is being proposed).

## 14. Conclusion

- 14.1. Given the substantial uncollected charges and feedback from the client group, it is clear to the panel that there have been serious problems with this service in recent years.
- 14.2. The panel received convincing evidence indicating that many of these problems were almost universal in the past, with almost all local authorities suffering until recently from the lack of a clear legislative framework covering many aspects of this field. The panel also found evidence of many other authorities having thoroughly resolved these problems and this has informed the recommendations which aim in the direction of making Haringey's Leaseholders Service one of the best performers in London. The panel is therefore recommending that the Executive accept the challenge of adopting the ambitious, but achievable target of securing a 3-star rating within 2 years.
- 14.3. There is a legacy (including backlogs, distrust by service users and inadequate systems) which hampers current efforts to create a well performing service; although there is also evidence of recent improvements and of tackling backlogs, it is doubtful if long-term sustainable results could be achieved without the injection of even more urgency.
- 14.4. The panel found that although there is evidence of recent progress towards resolving a great deal of the debt backlog, there are serious doubts about the adequacy of staff resources, HOT appears less well resourced than its equivalents in the two well-performing authorities examined by the panel.
- 14.5. The panel is therefore recommending that additional staff resources are invested within the HOT and some other associated parts of the council, for at least a period of time to enable all the backlogs to be cleared and the recommended improvements in systems and communications to be implemented.
- 14.6. The panel noted the negative feelings expressed by the Haringey Leaseholders Association against the service, indicating a failure to convince the client group that they are receiving good service, or indeed, that the council is not hostile towards leaseholders .
- 14.7. The panel found the broad issue of consultation and communication with the service users to be weak, with a number of standard elements of good practice being absent or underdeveloped, the broad issue of communications with the client group is one of the key areas that require attention.

- 14.8. The panel has found that the problems around Management Information, IT systems, interdepartmental co-ordination and genuine partnership with the service users undermine the obvious efforts that HOT is making and raises doubts about the long-term sustainability of any gains made during the current efforts.
- 14.9. Many of these issues are wider than the specific section examined, although HOT and the Housing Directorate should be able to initiate substantial improvements on all of them and make significant progress on each one. The panel therefore presents its recommendations, which it is requested should be implemented as a corporate and departmental initiative rather than just an internal one applying only to HOT. A detailed SMART (Specific, Measurable, Achievable, Realistic and Time based) implementation plan is requested from the Housing Directorate for each of the finally agreed recommendations.



# **APPENDIX**

**Appendix1 - Definitions**

**Appendix2 - Other External Advice**

**Appendix 3 – The Lease**

**Appendix 4 – Section 20 Notice**

**Appendix 5 – Interim Invoice**

**Appendix 5 – Second Interim Invoice**

**Appendix 6 – Final Invoice**

**Appendix 7 – Certificate of Actual Service Charge**

# Apendix1 - Definitions

A brief descriptions of key relevant terms

## Major Capital Works

These comprise any works of a permanent long-term nature, which are carried out to the exterior and the structure of the building or the common parts of the building. They help to reduce maintenance costs. They consist of works such as a new roof, new windows, new lifts, new controlled entry system etc. They may also include works to the estate, such as exterior decorations or day to day repairs, which are classified as revenue or expenditure items.

Under the terms of the lease, major works are divisible into two categories - major repair works and major improvement works:

1. Major repair works are large, one-off jobs, such as the replacements of roofs doors and windows. Leases issued prior to 1987 are termed 'repairs-only' leases. They do not require the leaseholder to pay for improvements works. Prior to the 1986 Housing & Planning Act leaseholders under the Right to Buy were only responsible for the cost of repairs and not for the cost of improvements.
2. Major improvement works. For legal purposes, these are defined as works which create an amenity or structure where nothing similar existed before. They are sometimes described as 'non-recurrent' works. Examples include the installation of a completely new concierge system or the provision of a children's play area. The 1986 Housing & Planning Act amended the rules governing the Right to Buy with regard to improvement works. Leases granted under the provisions require leaseholders to pay towards these works. This applies to all leases granted after 1987. A further point to note is that under the terms of the lease, the leaseholder must be informed of improvement works in the Certificate of Annual Services Charge for the year in which they were undertaken.

## Response Repairs

These are also referred to as day to day repairs. They are any unscheduled minor repairs which are required to the building and the estate. Under the terms of the lease, leaseholders are liable to pay a set proportion of the landlord's costs of maintaining the structure, the exterior and the common parts of the building and the estate. They are responsible for maintaining the interior of their own flat, but they are not liable to pay for any work carried out to the interiors of other flats (council tenants).

## Other Service Charges

Under the terms of the lease, the landlord can charge for any service provided to the building or the estate. The Council provides a range of services depending on the type and circumstances of each building, e.g. it may be a converted house, a maisonette, a large block of flats, etc. An annual statement of the service charges is provided to each leaseholder which may include charges for any or all of the following items: caretaking and cleaning, lift maintenance, communal lighting and power, maintenance of grounds, concierge, district heating fuel and maintenance, insurance, TV aerials, and controlled entry systems. All leaseholders are charged for administration and ground rent.

## **Term contract**

Prior to 1997, the Council undertook a lot of major repair and improvement works under term contracts. A term contract was let on a borough-wide basis for all repairs and maintenance works to the Council's housing stock. Competitive tendering was undertaken in which a number of major external contractors participated. It was generally let for a period of 3 years, extendable for a further period of 2 years.

Under these arrangements Housing Construction Services carried out all the redecoration works, but only some to the major repair works. They also carried out virtually all the day to day (or response) repairs.

Most capital works, such as roof and window replacement, installation of water tanks etc, were undertaken by outside contractors, on the Council's approved list. Although competitive tenders were obtained, the letting of the contracts was under the term contract.

After 1997 each project for exterior decorations and major maintenance works has been competitively tendered on an individual basis, unless there were special circumstances.

## **Section 20 Notices.**

In accordance with the terms of section 20 of the Landlord & Tenant Act (1985-1987), every landlord is required to consult with their leaseholders prior to undertaking any major repairs (greater than £1,000) to the building or estate in which the flats are situated. A notice (generally called the Section 20 Notice) must be sent one month before the work starts in order to give leaseholders an opportunity to make their observations. It must provide a description of the work and at least two estimates (one of them from an independent contractor). Works must not be commenced before the date specified on the notice. The landlord must have regard to any observations received from the leaseholders concerned. Subsection 9 of this section states that "the court may, if satisfied that the landlord acted reasonably, dispense with all or any or the relevant requirements". A Section 20 Notice must include a description of the works, at least two estimates, the period within which leaseholders must respond to the notice (this cannot be less than one month) and the name and address of the person to whom such observations should be made.

## **Section 125 Notice**

Section 125 of the Housing Act 1985 details the requirements of the Landlord's Offer Notice (or Section 125 Notice) to tenants applying to buy their properties under the Right to Buy. These provisions require the landlord to inform the applicant in the Offer Notice of any works proposed to be undertaken in the five year period from the date of the sale of the property. If the actual cost exceeds the amount contained in the Offer Notice, the invoice will be limited to the original estimate, uplifted for inflation. Where any major works are carried out during the initial period which are not included in the Offer Notice, then the owner of the property will not be liable for any of the cost of such works.

## **Appendix2 - Other External Advice**

The prime guide to service charge (including major works) administration for local authority flats is the June 1995 Department of the Environment paper,

### **LOCAL AUTHORITY LEASEHOLD FLATS**

a guide to good practice on  
the administration of  
service charges and  
improvement contributions

This publication includes sections on forward planning for major repairs and improvements, Stable charging regimes and consulting leaseholders, amongst others.

The Royal Institute of Chartered Surveyors' "Service Charge Residential Management Code", 1997, whilst not applying specifically to local authority properties, also has a section on 'Repairs' (section 14, page 28), which has a useful annotation linking activities to specific parts of landlord and tenant legislation.

Leaseholder Officer Forum notes are attached as part of the submission, perhaps for background information.

Clearly, attendance at such a Forum is only as useful as the impact it has on local policies and practice. The Scrutiny Panel could learn how the local HOT applied the information shared at such meetings, through a HOT account of how consideration had been given to applying the various major works income recovery methods outlined on page 10 of the Minutes of 29<sup>th</sup> January 2002.

# Appendix 3a – The Lease

## H.M. LAND REGISTRY

### Land Registration Acts 1925 to 1986

LONDON BOROUGH: HARINGEY

TITLE NUMBER:

PROPERTY:

---

### PARTICULARS

1. DATE OF THIS DEED: 2000
  2. LANDLORD: THE MAYOR AND BURGESSES OF THE LONDON BOROUGH OF HARINGEY of Civic Centre Wood Green London N22 4LE
  3. TENANT:
  4. DEMISED PREMISES: ALL THAT the bedroomed flat numbered in the building (hereinafter called "the Building") known as on the estate (hereinafter called "the Estate") as the same are respectively shown for the purposes of identification only edged red on the plans annexed hereto (hereinafter called "the Flat") TOGETHER with the garden
  5. PURCHASE PRICE: £
  6. DISCOUNT: £
  7. COMMENCEMENT DATE OF TERM:
  8. LENGTH OF TERM: 125 years
  9. RENT: £10 per annum
-

**THIS LEASE** made the date stated in the Particulars **B E T W E E N**

- (1) The Landlord specified in the Particulars ("the Corporation") and
- (2) The Tenant specified in the Particulars ("the Tenant")

WITNESSES:

1.

**DEFINITIONS**

In this Lease the following expressions (where the context so admits) shall have the following meanings:-

- |                        |   |
|------------------------|---|
| "the Particulars"      | The details on the preceding page headed "Particulars"  |
| "the Plans"            | The plans mentioned in the Particulars  |
| "the Term"             | The term specified in the Particulars which shall include any extension or continuation whether by statute or at common law   |
| "the Termination Date" | The date of expiration or sooner determination of the Term  |
| "the Flat"             | The whole and every part of the Flat described in the Particulars including:- <ol style="list-style-type: none"><li>(a) the internal plastered coverings and plaster work of the walls bounding the Flat and</li><li>(b) the internal surface of the doors and door frames and windows fitted in the walls bounding the Flat and</li><li>(c) the internal non structural walls lying within the Flat and</li><li>(d) the plastered coverings and plaster work of the walls and partitions lying within the Flat and the doors and door frames fitted in such walls and partitions and</li><li>(e) the plastered coverings and plaster work of the ceilings and the surfaces of the floors including the whole of the floorboards (if any) Together with the Corporation's fixtures and fittings sanitary apparatus and appurtenances installed therein or affixed thereto Together also with the easements rights and privileges set out in the First Schedule hereto but subject as therein mentioned Excepting and Reserving from the said demise the main structural parts of the Building including the roof foundations and external parts thereof the window frames and the glass in the windows of the Flat but not the interior faces of such part of the external walls as bound the Flat or the rooms therein</li></ol> |

2. **INTERPRETATION**

- (1) The details and descriptions appearing in the Particulars shall be included in and form part of the Lease
  - (2) The expression "the Corporation" shall where the context so admits include any superior landlord and likewise the expression "Lease" includes "Underlease"
  - (3) Where the Corporation or any other person exercises any rights to enter the Flat under this Lease unless specifically provided herein to the contrary the person exercising such right shall do so in a reasonable manner and will make good any damage caused to the Flat
  - (4) Any covenant by the Tenant not to do any act or thing shall be deemed to include an obligation not to permit or suffer such act or thing to be done
3. In consideration of the Purchase Price paid by the Tenant to the Corporation (the receipt whereof is hereby acknowledged) and of the rent covenants and conditions hereinafter reserved and contained and on the part of the Tenant to be observed and performed the Corporation hereby demises with full title guarantee unto the Tenant **ALL THAT** the Flat and the garden (if any) included in the Demised Premises

Excepting nevertheless and reserving unto the Corporation the easements rights and privileges set out in the Second Schedule hereto

**TO HOLD** the same unto the Tenant for the Term from and including the Commencement Date of Term (determinable nevertheless as hereinafter provided) paying therefore during the Term the yearly rent specified in the Particulars and the further and additional rent hereinafter mentioned to be paid by equal quarterly payments in advance on the usual quarter days in every year the first payment to be made on the execution hereof and to be for the period from the date hereof to the next quarter day after the date hereof

4. The Tenant hereby covenants with the Corporation as follows:-

- (1) To pay the Rent at the times and in the manner aforesaid without any deduction whatsoever
- (2) To pay to the Corporation without any deduction by way of further and additional rent a proportionate part of the reasonable expenses and outgoings incurred by the Corporation in the improvement repair maintenance renewal and insurance of the Building and the Estate and the provision of services therein and the other heads of expenditure as the same are set out in the Third Schedule hereto such further and additional rent (hereinafter called the "Service Charge") being subject to the terms and provisions set out in the Fourth Schedule hereto Provided that the Tenant shall not be required to contribute to the repair of any structural defect in the Building unless
  - (i) the Tenant was prior to the granting of this Lease notified in writing of its existence or
  - (ii) the Corporation first became aware of the said defect after more than 10

years from the date hereof

- (3) To pay and discharge all general and water rates and other outgoings of an annual or other periodically recurring non-capital nature which are now or may at any time hereafter during the Term be assessed rated charged or imposed upon or payable in respect of the Flat
- (4) From time to time during the Term to pay all costs charges and expenses incurred by the Corporation in abating any nuisance in the Flat and executing all such works as may be necessary for abating any nuisance in the Flat in obedience to a notice served by a local authority
- (5) To observe the restrictions and regulations set out in the Fifth Schedule hereto or such other restrictions or regulations as the Corporation may from time to time make and publish
- (6)
  - (a) To pay unto the Corporation all costs charges and expenses (including legal costs and fees payable to a surveyor) which may be incurred by the Corporation incidental to the preparation and service of a notice under Section 146 of the Law of Property Act 1925 whether incurred in or in contemplation of proceedings under Sections 146 or 147 of that Act notwithstanding forfeiture may be avoided otherwise than by relief granted by the Court
  - (b) To pay all expenses including solicitors' costs and surveyors fees incurred by the Corporation of and incidental to the service of all notices and schedules relating to wants of repair to the Flat whether the same be served during or after the expiration or sooner determination of the Term and in connection with every application for consent whether the same shall be granted or refused or withdrawn
- (7) Once in every fifth year of the Term and in the last quarter of the last year of the Term (howsoever determined) to paint in a proper and workmanlike manner all the inside wood and ironwork usually painted of the Flat with two good coats of good quality paint and so that such internal painting in the last year of the Term shall be of a tint or colour to be approved by the Corporation And also with every such internal painting to whiten colour wash distemper grain varnish paper and otherwise decorate in a proper and workmanlike manner all such internal parts of the Flat as have been or ought properly to be so treated and so that in the last year of the Term the tints colours and patterns of all such works of internal decoration shall be such as shall be approved by the Corporation
- (8) Throughout the Term and from time to time and at all times to keep the Flat and everything demised hereunder and additions thereto and the Landlord's fixtures and fittings sanitary apparatus and appurtenances installed in or affixed to the Flat and the window glass thereof but excluding any portion thereof which the Corporation covenants to repair under Clause 5(2) hereof with all necessary reparations cleansings and amendments whatsoever well and substantially repaired cleansed maintained and renewed damage by any risk against which the Corporation shall have insured (save where the insurance monies shall be irrecoverable by reason of any act or default of the Tenant his family servants or agents) nevertheless excepted to replace from time to time all Landlord's



fixtures fittings and appurtenances in the Flat which may be or become beyond repair at any time during or at the expiration or sooner determination of the Term

- (9) In so far only as the works hereinafter in this present sub-clause described become directed or required solely by reason of any breach or non-observance by the Tenant of any covenant or other provisions contained in these presents but not otherwise to execute all such works as are or may under or in pursuance of any Act or Acts of Parliament already or hereafter to be passed be directed or required by any district council local or public authority to be executed at any time during the Term upon or in respect of the Flat whether by the landlord or the tenant thereof and to keep the Corporation indemnified against all claims demands and liability arising thereout
- (10) To permit the Corporation and its respective duly authorised surveyors and agents with or without workmen and others upon giving 48 hours previous notice in writing (except in the case of emergency) at all reasonable times to enter the Flat and take particulars of additional improvements fixtures and fittings thereto or therein and to view and examine the state and condition of the Flat or any part thereof and the reparation of the same and of all defects decays and wants of reparation found in breach of the covenants herein contained and to give notice in writing of any such defects decays or wants of reparation to the Tenant who will with all proper despatch and in any case within three months then next following well and sufficiently repair and amend the Flat accordingly and will pay and discharge on demand all costs charges and expenses (including legal costs and any fees payable to a surveyor incurred by the Corporation and its agents of and incidental to the preparation and service of such last-mentioned notice or of any statutory notice relating to any breach of covenant) **PROVIDED ALWAYS** that in case of any default in the performance by the Tenant of the foregoing covenant and if the same be not in fact remedied within three months after notice requiring the same to be done shall have been given to the Tenant or left at the Flat it shall be lawful for the Corporation (but without prejudice to any other right or remedy) to enter upon the Flat and repair or put in order the same or carry out any such works at the expense of the Tenant in accordance with the covenants and provisions hereof and the costs and expenses thereby incurred by the Corporation and its agents shall be repaid to the Corporation by the Tenant on demand
- (11) to permit the Corporation its duly authorised surveyors or agents with or without workmen and others at all reasonable times upon giving 48 hours previous notice in writing (and in the case of emergency without notice) to enter into and upon the Flat or any part thereof for the purpose of repairing any part of the Building and for the purpose of making repairing maintaining rebuilding cleansing lighting and keeping in good order and condition all sewers drains channels pipes cables watercourses gutters wires party structures or other conveniences belonging to or serving or used for the Building (without prejudice however to the obligations of the Tenant hereunder with regard thereto) and also for the purpose of laying down maintaining repairing testing disconnecting stopping up or renewing drainage gas and water pipes and electric wires and cables and for similar purposes **PROVIDED** that the Corporation shall make good all damage to the Flat or to the fixtures fittings sanitary apparatus and appurtenances goods or effects installed therein or affixed thereto caused by the carrying out of any work in this present sub-clause mentioned or otherwise referred to

- (12) Not to do so or permit or suffer to be done any act deed matter or thing whatsoever whereby the risk or hazard of the Flat or the Building being destroyed or damaged by fire or other insured risks shall be increased or so as to require an additional premium for insuring the same or which may make void or voidable any policy for such insurance
- (13) Not at any time without the licence in writing of the Corporation first obtained nor except in accordance with plans and specifications previously submitted in triplicate to the Corporation and approved by the Corporation and to its satisfaction to make any alteration or addition whatsoever in or to the Flat either externally or internally or to make any alteration or aperture in the plan external construction height walls timbers elevations or architectural appearance thereof nor to cut or remove the main walls or timbers of the Flat unless for the purpose of repairing and making good any defect therein nor to do or suffer in or upon the Flat any wilful or voluntary waste or spoil
- (14) Not to use the Flat or any part thereof nor allow the same to be used for any illegal or immoral purpose nor to hold therein any sale by auction
- (15) To use and occupy the Flat solely and exclusively as a self-contained residential flat
- (16) Not to exhibit on the outside or in the windows of the Flat any name plate placard or announcement of any description
- (17) Not to do or permit to be done upon or in connection with the Flat or the Building anything which shall be or tend to be a nuisance annoyance or cause of damage to the Corporation or its tenants or any of them or to any neighbouring adjoining or adjacent property or the owner or occupiers thereof
- (18) To keep the floors of the Flat including the passages thereof substantially covered with suitable material for avoiding the transmission of noise
- (19) At all times during the said term to comply in all respects with the provisions and requirements of the Town and Country Planning Acts 1971 to 1990 or any statutory modification or re-enactment thereof for the time being in force and any regulations or orders made thereunder whether as to the permitted use hereunder or otherwise and to indemnify (as well after the expiration of the Term by effluxion of time or otherwise as during its continuance) and to keep the Corporation indemnified against all liability whatsoever including costs and expenses in respect of such matters and forthwith to produce to the Corporation on receipt of notice thereof any notice order or proposal therefore made given or issued to the Tenant by a planning authority under or by virtue of the said Acts affecting or relating to the Flat and at the request and cost of the Corporation to make or join with the Corporation in making every such objection or representation against the same that the Corporation shall deem expedient
- (20) For a period of six months immediately preceding the determination of the Term to permit an inspection at any reasonable time in the day by any person wishing to inspect the Flat and so authorised by the Corporation upon an appointment being made for that purpose

(26) It is hereby declared that each of the aforesaid covenants shall remain in full force both at law and in equity notwithstanding that the Corporation shall have waived or released temporarily or permanently revocably or irrevocably or otherwise howsoever a similar covenant or similar covenants affecting other adjoining or neighbouring premises for the time being belonging to the Corporation

5. The Corporation hereby covenants with the Tenant as follows:-

(1) The Tenant paying the rent reserved and performing and so observing the several covenants on his part and the conditions herein contained shall peaceably hold and enjoy the Flat during the Term without any interruption by the Corporation or any person rightfully claiming under or in trust for it

(2) To maintain repair redecorate renew amend clean repoint paint grain varnish whiten and colour as applicable

(a) the structure of the Building and in particular but without prejudice to the generality hereof the roofs foundations external and internal walls (but not the interior surfaces of such part of the external or internal walls as bound the Flat or the rooms therein) and the window frames (but not the interior surfaces thereof) and glass in windows and timbers (including the timbers joists and beams of the floors and ceilings thereof) (but not including the floorboards) chimney stacks gutters and rainwater and soil pipes thereof

(b) the sewers drains channels watercourses gas and water pipes electric cables and wires and supply lines in under and upon the Building and the Estate enjoyed or used by the Tenant in common with the owners lessees or occupiers of the other flats

(c) the boilers and heating and hot water apparatus (if any) in the Building save and except such (if any) heating apparatus as may be now or hereafter installed in the Flat serving exclusively the Flat and not comprising part of a general heating system serving the entire Building

(d) the passenger lifts lift shafts and machinery (if any) enjoyed or used by the Tenant in common with others and

(e) the boundary walls and fences of and in the curtilage of the Building

(f) the entrances passages landings staircases and other parts of the Building enjoyed or used by the Tenant in common with others

**PROVIDED** that the Corporation shall not be liable to the Tenant for any defect or want of repair hereinbefore mentioned unless the Corporation has had notice thereof

(3) So far as practicable

(a) to keep lighted the passage landings staircases and other parts of the Building enjoyed or used by the Tenant in common with others and

(b) to tend keep clean and tidy and generally to maintain the gardens forecourts roadways ways (if any) used in connection with the

of a larger transaction or of a series of transactions in respect of which the amount or value or the aggregate amount or value of the consideration exceeds the sum of **SIXTY THOUSAND POUNDS (£60,000.00)** AND that there is no Agreement for Lease to which this Lease gives effect

**IN WITNESS** whereof the Corporation has caused its Common Seal to be hereunto affixed and the Tenant has set his hand the day and year first before written

### **FIRST SCHEDULE**

#### **EASEMENTS RIGHTS AND PRIVILEGES INCLUDED IN THIS DEMISE**

1. Full right and liberty for the Tenant and all persons authorised by him (in common with all other persons entitled to the like right) at all times by day or by night to go pass and repass over and along the main entrance of the Building and the common passages landings and staircases thereof and to use the passenger lift (if any) therein and the dustbin enclosures gardens forecourts roadways pathways (if any) on the Estate provided nevertheless that the Tenant shall not cause or permit the obstruction of any common parts of the Building by furniture or otherwise
2. The free and uninterrupted passage and running of water and soil gas and electricity from and to the Flat through the sewers drains channels and watercourses cables pipes and wires which now are or may at any time during the Term be in under or passing through the Building or any part thereof
3. The right of support and protection for the benefit of the Flat as is now enjoyed from the other flats and all other parts of the Building

### **SECOND SCHEDULE**

#### **EXCEPTIONS AND RESERVATIONS**

There are excepted and reserved out of this demise:

1. To the Corporation
  - (i) Easements rights and privileges over and along and through the Flat equivalent to those set forth in paragraph 2 of the First Schedule
  - (ii) The right at any time hereafter to rebuild alter or use any of the adjoining or neighbouring buildings according to such plans (whether as to height extent or otherwise) together with the right to erect further buildings or structures on the Estate and to enlarge the Estate by the addition of further land with or without buildings and in such manner as shall be approved by the Corporation notwithstanding that the access of light or air to or any other easement for the time being appertaining to or enjoyed with the Flat or any part thereof may be obstructed or interfered with or that the Tenant might otherwise be entitled to object to such rebuilding alteration or user
2. The right of support and protection for the benefit of the other flats and all other parts of the Building as is now enjoyed from the Flat

3. The right at any time hereafter to install and maintain in or upon the Building television and radio receiving aerials electric entry systems or similar apparatus including self locking doors to the main entrances and passages of the Building

### **THIRD SCHEDULE**

THE CORPORATION'S EXPENSES AND OUTGOINGS AND OTHER HEADS OF EXPENDITURE IN RESPECT OF WHICH THE TENANT IS TO PAY A PROPORTIONATE PART BY WAY OF SERVICE CHARGE

#### **PART 1**

#### **AS TO THE BUILDING IN WHICH THE FLAT IS SITUATED**

All costs charges and expenses incurred or expended or estimated to be incurred or expended by the Corporation (whether in respect of current or future years) in or about the provision of any service or the carrying out of any improvement maintenance repairs renewals reinstatements rebuilding cleansing and decoration to or in relation to the Building and in particular but without prejudice to the generality of the foregoing all such costs charges and expenses in respect of the following:-

1. The expenses of improving maintaining repairing redecorating and renewing amending cleaning repointing painting graining varnishing whitening or colouring the Building and all parts thereof and all the appurtenances apparatus and other things thereto belonging and more particularly described in Clause 5(2) hereof
2. The cost of periodically inspecting maintaining overhauling repairing and where necessary replacing the whole of the heating and domestic hot water systems serving the Building and the lifts lift shafts and machinery therein (if any) together with the sewers drains pipes watercourses pumps conduits ducts cisterns tanks radiators valves traps and switches or other conveniences which may belong to or serve the Building
3. The cost of the gas oil electricity or other fuel required for the boiler or boilers supplying the heating and domestic hot water systems serving the Building and the electric current for operating the passenger lifts
4. The cost of insuring and keeping insured throughout the Term the Building and all parts thereof and landlord's fixtures and fittings therein and all the appurtenances apparatus and other things thereto belonging against the insurable risks described in Clause 5(5) hereof and also against third party risks and such further or other risks (if any) by way of comprehensive insurance as the Corporation shall determine including two years' loss of rent and architects' and surveyors' fees and if the Corporation shall in its absolute discretion so insure the cost of insuring and keeping insured throughout the Term the Building and all parts thereof against the cost of making good structural defects occurring after ten years from the date hereof
5. The cost of employing maintaining and providing accommodation in the Building for a caretaker or caretakers (including the provision of uniforms and boiler suits)
6. The cost of carpeting re-carpeting or providing other floor covering decorating and lighting the passages landings staircases and other parts of the Building enjoyed or used by the Tenant in common with other: 1 of keeping the other parts of the Building used

by the Tenant in common as aforesaid and not otherwise specifically referred to in this Schedule in good repair and condition

7. All charges assessments and other outgoings (if any) payable by the Corporation in respect of all parts of the Building (other than income tax)
8. The costs incurred by the Corporation in the management of the Building
9. The cost of installing maintaining repairing and renewing the television and radio receiving aerials electric entry systems or similar apparatus (if any) installed or to be installed in or on the Building and used or capable of being used by the Tenant in common as aforesaid
10. The cost of taking all steps deemed desirable or expedient by the Corporation for complying with making representations against or otherwise contesting the incidence of the provisions of any legislation or orders or statutory requirements thereunder concerning town planning public health highways streets drainage or other matters relating or alleged to relate to the Building for which the Tenant is not directly liable hereunder

## **PART 2**

### **AS TO THE ESTATE UPON WHICH THE BUILDING IS SITUATED**

All costs charges and expenses incurred or expended or estimated to be incurred or expended by the Corporation (whether in respect of current or future years) in or about the provision of any service or the carrying out of any improvement maintenance repairs renewals reinstatements rebuilding cleansing and decoration to or in relation to the Estate and in particular but without prejudice to the generality of the foregoing all such costs charges and expenses in respect of the following:-

1. The costs incurred by the Corporation in the management of the Estate including all fees and costs incurred in respect of the annual certificates and of accounts kept and audits made for the purpose thereof
2. The cost of the expense of making repairing redecorating maintaining improving rebuilding and cleansing all ways roads pavements sewers drains pipes watercourses walls structures fences pumps conduits ducts cisterns tanks radiators valves traps switches or other conveniences which may belong to or be used for the Building in common with other premises on the Estate
3. The upkeep of the gardens forecourts roadways pathways (if any) on the Estate
4. The cost of installing maintaining repairing and renewing the television and radio receiving aerials (if any) installed or to be installed on the Estate and used or capable of being used by the Tenant in common as aforesaid
5. All charges assessments and other outgoings (if any) payable by the Corporation in respect of all parts of the Estate
6. The cost of insuring and keeping insured throughout the Term those parts of the Estate used or capable of being used by the tenant in common as aforesaid and landlord's

fixtures and fittings thereon and all the appurtenances apparatus and other things thereto belonging against the insurable risks described in Clause 5(5) hereof and also against third party risks and such further or other risks (if any) by way of comprehensive insurance as the Corporation shall determine including two years' loss of rent and architects' and surveyors' fees

#### **FOURTH SCHEDULE**

##### **TERMS AND PROVISIONS RELATING TO SERVICE CHARGE**

- (a) The amount of the Service Charge shall be ascertained and certified by a certificate (hereinafter called the "Certificate") signed by the Corporation's Director of Corporate Services annually and so soon after the end of the Corporation's financial year as may be practicable and shall relate to such year in the manner hereinafter mentioned
- (b) The expression "the Corporation's financial year" shall mean the period from the 1st April in each year to the 31st March of the next year or such other annual period as the Corporation may in its discretion from time to time determine as being that in which the accounts of the Corporation either generally or relating to the Building shall be made up
- (c) A copy of the Certificate for each such financial year shall be supplied by the Corporation to the Tenant on written request and without charge to the Tenant
- (d) The Certificate shall contain a summary of the Corporation's said expenses and outgoings incurred by the Corporation during the Corporation's financial year to which it relates together with a summary of the relevant details and figures forming the basis of the Service Charge and the Certificate (or a copy thereof duly certified by the person by whom the same was given) shall be conclusive evidence for the purposes hereof of the matters which it purports to certify
- (e) The annual amount of the Service Charge payable by the Tenant as aforesaid shall be calculated as follows:-
  - (i) by dividing the aggregate of the said expenses and outgoings incurred by the Corporation in respect of the matters set out in Part 1 of the Third Schedule hereto in the year to which the Certificate relates by the total number of bedrooms plus one room each of all the flats (excluding caretaker's accommodation if any) in the Building the repair maintenance renewal insurance or servicing whereof is charged in such calculation as aforesaid and then multiplying the resultant amount by the number of bedrooms plus one room of the Flat (hereinafter called "the building element")
  - (ii) by dividing the aggregate of the said expenses and outgoings incurred by the Corporation in respect of the matters set out in Part 2 of the Third Schedule hereto in the year to which the Certificate relates by the total number of bedrooms plus one room each of all dwelling houses on the Estate and then multiplying the resultant amount by the number of bedrooms plus one room of the Flat (hereinafter called "the estate element") and
  - (iii) by adding the building element to the estate element
- (f) The expression "the expenses and outgoings incurred by the Corporation" as hereinbefore

used shall be deemed to include not only those expenses outgoings and other expenditure hereinbefore described which has been actually disbursed incurred or made by the Corporation during the year in question but also such reasonable part of all such expenses outgoings and other expenditure hereinbefore described which are of a periodically recurring nature (whether recurring by regular or irregular periods) whenever disbursed incurred or made and whether prior to the commencement of the Term or otherwise including a sum or sums of money by way of reasonable provisions for anticipated expenditure in respect thereof as the Corporation may in its discretion allocate to the year in question as being fair and reasonable in the circumstances

- (g) The Tenant shall if required by the Corporation with every quarterly payment of rent reserved hereunder pay to the Corporation such sum in advance on account of the Service Charge as the Corporation shall specify at its discretion to be a fair and reasonable interim payment
- (h) As soon as it is practicable after the signature of the Certificate the Corporation shall furnish to the Tenant an account of the Service Charge payable by the Tenant for the year in question due credit being given therein for all interim payments made by the Tenant in respect of the said year and upon the furnishing of such account showing such adjustment as may be appropriate there shall be paid by the Tenant to the Corporation the amount of the Service Charge as aforesaid or any balance found payable or there shall be allowed by the Corporation to the Tenant any amount which may have been overpaid by the Tenant by way of interim payment as the case may require
- (i) It is hereby agreed and declared that the Corporation shall not be entitled to re-enter under the provision in that behalf hereinbefore contained by reason only of non-payment by the Tenant of any such interim payment as aforesaid prior to the signature of the Certificate but nothing in this clause or these presents contained shall disable the Corporation from maintaining an action against the Tenant in respect of non-payment of any such interim payment as aforesaid notwithstanding that the Certificate had not been signed at the time of the proceedings subject nevertheless to proof in such proceedings by the Corporation that the interim payment demanded and unpaid is of a fair and reasonable amount having regard to the prospective Service Charge ultimately payable by the Tenant
- (j) Provided always and notwithstanding anything herein contained it is agreed and declared as follows:-
  - (i) That in regard to the commencement of the Term the Service Charge shall be duly apportioned in respect of the period from the date on which the first payment of rent shall fall due hereunder to the ensuing 31st March and not in respect of the period from the date of commencement of the Term to such ensuing 31st March
  - (ii) That the provisions of paragraph (h) hereof shall continue to apply notwithstanding the expiration or sooner determination of the Term but only in respect of the period down to such expiration or sooner determination of the Term

## **FIFTH SCHEDULE**

### **RESTRICTIONS AND REGULATIONS**

1. The Tenant shall not store in the Flat quantities of inflammable materials or gases other than may be reasonably required for domestic use and in particular where the Building



consists of two or more storeys the Tenant shall not place or keep in the Flat any quantity of inflammable materials or gases stored under pressure

2. The Tenant shall advise the Corporation as soon as possible of any defect in the Flat
3. The Tenant shall not place leave or cause to be placed or left any refuse or rubbish in any common part of the Building or the Estate and the Tenant shall be responsible for cleaning communal landings and passageways adjacent to the Flat
4. The Tenant shall not park any private heavy trade or commercial motor vehicle or caravan in any garden forecourt roadway or pathway adjoining or near to the Building (save only to such extent and subject to such conditions as may be permitted by the Corporation)
5. The Tenant shall comply with and be bound by any special regulations made by the Corporation relating to the user of any baggage or cycle room or store garage or parking lot which shall be published by notice affixed therein or handed to the Tenant or his agent anything left therein shall be at the Tenant's entire risk Any such user by the Tenant shall be a matter of collateral arrangement between the parties and shall not be enjoyed as of right other than that conferred by any such arrangement
6. The Tenant shall ensure that any domestic pet is kept under proper control
7. All further or other rules and regulations made at any time and from time to time by the Corporation in addition to or substitution for the foregoing rules and regulations or any of them which the Corporation may deem necessary or expedient for the safety care or cleanliness of the Building the Estate or any part thereof or for securing the comfort and convenience of all tenants in the Building or on the Estate shall be observed **PROVIDED ALWAYS** that no such further or other rules or regulations may be made hereunder which shall subject the Tenant to any unusual or unreasonable burden

Where the expression "the Flat" includes a garden the following additional restriction and regulations shall apply thereto:-

8. The Tenant shall keep the garden and all trees shrubs and hedging therein in good order and condition and properly tended fed cultivated and pruned or trimmed as appropriate and will use the same only as a garden ancillary to the residential occupation of the Flat and will replace all losses and cultivate the garden and keep the same free from weeds and keep the paths in good order and condition and free from weeds and keep the grass properly mown trimmed and rolled and will not remove or except in the proper course or cultivation and management cut or lop any trees shrubs bushes or hedging
9. The Tenant shall not erect fences exceeding one metre in height and any fences erected by the Tenant shall conform to the general character of the Estate or surrounding neighbourhood
10. The Tenant shall not plant any tree shrub or other perennial plant likely to exceed two metres in height upon maturity
11. The Tenant shall not keep any animals or livestock in the garden nor shall the Tenant allow any animals or livestock to exercise therein other than a pet kept under proper control

12. The Tenant shall not carry out any development as defined by the Town and Country Planning Act 1971 or any statutory modification or re-enactment thereof for the time being in force nor shall the Tenant cause any building or erection to be erected in the garden other than the construction of a path or patio area with a surround or wall not exceeding 12 inches in height
13. The Tenant shall not bring into the garden any motor vehicle caravan or mobile home
14. The Tenant shall not allow any rubbish to accumulate in the garden nor light any fire or incinerator nor keep any compost unit or other device likely to cause a nuisance or annoyance to any adjoining or neighbouring tenants or occupiers

THE COMMON SEAL OF THE MAYOR AND )  
 BURGESSES OF THE LONDON BOROUGH )  
 OF HARINGEY was hereunto affixed )  
 by Order )

Deputy Borough Solicitor

SIGNED AS A DEED by the Tenant in )  
 the presence of:- )

DATED

2000

**THE MAYOR AND BURGESSES OF  
THE LONDON BOROUGH OF HARINGEY**

- to -

---

**LEASE**

relating to

---

Harvey Chappell  
Borough Solicitor  
London Borough of Haringey  
Alexandra House  
10 Station Road  
Wood Green  
London N22 7TR

Ref: LEG/SD/2  
WPref:  
Master Ref: MA60



# Appendix 3b – The Lease

DATED

2002

**THE MAYOR AND BURGESSES OF  
THE LONDON BOROUGH OF HARINGEY**

- to -

---

**LEASE**

relating to

---

Harvey Chappell  
Borough Solicitor  
London Borough of Haringey  
Alexandra House  
10 Station Road  
Wood Green  
London N22 7TR

Ref: LEG/  
WPre: Ref:  
Master Ref: MA60LS~1

**H.M. LAND REGISTRY**

**Land Registration Acts 1925 to 1986**

LONDON BOROUGH: HARINGEY

TITLE NUMBER:

PROPERTY: FLOOR FLAT -

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**PARTICULARS**

1. DATE OF THIS DEED: 2002
2. LANDLORD: THE MAYOR AND BURGESSES OF THE LONDON BOROUGH OF HARINGEY of Civic Centre Wood Green London N22 4LE
3. TENANT:
4. DEMISED PREMISES: ALL THAT the bedroomed flat numbered in the building (hereinafter called "the Building") known as on the estate (hereinafter called "the Estate") as the same are respectively shown for the purposes of identification only edged red on the plans annexed hereto (hereinafter called "the Flat") TOGETHER with the garden
5. PURCHASE PRICE: £
6. DISCOUNT: £
7. COMMENCEMENT DATE OF TERM:
8. LENGTH OF TERM: 125 years
9. RENT: £10 per annum

**THIS LEASE made the date stated in the Particulars B E T W E E N**

- (1) The Landlord specified in the Particulars ("the Corporation") and
- (2) The Tenant specified in the Particulars ("the Tenant")

**WITNESSES:**

1. **DEFINITIONS**

In this Lease the following expressions (where the context so admits) shall have the following meanings:-

- |                               |   |
|-------------------------------|---|
| <b>"the Particulars"</b>      | The details on the preceding page headed "Particulars"  |
| <b>"the Plans"</b>            | The plans mentioned in the Particulars  |
| <b>"the Term"</b>             | The term specified in the Particulars which shall include any extension or continuation whether by statute or at common law   |
| <b>"the Termination Date"</b> | The date of expiration or sooner determination of the Term  |
| <b>"the Flat"</b>             | The whole and every part of the Flat described in the Particulars including:- <ol style="list-style-type: none"><li>(a) the internal plastered coverings and plaster work of the walls bounding the Flat and</li><li>(b) the internal surface of the doors and door frames and windows fitted in the walls bounding the Flat and</li><li>(c) the internal non structural walls lying within the Flat and</li><li>(d) the plastered coverings and plaster work of the walls and partitions lying within the Flat and the doors and door frames fitted in such walls and partitions and</li><li>(e) the plastered coverings and plaster work of the ceilings and the surfaces of the floors including the whole of the floorboards (if any) Together with the Corporation's fixtures and fittings sanitary apparatus and appurtenances installed therein or affixed thereto Together also with the easements rights and privileges set out in the First Schedule hereto but subject as therein mentioned Excepting and Reserving from the said demise the main structural parts of the Building including the roof foundations and external parts thereof the window frames and the glass in the windows of the Flat but not the interior faces of such part of the external walls as bound the Flat or the rooms therein</li></ol> |

2. INTERPRETATION

- (1) The details and descriptions appearing in the Particulars shall be included in and form part of the Lease
- (2) The expression "the Corporation" shall where the context so admits include any superior landlord and likewise the expression "Lease" includes "Underlease"
- (3) Where the Corporation or any other person exercises any rights to enter the Flat under this Lease unless specifically provided herein to the contrary the person exercising such right shall do so in a reasonable manner and will make good any damage caused to the Flat
- (4) Any covenant by the Tenant not to do any act or thing shall be deemed to include an obligation not to permit or suffer such act or thing to be done

3. In consideration of the Purchase Price paid by the Tenant to the Corporation (the receipt whereof is hereby acknowledged) and of the rent covenants and conditions hereinafter reserved and contained and on the part of the Tenant to be observed and performed the Corporation hereby demises with full title guarantee unto the Tenant **ALL THAT** the Flat and the garden (if any) included in the Demised Premises

Excepting nevertheless and reserving unto the Corporation the easements rights and privileges set out in the Second Schedule hereto

**TO HOLD** the same unto the Tenant for the Term from and including the Commencement Date of Term (determinable nevertheless as hereinafter provided) paying therefore during the Term the yearly rent specified in the Particulars and the further and additional rent hereinafter mentioned to be paid by equal quarterly payments in advance on the usual quarter days in every year the first payment to be made on the execution hereof and to be for the period from the date hereof to the next quarter day after the date hereof

4. The Tenant hereby covenants with the Corporation as follows:-

- (1) To pay the Rent at the times and in the manner aforesaid without any deduction whatsoever
- (2) To pay to the Corporation without any deduction by way of further and additional rent a proportionate part of the reasonable expenses and outgoings incurred by the Corporation in the improvement repair maintenance renewal and insurance of the Building and the Estate and the provision of services therein and the other heads of expenditure as the same are set out in the Third Schedule hereto such further and additional rent (hereinafter called the "Service Charge") being subject to the terms and provisions set out in the Fourth Schedule hereto Provided that the Tenant shall not be required to contribute to the repair of any structural defect in the Building unless

the Tenant was prior to the granting of this Lease notified in writing of its existence or



- (ii) the Corporation first became aware of the said defect after more than 10 years from the date hereof
- (3) To pay and discharge all general and water rates and other outgoings of an annual or other periodically recurring non-capital nature which are now or may at any time hereafter during the Term be assessed rated charged or imposed upon or payable in respect of the Flat
- (4) From time to time during the Term to pay all costs charges and expenses incurred by the Corporation in abating any nuisance in the Flat and executing all such works as may be necessary for abating any nuisance in the Flat in obedience to a notice serviced by a local authority
- (5) To observe the restrictions and regulations set out in the Fifth Schedule hereto or such other restrictions or regulations as the Corporation may from time to time make and publish
- (6)
  - (a) To pay unto the Corporation all costs charges and expenses (including legal costs and fees payable to a surveyor) which may be incurred by the Corporation incidental to the preparation and service of a notice under Section 146 of the Law of Property Act 1925 whether incurred in or in contemplation of proceedings under Sections 146 or 147 of that Act notwithstanding forfeiture may be avoided otherwise than by relief granted by the Court
  - (b) To pay all expenses including solicitors' costs and surveyors fees incurred by the Corporation of and incidental to the service of all notices and schedules relating to wants of repair to the Flat whether the same be served during or after the expiration or sooner determination of the Term and in connection with every application for consent whether the same shall be granted or refused or withdrawn
- (7) Once in every fifth year of the Term and in the last quarter of the last year of the Term (howsoever determined) to paint in a proper and workmanlike manner all the inside wood and ironwork usually painted of the Flat with two good coats of good quality paint and so that such internal painting in the last year of the Term shall be of a tint or colour to be approved by the Corporation And also with every such internal painting to whiten colour wash distemper grain varnish paper and otherwise decorate in a proper and workmanlike manner all such internal parts of the Flat as have been or ought properly to be so treated and so that in the last year of the Term the tints colours and patterns of all such works of internal decoration shall be such as shall be approved by the Corporation
- (8) Throughout the Term and from time to time and at all times to keep the Flat and everything demised hereunder and additions thereto and the Landlord's fixtures and fittings sanitary apparatus and appurtenances installed in or affixed to the Flat and the window glass thereof but excluding any portion thereof which the Corporation covenants to repair under Clause 5(2) hereof with all necessary reparations cleansings and amendments whatsoever well and substantially

repaired cleansed maintained and renewed damage by any risk against which the Corporation shall have insured (save where the insurance monies shall be irrecoverable by reason of any act or default of the Tenant his family servants or agents) nevertheless excepted and to replace from time to time all Landlord's fixtures fittings and appurtenances in the Flat which may be or become beyond repair at any time during or at the expiration or sooner determination of the Term

- (9) In so far only as the works hereinafter in this present sub-clause described become directed or required solely by reason of any breach or non-observance by the Tenant of any covenant or other provisions contained in these presents but not otherwise to execute all such works as are or may under or in pursuance of any Act or Acts of Parliament already or hereafter to be passed be directed or required by any district council local or public authority to be executed at any time during the Term upon or in respect of the Flat whether by the landlord or the tenant thereof and to keep the Corporation indemnified against all claims demands and liability arising thereout
- (10) To permit the Corporation and its respective duly authorised surveyors and agents with or without workmen and others upon giving 48 hours previous notice in writing (except in the case of emergency) at all reasonable times to enter the Flat and take particulars of additional improvements fixtures and fittings thereto or therein and to view and examine the state and condition of the Flat or any part thereof and the reparation of the same and of all defects decays and wants of reparation found in breach of the covenants herein contained and to give notice in writing of any such defects decays or wants of reparation to the Tenant who will with all proper despatch and in any case within three months then next following well and sufficiently repair and amend the Flat accordingly and will pay and discharge on demand all costs charges and expenses (including legal costs and any fees payable to a surveyor incurred by the Corporation and its agents of and incidental to the preparation and service of such last-mentioned notice or of any statutory notice relating to any breach of covenant) **PROVIDED ALWAYS** that in case of any default in the performance by the Tenant of the foregoing covenant and if the same be not in fact remedied within three months after notice requiring the same to be done shall have been given to the Tenant or left at the Flat it shall be lawful for the Corporation (but without prejudice to any other right or remedy) to enter upon the Flat and repair or put in order the same or carry out any such works at the expense of the Tenant in accordance with the covenants and provisions hereof and the costs and expenses thereby incurred by the Corporation and its agents shall be repaid to the Corporation by the Tenant on demand
- (11) to permit the Corporation its duly authorised surveyors or agents with or without workmen and others at all reasonable times upon giving 48 hours previous notice in writing (and in the case of emergency without notice) to enter into and upon the Flat or any part thereof for the purpose of repairing any part of the Building and for the purpose of making repairing maintaining rebuilding cleansing lighting and keeping in good order and condition all sewers drains channels pipes cables watercourses gutters wires party structures or other conveniences belonging to or serving or used for the Building (without prejudice however to the obligations of the Tenant hereunder with regard thereto) and also for the purpose of laying down

(25) If within a period of three years from the date hereof the Tenant assigns or otherwise disposes of his interest hereunder as defined by Section 159 of the Housing Act 1985 he shall on demand by the Corporation repay to the Corporation such sum as is equal to the discount given to him by the Corporation on the purchase price of this Lease but reduced by one-third of that discount for each complete year which has elapsed since the granting of this Lease and before the disposal For the purposes of calculating the amount repayable to the Corporation it is hereby agreed that the amount of discount given by the Corporation to the Tenant on the purchase price was that specified in the Particulars

(26) It is hereby declared that each of the aforesaid covenants shall remain in full force both at law and in equity notwithstanding that the Corporation shall have waived or released temporarily or permanently revocably or irrevocably or otherwise howsoever a similar covenant or similar covenants affecting other adjoining or neighbouring premises for the time being belonging to the Corporation

5. The Corporation hereby covenants with the Tenant as follows:-

(1) The Tenant paying the rent reserved and performing and so observing the several covenants on his part and the conditions herein contained shall peaceably hold and enjoy the Flat during the Term without any interruption by the Corporation or any person rightfully claiming under or in trust for it

(2) To maintain repair redecorate renew amend clean repoint paint grain varnish whiten and colour as applicable

(a) the structure of the Building and in particular but without prejudice to the generality hereof the roofs foundations external and internal walls (but not the interior surfaces of such part of the external or internal walls as bound the Flat or the rooms therein) and the window frames (but not the interior surfaces thereof) and glass in windows and timbers (including the timbers joists and beams of the floors and ceilings thereof) (but not including the floorboards) chimney stacks gutters and rainwater and soil pipes thereof

(b) the sewers drains channels watercourses gas and water pipes electric cables and wires and supply lines in under and upon the Building and the Estate enjoyed or used by the Tenant in common with the owners lessees or occupiers of the other flats

(c) the boilers and heating and hot water apparatus (if any) in the Building save and except such (if any) heating apparatus as may be now or hereafter installed in the Flat serving exclusively the Flat and not comprising part of a general heating system serving the entire Building

(d) the passenger lifts lift shafts and machinery (if any) enjoyed or used by the Tenant in common with others and

(e) the boundary walls and fences of and in the curtilage of the Building

**maintaining repairing testing disconnecting stopping up or renewing drainage gas and water pipes and electric wires and cables and for similar purposes PROVIDED that the Corporation shall make good all damage to the Flat or to the fixtures fittings sanitary apparatus and appurtenances goods or effects installed therein or affixed thereto caused by the carrying out of any work in this present sub-clause mentioned or otherwise referred to**

- (12) Not to do so or permit or suffer to be done any act deed matter or thing whatsoever whereby the risk or hazard of the Flat or the Building being destroyed or damaged by fire or other insured risks shall be increased or so as to require an additional premium for insuring the same or which may make void or voidable any policy for such insurance
- (13) Not at any time without the licence in writing of the Corporation first obtained nor except in accordance with plans and specifications previously submitted in triplicate to the Corporation and approved by the Corporation and to its satisfaction to make any alteration or addition whatsoever in or to the Flat either externally or internally or to make any alteration or aperture in the plan external construction height walls timbers elevations or architectural appearance thereof nor to cut or remove the main walls or timbers of the Flat unless for the purpose of repairing and making good any defect therein nor to do or suffer in or upon the Flat any wilful or voluntary waste or spoil
- (14) Not to use the Flat or any part thereof nor allow the same to be used for any illegal or immoral purpose nor to hold therein any sale by auction
- (15) To use and occupy the Flat solely and exclusively as a self-contained residential flat
- (16) Not to exhibit on the outside or in the windows of the Flat any name plate placard or announcement of any description
- (17) Not to do or permit to be done upon or in connection with the Flat or the Building anything which shall be or tend to be a nuisance annoyance or cause of damage to the Corporation or its tenants or any of them or to any neighbouring adjoining or adjacent property or the owner or occupiers thereof
- (18) To keep the floors of the Flat including the passages thereof substantially covered with suitable material for avoiding the transmission of noise
- (19) At all times during the said term to comply in all respects with the provisions and requirements of the Town and Country Planning Acts 1971 to 1990 or any statutory modification or re-enactment thereof for the time being in force and any regulations or orders made thereunder whether as to the permitted use hereunder or otherwise and to indemnify (as well after the expiration of the Term by effluxion of time or otherwise as during its continuance) and to keep the Corporation indemnified against all liability whatsoever including costs and expenses in respect of such matters and forthwith to produce to the Corporation on receipt of notice thereof any notice order or proposal therefore made given or issued to the Tenant by a planning authority under or by virtue of the said Acts

Submission to Housing Scrutiny Panel

affecting or relating to the Flat and at the request and cost of the Corporation to make or join with the Corporation in making every such objection or representation against the same that the Corporation shall deem expedient

- (20) For a period of six months immediately preceding the determination of the Term to permit an inspection at any reasonable time in the day by any person wishing to inspect the Flat and so authorised by the Corporation upon an appointment being made for that purpose
- (21) To make good all damage caused through the act or default of the Tenant or of any servant or agent or visitor of the Tenant (a) to any part of the Building or to the appurtenances or the fixtures and fittings thereof and (b) to any other occupier or tenant of the Building and their licensees and in each case to keep the Corporation indemnified from all claims expenses and demands in respect thereof
- (22) On the expiration or determination of the Term peaceably to yield up unto the Corporation the Flat in a good and tenantable state of repair and condition in accordance with the covenants by the Tenant herein contained together with all additions and improvements thereto and all Landlord's fixtures and fittings of every kind now in or upon the Flat or which during the Term may be affixed or fastened to or upon the same all of which shall at the expiration or determination of the Term be left complete with all parts and appurtenances thereof and in proper working order and condition **PROVIDED ALWAYS** that the foregoing covenant shall not apply to any articles held by the Tenant on hire nor to any tenant's fixtures or fittings **PROVIDED** further that the Tenant may from time to time (but only with the previous written consent of the Corporation and subject to any conditions thereby imposed) substitute for any of the Landlord's fixtures and fittings other fixtures and fittings of at least as good a kind and quality as and not less suitable in character nor of less value than those for which they are respectively to be substituted and in any such case the covenant hereinbefore contained shall attach and apply to the things so substituted
- (23) Upon any assignment hereof or subletting or underletting wholly or in part to obtain a direct covenant by the assignee sublessee or underlessee with the Corporation to observe and perform the covenants and conditions of this Lease
- (24) In the case of any instrument operating or purporting to assign transfer lease charge discharge dispose of or affect the Flat or any part thereof or any interest therein or to create assign transfer dispose of or affect any derivative interest in the Term or any charge on the Flat or effecting or occasioning a devolution or transmission of the same respectively by operation of law to leave such instrument (or in the case of a transfer or charge or discharge of a charge of registered land a verified copy thereof) within one calendar month after the date of such instrument or (in the case of a probate of a will or letters of administration) after the date of the grant of the probate or letters of administration as the case may be to leave a true certified copy thereof at the offices of the Borough Solicitor for the time being of the Corporation and to the intent that the same may be registered and to pay to them a fee of £50.00 for each such registration or such larger sum as the Corporation may reasonably require

- (f) the entrances passages landings staircases and other parts of the Building enjoyed or used by the Tenant in common with others

**PROVIDED** that the Corporation shall not be liable to the Tenant for any defect or want of repair hereinbefore mentioned unless the Corporation has had notice thereof

- (3) So far as practicable
- (a) to keep lighted the passage landings staircases and other parts of the Building enjoyed or used by the Tenant in common with others and
- (b) to tend keep clean and tidy and generally to maintain the gardens forecourts roadways pathways (if any) used in connection with the Building and the Estate or adjoining or adjacent thereto being the property of the Corporation
- (4) Provided only that the amenities hereinafter in this sub-clause mentioned are in operation in the Building at the date hereof but not otherwise and subject to the provisions of Clause 6(3) hereof at all times during the Term to supply hot water for domestic purposes to the Flat by means of the boiler and heating installations serving the Building and also from the 1st October to the 30th April inclusive in each year to supply hot water for heating to the radiators fixed in the Flat or other heating media therein so as to maintain a reasonable and normal temperature
- (5) To insure and keep insured the buildings on the Estate and landlord's fixtures and fittings therein and all appurtenances apparatus and other things thereto belonging against loss or damage by fire tempest flood and such other risks as the Corporation shall deem desirable or expedient in some insurance office or with underwriters of repute And in case of destruction of or damage to the Building or any part thereof from any cause covered by such insurance so as to make the same unfit for occupation and use to lay out all monies received in respect of such insurance (other than for loss of rent and architects' and surveyors' fees) in rebuilding and reinstating the same as soon as reasonably practicable and to make good any deficiency in such insurance money out of its own money
- (6) That in the event of the Flat being destroyed or so damaged by any insured risk as to be rendered partially or wholly unfit for occupation and use and provided that the insurance effected by the Corporation shall not have been vitiated or payment of the insurance money refused in whole or in part in consequence of some act or default on the part of the Tenant his family servants or agents then the rent hereby reserved or a proportionate part thereof according to the nature and extent of the injury sustained shall forthwith cease to be payable until the Flat shall have been restored and reinstated and again rendered fit for occupation and use
- (7) That the Corporation will require every person to whom the Corporation shall hereafter grant a lease of other flats in the Building to observe and perform such of the restrictions covenants and stipulations contained in this Lease as the Corporation is required to impose by the Housing Act 1985 as amended by the Housing and Planning Act 1986 or some other Act or Order and will at the cost

of the Tenant take all reasonable steps to enforce the same

6. It is hereby further agreed

- (1) If the said rents or any part thereof shall be unpaid for twenty-one days next after becoming payable (whether the same shall have been formally demanded or not) or if the Tenant shall not duly perform or observe all the covenants and provisions hereby on the part of the Tenant to be performed or observed then and in any of the said cases and thenceforth it shall be lawful for the Corporation in that behalf to re-enter into or upon the Flat or any part thereof in the name of the whole and to repossess and enjoy the same as if this Lease had not been made but without prejudice to any right of action or remedy of the Corporation in respect of any antecedent breach of any of the covenants by the Tenant herein contained
- (2) Notwithstanding anything herein contained the Corporation shall be under no greater liability either to parties hereto or to strangers to this contract who may be permitted to enter or use the Building for accidents happening injuries sustained or for loss of or damage to goods or chattels in the Building the Estate or in any part thereof arising from the negligence of the Corporation or that of any servant or agent of the Corporation or otherwise than the obligation involved in the common duty of care
- (3) Notwithstanding anything herein contained the Corporation shall not be liable to the Tenant nor shall the Tenant have any claim against the Corporation in respect of
  - (a) any interruption in any of the services hereinbefore mentioned by reason of necessary repair or maintenance of any installations or apparatus or damage thereto or destruction thereof by fire water act of God or other cause beyond the Corporation's control or by reason of mechanical or other defect or breakdown or frost or other inclement conditions or unavoidable shortage of fuel materials water or labour or labour disputes or
  - (b) any act omission or negligence of any caretaker attendant or other servant of the Corporation in or about the performance or purported performance of any duty relating to the provision of the said services or any of them
- (4) Nothing herein contained shall confer on the Tenant any right to the benefit of or to enforce any covenant or agreement contained in any lease or other instrument relating to any other premises belonging to the Corporation or limit or affect the right of the Corporation to deal with the same now or at any time hereafter in any manner which may be thought fit
- (5) In these presents wherever the context admits
  - (i) the expressions "the Corporation" and "the Tenant" shall respectively include their respective successors in title;
  - (ii) words importing the masculine gender include the feminine gender;

- (iii) words importing the singular number include the plural number;
  - (iv) where two or more persons are included in the expression "the Tenant" the covenants expressed to be made by the Tenant shall be deemed to be made by such persons jointly and severally and such persons shall be deemed to hold the property hereby assured as joint tenants legally and beneficially
- (6) For the purpose of service of all notices hereby or by statute authorised to be served the provisions as to service of notices contained in Section 196 of the Law of Property Act 1925 as amended by the Recorded Delivery Service Act 1962 shall be deemed to be incorporated herein All Notices to be served upon the Corporation shall be sent by Recorded Delivery post to the place of business or office for the time being of the Borough Solicitor
7. **IT IS HEREBY CERTIFIED** that the transaction hereby effected does not form part of a larger transaction or of a series of transactions in respect of which the amount or value or the aggregate amount or value of the consideration exceeds the sum of **SIXTY THOUSAND POUNDS (£60,000.00)** AND that there is no Agreement for Lease to which this Lease gives effect

**IN WITNESS** whereof the Corporation has caused its Common Seal to be hereunto affixed and the Tenant has set his hand the day and year first before written

### **FIRST SCHEDULE**

#### **EASEMENTS RIGHTS AND PRIVILEGES INCLUDED IN THIS DEMISE**

1. Full right and liberty for the Tenant and all persons authorised by him (in common with all other persons entitled to the like right) at all times by day or by night to go pass and repass over and along the main entrance of the Building and the common passages landings and staircases thereof and to use the passenger lift (if any) therein and the dustbin enclosures gardens forecourts roadways pathways (if any) on the Estate provided nevertheless that the Tenant shall not cause or permit the obstruction of any common parts of the Building by furniture or otherwise
2. The free and uninterrupted passage and running of water and soil gas and electricity from and to the Flat through the sewers drains channels and watercourses cables pipes and wires which now are or may at any time during the Term be in under or passing through the Building or any part thereof
3. The right of support and protection for the benefit of the Flat as is now enjoyed from the other flats and all other parts of the Building

### **SECOND SCHEDULE**

#### **EXCEPTIONS AND RESERVATIONS**

There are excepted and reserved out of this demise:

Haringey Council Standard Right to Buy Lease 2002



1. To the Corporation
  - (i) Easements rights and privileges over and along and through the Flat equivalent to those set forth in paragraph 2 of the First Schedule
  - (ii) The right at any time hereafter to rebuild alter or use any of the adjoining or neighbouring buildings according to such plans (whether as to height extent or otherwise) together with the right to erect further buildings or structures on the Estate and to enlarge the Estate by the addition of further land with or without buildings and in such manner as shall be approved by the Corporation notwithstanding that the access of light or air to or any other easement for the time being appertaining to or enjoyed with the Flat or any part thereof may be obstructed or interfered with or that the Tenant might otherwise be entitled to object to such rebuilding alteration or user
2. The right of support and protection for the benefit of the other flats and all other parts of the Building as is now enjoyed from the Flat
3. The right at any time hereafter to install and maintain in or upon the Building television and radio receiving aerials electric entry systems or similar apparatus including self locking doors to the main entrances and passages of the Building

### THIRD SCHEDULE

THE CORPORATION'S EXPENSES AND OUTGOINGS AND OTHER HEADS OF EXPENDITURE IN RESPECT OF WHICH THE TENANT IS TO PAY A PROPORTIONATE PART BY WAY OF SERVICE CHARGE

#### PART 1

#### AS TO THE BUILDING IN WHICH THE FLAT IS SITUATED

All costs charges and expenses incurred or expended or estimated to be incurred or expended by the Corporation (whether in respect of current or future years) in or about the provision of any service or the carrying out of any improvement maintenance repairs renewals reinstatements rebuilding cleansing and decoration to or in relation to the Building and in particular but without prejudice to the generality of the foregoing all such costs charges and expenses in respect of the following:-

1. The expenses of improving maintaining repairing redecorating and renewing amending cleaning repointing painting graining varnishing whitening or colouring the Building and all parts thereof and all the appurtenances apparatus and other things thereto belonging and more particularly described in Clause 5(2) hereof
2. The cost of periodically inspecting maintaining overhauling repairing and where necessary replacing the whole of the heating and domestic hot water systems serving the Building and the lifts lift shafts and machinery therein (if any) together with the sewers drains pipes watercourses pumps conduits ducts cisterns tanks radiators valves traps and switches or other conveniences which may belong to or serve the Building

3. The cost of the gas oil electricity or other fuel required for the boiler or boilers supplying the heating and domestic hot water systems serving the Building and the electric current for operating the passenger lifts
4. The cost of insuring and keeping insured throughout the Term the Building and all parts thereof and landlord's fixtures and fittings therein and all the appurtenances apparatus and other things thereto belonging against the insurable risks described in Clause 5(5) hereof and also against third party risks and such further or other risks (if any) by way of comprehensive insurance as the Corporation shall determine including two years' loss of rent and architects' and surveyors' fees and if the Corporation shall in its absolute discretion so insure the cost of insuring and keeping insured throughout the Term the Building and all parts thereof against the cost of making good structural defects occurring after ten years from the date hereof
5. The cost of employing maintaining and providing accommodation in the Building for a caretaker or caretakers (including the provision of uniforms and boiler suits)
6. The cost of carpeting re-carpeting or providing other floor covering decorating and lighting the passages landings staircases and other parts of the Building enjoyed or used by the Tenant in common with others and of keeping the other parts of the Building used by the Tenant in common as aforesaid and not otherwise specifically referred to in this Schedule in good repair and condition
7. All charges assessments and other outgoings (if any) payable by the Corporation in respect of all parts of the Building (other than income tax)
8. The costs incurred by the Corporation in the management of the Building
9. The cost of installing maintaining repairing and renewing the television and radio receiving aerials electric entry systems or similar apparatus (if any) installed or to be installed in or on the Building and used or capable of being used by the Tenant in common as aforesaid
10. The cost of taking all steps deemed desirable or expedient by the Corporation for complying with making representations against or otherwise contesting the incidence of the provisions of any legislation or orders or statutory requirements thereunder concerning town planning public health highways streets drainage or other matters relating or alleged to relate to the Building for which the Tenant is not directly liable hereunder

## **PART 2**

### **AS TO THE ESTATE UPON WHICH THE BUILDING IS SITUATED**

All costs charges and expenses incurred or expended or estimated to be incurred or expended by the Corporation (whether in respect of current or future years) in or about the provision of any service or the carrying out of any improvement maintenance repairs renewals reinstatements rebuilding cleansing and decoration to or in relation to the Estate and in particular but without prejudice to the generality of the foregoing all such costs charges and expenses in respect of the

following:-

1. The costs incurred by the Corporation in the management of the Estate including all fees and costs incurred in respect of the annual certificates and of accounts kept and audits made for the purpose thereof
2. The cost of the expense of making repairing redecorating maintaining improving rebuilding and cleansing all ways roads pavements sewers drains pipes watercourses walls structures fences pumps conduits ducts cisterns tanks radiators valves traps switches or other conveniences which may belong to or be used for the Building in common with other premises on the Estate
3. The upkeep of the gardens forecourts roadways pathways (if any) on the Estate
4. The cost of installing maintaining repairing and renewing the television and radio receiving aerials (if any) installed or to be installed on the Estate and used or capable of being used by the Tenant in common as aforesaid
5. All charges assessments and other outgoings (if any) payable by the Corporation in respect of all parts of the Estate
6. The cost of insuring and keeping insured throughout the Term those parts of the Estate used or capable of being used by the Tenant in common as aforesaid and landlord's fixtures and fittings thereon and all the appurtenances apparatus and other things thereto belonging against the insurable risks described in Clause 5(5) hereof and also against third party risks and such further or other risks (if any) by way of comprehensive insurance as the Corporation shall determine including two years' loss of rent and architects' and surveyors' fees

#### **FOURTH SCHEDULE**

##### TERMS AND PROVISIONS RELATING TO SERVICE CHARGE

- (a) The amount of the Service Charge shall be ascertained and certified by a certificate (hereinafter called the "Certificate") signed by the Corporation's Director of Corporate Services annually and so soon after the end of the Corporation's financial year as may be practicable and shall relate to such year in the manner hereinafter mentioned
- (b) The expression "the Corporation's financial year" shall mean the period from the 1st April in each year to the 31st March of the next year or such other annual period as the Corporation may in its discretion from time to time determine as being that in which the accounts of the Corporation either generally or relating to the Building shall be made up
- (c) A copy of the Certificate for each such financial year shall be supplied by the Corporation to the Tenant on written request and without charge to the Tenant
- (d) The Certificate shall contain a summary of the Corporation's said expenses and outgoings incurred by the Corporation during the Corporation's financial year to which it relates together with a summary of the relevant details and figures forming the basis of the Service Charge and the Certificate (or a copy thereof duly certified by the person by

**Submission to Housing Scrutiny Panel**

whom the same was given) shall be conclusive evidence for the purposes hereof of the matters which it purports to certify

- (e) The annual amount of the Service Charge payable by the Tenant as aforesaid shall be calculated as follows:-
- (i) by dividing the aggregate of the said expenses and outgoings incurred by the Corporation in respect of the matters set out in Part 1 of the Third Schedule hereto in the year to which the Certificate relates by the total number of bedrooms plus one room each of all the flats (excluding caretaker's accommodation if any) in the Building the repair maintenance renewal insurance or servicing whereof is charged in such calculation as aforesaid and then multiplying the resultant amount by the number of bedrooms plus one room of the Flat (hereinafter called "the building element")
  - (ii) by dividing the aggregate of the said expenses and outgoings incurred by the Corporation in respect of the matters set out in Part 2 of the Third Schedule hereto in the year to which the Certificate relates by the total number of bedrooms plus one room each of all dwelling houses on the Estate and then multiplying the resultant amount by the number of bedrooms plus one room of the Flat (hereinafter called "the estate element") and
  - (iii) by adding the building element to the estate element
- (f) The expression "the expenses and outgoings incurred by the Corporation" as hereinbefore used shall be deemed to include not only those expenses outgoings and other expenditure hereinbefore described which has been actually disbursed incurred or made by the Corporation during the year in question but also such reasonable part of all such expenses outgoings and other expenditure hereinbefore described which are of a periodically recurring nature (whether recurring by regular or irregular periods) whenever disbursed incurred or made and whether prior to the commencement of the Term or otherwise including a sum or sums of money by way of reasonable provisions for anticipated expenditure in respect thereof as the Corporation may in its discretion allocate to the year in question as being fair and reasonable in the circumstances
- (g) The Tenant shall if required by the Corporation with every quarterly payment of rent reserved hereunder pay to the Corporation such sum in advance on account of the Service Charge as the Corporation shall specify at its discretion to be a fair and reasonable interim payment
- (h) As soon as it is practicable after the signature of the Certificate the Corporation shall furnish to the Tenant an account of the Service Charge payable by the Tenant for the year in question due credit being given therein for all interim payments made by the Tenant in respect of the said year and upon the furnishing of such account showing such adjustment as may be appropriate there shall be paid by the Tenant to the Corporation the amount of the Service Charge as aforesaid or any balance found payable or there shall be allowed by the Corporation to the Tenant any amount which may have been overpaid by the Tenant by way of interim payment as the case may require
- (i) It is hereby agreed and declared that the Corporation shall not be entitled to re-enter under

the provision in that behalf hereinbefore contained by reason only of non-payment by the Tenant of any such interim payment as aforesaid prior to the signature of the Certificate but nothing in this clause or these presents contained shall disable the Corporation from maintaining an action against the Tenant in respect of non-payment of any such interim payment as aforesaid notwithstanding that the Certificate had not been signed at the time of the proceedings subject nevertheless to proof in such proceedings by the Corporation that the interim payment demanded and unpaid is of a fair and reasonable amount having regard to the prospective Service Charge ultimately payable by the Tenant

(j) Provided always and notwithstanding anything herein contained it is agreed and declared as follows:-

- (i) That in regard to the commencement of the Term the Service Charge shall be duly apportioned in respect of the period from the date on which the first payment of rent shall fall due hereunder to the ensuing 31st March and not in respect of the period from the date of commencement of the Term to such ensuing 31st March
- (ii) That the provisions of paragraph (h) hereof shall continue to apply notwithstanding the expiration or sooner determination of the Term but only in respect of the period down to such expiration or sooner determination of the Term

## FIFTH SCHEDULE

### RESTRICTIONS AND REGULATIONS

1. The Tenant shall not store in the Flat quantities of inflammable materials or gases other than may be reasonably required for domestic use and in particular where the Building consists of two or more storeys the Tenant shall not place or keep in the Flat any quantity of inflammable materials or gases stored under pressure
2. The Tenant shall advise the Corporation as soon as possible of any defect in the Flat
3. The Tenant shall not place leave or cause to be placed or left any refuse or rubbish in any common part of the Building or the Estate and the Tenant shall be responsible for cleaning communal landings and passageways adjacent to the Flat
4. The Tenant shall not park any private heavy trade or commercial motor vehicle or caravan in any garden forecourt roadway or pathway adjoining or near to the Building (save only to such extent and subject to such conditions as may be permitted by the Corporation)
5. The Tenant shall comply with and be bound by any special regulations made by the Corporation relating to the user of any baggage or cycle room or store garage or parking lot which shall be published by notice affixed therein or handed to the Tenant or his agent anything left therein shall be at the Tenant's entire risk Any such user by the Tenant shall be a matter of collateral arrangement between the parties and shall not be enjoyed as of right other than that conferred by any such arrangement
6. The Tenant shall ensure that any domestic pet is kept under proper control
7. All further or other rules and regulations made at any time and from time to time by the

**Submission to Housing Scrutiny Panel**

Corporation in addition to or substitution for the foregoing rules and regulations or any of them which the Corporation may deem necessary or expedient for the safety care or cleanliness of the Building the Estate or any part thereof or for securing the comfort and convenience of all tenants in the Building or on the Estate shall be observed **PROVIDED ALWAYS** that no such further or other rules or regulations may be made hereunder which shall subject the Tenant to any unusual or unreasonable burden

Where the expression "the Flat" includes a garden the following additional restriction and regulations shall apply thereto:-

8. The Tenant shall keep the garden and all trees shrubs and hedging therein in good order and condition and properly tended fed cultivated and pruned or trimmed as appropriate and will use the same only as a garden ancillary to the residential occupation of the Flat and will replace all losses and cultivate the garden and keep the same free from weeds and keep the paths in good order and condition and free from weeds and keep the grass properly mown trimmed and rolled and will not remove or except in the proper course or cultivation and management cut or lop any trees shrubs bushes or hedging
9. The Tenant shall not erect fences exceeding one metre in height and any fences erected by the Tenant shall conform to the general character of the Estate or surrounding neighbourhood
10. The Tenant shall not plant any tree shrub or other perennial plant likely to exceed two metres in height upon maturity
11. The Tenant shall not keep any animals or livestock in the garden nor shall the Tenant allow any animals or livestock to exercise therein other than a pet kept under proper control
12. The Tenant shall not carry out any development as defined by the Town and Country Planning Act 1971 or any statutory modification or re-enactment thereof for the time being in force nor shall the Tenant cause any building or erection to be erected in the garden other than the construction of a path or patio area with a surround or wall not exceeding 12 inches in height
13. The Tenant shall not bring into the garden any motor vehicle caravan or mobile home
14. The Tenant shall not allow any rubbish to accumulate in the garden nor light any fire or incinerator nor keep any compost unit or other device likely to cause a nuisance or annoyance to any adjoining or neighbouring tenants or occupiers

THE COMMON SEAL OF THE MAYOR AND )  
BURGESSES OF THE LONDON BOROUGH )  
OF HARINGEY was hereunto affixed )  
by Order )

SIGNED AS A DEED by the Tenant in     )  
the presence of:-                             )

# **Appendix 4 – Section 20 Notice**

Appendix 4 p1



**HARINGEY COUNCIL**

**Housing Services**

**Home Ownership Team**  
13-27 Station Road, Wood Green, London N22 6UW  
Tel 020 8489 0000 Fax 020 8489 1998

Minicom Numbers (for the deaf and hard of hearing only):-  
020 8489 5982 HIV/AIDS

Physical Disabilities  
Sensory Impairment

**Important Notice Regarding Service Charge**

**Landlord and Tenant Act 1985, Section 18-30**

Your ref: Fin/mw/ 198

Our ref:

This matter is being dealt with by: Mr M Lawrence

Direct line/Ext: (0208) 489 3230

03-Nov-00

To: Mr & Mrs  
MILLICENT FAWCETT COURT  
PEMBURY ROAD  
TOTTENHAM  
N17 6SX

Dear Leaseholder

Re: Section 20 Landlord and Tenant Act 1985

In accordance with instructions received, I enclose by way of service upon you in accordance with Section 20 of the Landlord and Tenant Act 1985, a formal notice of the works to be carried out as attached.

An explanation of the Section 20 notice :

The Section 20 of the Landlord and tenant Act 1985 tells the Landlord, in this case Haringey Council, how it shall operate the notification and collection of service charges from Leaseholders for maintenance work. The law does not require the Landlord to serve a notice for improvement works but Haringey Council does provide this anyway.

The Section 20 notice is not a bill, it is an advance notice of estimated costs for proposed works. It is a consultation document.

The Act says we must notify leaseholders of the proposed works and the estimated project cost and allow for one month consultation and queries before commencing work. The Landlord must have "regard" for all observations raised during this period.

Please address all your observations on the works proposed to Robert Davis, Development Officer, Hornsey Town Hall, The Broadway, Crouch End, London N8 [Tel: 0208 489 0000 ext1134] within one month from the date hereof. If you have any queries relating to the calculations please contact Mr M Lawrence on (0208) 489 3230 .

Yours sincerely



**T. Thevanesan**

**Finance Manager, Home Ownership Team**

**HARINGEY COUNCIL**

**Housing Services**

**Home Ownership Team**  
13-27 Station Road, Wood Green, London N22 6UW  
Tel 020 8489 0000 Fax 020 8489 1998

Minicom Numbers (for the deaf and hard of hearing only):-  
020 8489 5982 HIV/AIDS

Physical Disabilities  
Sensory Impairment  
Mental Health Section

Your ref: Fin/mw/198

Our ref:

This matter is being dealt with by:

Mr M Lawrence

Direct line/Ext:

(0208) 489 3230

**Recorded Delivery**

**Important Notice Regarding Service Charge**  
**Landlord and Tenant Act 1985, Section 18-30**

03-Nov-00

To: Mr & Mrs  
MILLICENT FAWCETT COURT  
PEMBURY ROAD  
TOTTENHAM  
N17 6SX

Dear Sir/Madam

Re: **Section 20 Landlord and Tenant Act 1985**  
**Notice of Repair Work Subject to Service Charge**  
And re MILLICENT FAWCETT COURT 9 - 23, 54 - 87 INCL

1. The Council as Freeholder of the building of which the flat forms part, propose to carry out certain works to the building.
2. As you are the present tenant of your flat you are liable under the terms of your lease to contribute a proportion of the cost of the works. An account will be forwarded to you following completion of the works and a final account being available. The calculation will vary depending on the size of the flat and where cost limitations (allowing for inflation) were identified in the service agreement for a flat purchased less than 5 years ago.

NOW, Therefore I, The director of Housing Services, for and on behalf of the Council, HEREBY GIVE YOU NOTICE under Section 20 of the Landlord and Tenant Act 1985 Act that:

1. The Council proposes to carry out the work to the Buildings commencing on or after one month from the date hereof. Consideration will be given to any comments and / or observations you may care to raise.
2. The works were put out to Competitive tender according to the provision of the Joint Contract Tribunal Intermediate Form of Contract 1984. The Council obtained tenders from 2 contractors which were evaluated taking into account the price and technical ability. In this case the Council proposes to allocate the works to AWS Commercial Windows Systems limited.

Director Stephen Clarke

3. The total estimated cost of works including fees amounts to £886,536.70  
The second lowest tender excluding fees was submitted in the sum of £900,014.55
4. Your estimated proportion of the cost of works calculated in accordance with the provision of the lease amounts to £ 4331.75 . This sum includes a charge for administration. However, the Government has recently added two sets of directions which will effect Local Authorities who receive assistance from the Estate Renewal Challenge Fund or the SRB Challenge Fund. These are the Social Landlords Discretionary Reduction of Service Charges (England) Directions 1997 and the Social Landlords Mandatory Reduction of Service Charges (England) Directions 1997.
- Procedures are currently being produced to effect the reduction of charges under the above directions. These were agreed by Housing Service Committee. The proposal is that, where eligible you will be invited to submit applications for reduction of charges and to provide details of financial circumstances
5. Under the Housing (Services Charges Loan) Regulations 1992 the council may have a duty to provide you with a loan in respect of the cost of the works. When the account is forwarded to you for payment the Director of Housing Services will confirm whether you are entitled to such a loan and supply further details.
6. Your observations on the works proposed and estimated cost are invited. These should be addressed to Robert Davis, Development Officer, Hornsey Town Hall, The Broadway, Crouch End, London N8 [Tel: 0208 489 0000 ext1134] within one month from the date hereof.

## Schedule

MILLICENT FAWCETT COURT 9 - 23, 54 - 87 INCL -  
Replacement of existing aluminium windows and balcony doors with double glazed aluminium maintenance free units, asbestos removal within individual dwellings and associated works.

## Calculating your proportion

<b>Estimate Block cost:</b>	220,179.21	<b>You are charged according to the rateable value (RV) formula</b>  $\frac{\pounds 244,068.65}{10480} \times 186$ <b>= £ 4,331.75</b>
<b>Fees @ 7.85%</b>	17,284.07	
<b>Admin @ 3.00%</b>	6,605.38	
<b>Direct Supply Items:</b>	0.00	
<b>Total Estimated Block Cost</b>	<b>£244,068.65</b>	

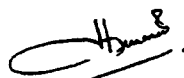
### Bed Formula:

$$\frac{\text{Block Cost}}{\text{Total Beds in Block} + \text{Number of units in block}} \times \text{Your Flat's Beds} + 1$$

### Rateable Value Formula (RV)

$$\frac{\text{Block Cost}}{\text{Rateable Value for Block}} \times \text{Your Flat's RV}$$

Yours Sincerely



**T Thevanesan**  
**Finance Manager-Home Ownership Team**

# Appendix 5 – Interim Invoice

Appendix 5 – Interim Invoice p. 1

# HARINGEY COUNCIL

## Housing Services

**Home Ownership Team**  
 13-27 Station Road, Wood Green, London N22 6UW  
 Tel 020 8489 0000 Fax 020 8489 1998

Minicom Numbers (for the deaf and hard of hearing only):-  
 020 8489 5982 HIV/AIDS

Physical Disabilities  
 Sensory Impairment  
 020 8489 5978 Complaints Section

Your ref:

Our ref:

FIN/NS20act/ 198 /

This matter is being dealt with by:

Direct line/Ext:

Mr M Lawrence

(0208) 489 3230

31-Aug-01

To: Mr & Mrs  
 MILLICENT FAWCETT COURT  
 PEMBURY ROAD  
 TOTTENHAM  
 N17 6SX

Dear Mr & Mrs

**Interim Invoice for the cost of Major Works relating to your property**

Project Number: 71538

Details of Works: Replacement of existing aluminium windows and balcony doors with double glazed aluminium maintenance free units, asbestos removal

I am writing to you regarding the Section 20 Notice dated the 03/11/00, which was sent to you with regard to the above works. It has been decided to invoice leaseholders for major works each year, even if the work is still in progress. This is necessary because the Council has to make interim payments to its contractors, as each stage of the work is completed. The Borough Solicitor has advised the Council that leaseholders are chargeable for these interim payments under the terms of the lease.

The total cost of the work for your block up to the present is in the sum of £63,087.76  
 Your proportion of this cost is calculated as follows:

**Bedroom formula**

**Rateable value formula**


Total block cost					
Total beds in block +	X	No. of		Total block cost	X
No. of units in block		bedrooms in		Rateable value for bloc	Your flat's RV

You are charged according to the rateable value formula:		£63,087.76	X	186	=	£1,119.69
		10480				

I enclose an invoice for this amount. Please could you contact a member of the Home Ownership Team to make arrangements for the payment of this amount.

A breakdown of the costs incurred and a description of the works undertaken in relation to your property will be provided to you when the final invoice is issued.

Yours sincerely



**T Thevanesan**  
**Manager, Home Ownership Team**

**Enclosure:**

**Interim invoice in respect of major works**

**HARINGEY COUNCIL**

**Housing Services**

**Home Ownership Team**

13-27 Station Road, Wood Green, London N22 6UW  
Tel 020 8489 0000 Fax 020 8489 1998

Minicom Numbers (for the deaf and hard of hearing only):-  
020 8489 5982 HIV/AIDS

Physical Disabilities  
Sensory Impairment  
020 8489 5978 Complaints Section

Your ref:

Our ref: FIN/NS20act/ 198 /

This matter is being dealt with by:

Mr M Lawrence

Direct line/Ext:

(0208) 489 3230

30-Sep-02

Mr & Mrs

MILLICENT FAWCETT COURT

PEMBURY ROAD

TOTTENHAM

N17 6SX

Dear Mr & Mrs

~~Second interim invoice for the costs of Major Works relating to your property~~

Re: Replacement of existing aluminium windows and balcony doors with double glazed aluminium

Project Number 71538

I am writing to you regarding the Section 20 Notice dated the 03/11/00, which was sent to you with regard to the above works. It has been decided to invoice leaseholders for major works during each year, while the work is in progress. This is necessary because the Council has to make interim payments to its contractors, as each stage of the work is completed. The Borough Solicitor has advised the Council that leaseholders are chargeable for these interim payments under the terms of the lease.

The total cost of the work for your block up to the present is in the sum of £183,970.84

Your proportion of this cost is calculated as follows:

<del>Bedroom formula:</del>		<del>Rateable value formula:</del>	
Total block cost	X	Total block cost	X Your flat's RV
Total beds in block		Rateable value for bloc	
+ No. of units in			
		£183,970.84	
<i>You are charged according to the rateable value formula:</i>		10480	X 186 = £3,265.13

A breakdown of the costs incurred and a description of the works undertaken in relation to your property will be provided to you when the final invoice is issued.

Yours sincerely



**T Thevanesan**  
**Manager, Home Ownership Team**

**Enclosure:**

**Interim invoice in respect of major works**



# Appendix 6 – Final Invoice



## HARINGEY COUNCIL

### Housing Services

#### Home Ownership Team

13-27 Station Road, Wood Green, London N22 6UW  
Tel 020 8489 0000 Fax 020 8489 1998

Minicom Numbers (for the deaf and hard of hearing only):-  
020 8489 5982 HIV/AIDS

Physical Disabilities  
Sensory Impairment  
020 8489 5978 Complaints Section

Your ref:

Our ref:

FIN/NS20act/ 63 / 1285

This matter is being dealt with by:

Direct line/Ext:

Mr M Lawrence

0208 489 0000 ext 30

30-Sep-02

10a NORTH HILL AVENUE

HORNSEY

LONDON

N6 4RJ

Dear

### Final Major Works Contract Cost

I refer to a notice under Section 20 of the Landlord and Tenant Act 1985 served to the above property dated 01/03/99 and a subsequent letter forwarded under Section 20 B(2) dated 11/09/00

Following the receipt of the final contract account in respect of the work undertaken to your block and or estate, I am now able to provide you with the following documents.

1. A schedule showing the calculation of your proportion of the cost.
2. An invoice showing the amount payable by the leaseholder of the above property.

### Statement

You will note that the enclosed statement is divided into the following sections:

**Block Charge.** This shows the actual costs incurred for the block in which your flat is situated.

**Charge to your property** This shows the way in which your charge has been calculated. The block cost is divided up amongst the total number of flats in the block using the formula contained in your lease. If the lease was issued before 1 April 1990, then the formula will be in terms of rateable values, otherwise it will be on the basis of the number of bedrooms.

**Limitations under Section 3** . If the Section 20 Notice is issued within 5 years from the date of purchase of your property from the Council, then the amount you can be charged is limited to the figure contained in the Section 3 of your offer notice. The total charge payable will be the estimated cost of the work in the offer notice plus the appropriate increase for inflation or the apportioned actual

### Payment of the Invoice

In order to arrange payment of your invoice, please contact me on telephone number 0208 489 0000 ext 3023 . Payment of invoices becomes due within 14 days from the issue date. However the council is willing to accept payment arrangements by way of standing order.

# **Appendix 7 – Certificate of Actual Service Charge**

# HARINGEY COUNCIL

## Housing Services

### Home Ownership Team

13-27 Station Road, Wood Green, London N22 6UW  
Tel 020 8489 0000 Fax 020 8489 1998

Minicom Numbers (for the deaf and hard of hearing only):-  
020 8489 5982 HIV/AIDS

Physical Disabilities  
Sensory Impairment  
020 8489 5978 Complaints Section

Your ref:

Our ref:

This matter is being dealt with by:

Direct line/Ext:

See contacts overleaf

30 September 2002

Dear Leaseholder

## CERTIFICATE OF ACTUAL SERVICE CHARGES 2001/02

Under the terms of your lease, the Council is required to send you a statement of the actual costs incurred during the previous financial year. This is called the Certificate. I have enclosed this and some other documents for your information as listed below:-

1. **Certificate of Actual Service Charge 2001/02.** This is divided into 3 sections:

*Section 1: services provided to your block*

*Section 2: day-to-day repairs and exterior decorations*

*Section 3: major works and improvements*

2. **Attachments to explain the figures contained in the Certificate:**

a) **Schedule of Section 1 & 2 Actual Service Charges 2001/02.** Section 1 gives a breakdown of the costs of services provided to your block and estate, for example caretaking and cleaning. Section 2 gives the cost of day-to-day repairs. A breakdown of these repair costs can be obtained from the Home Ownership Team on request.

b) **Explanatory Notes to the Schedule of Section 1 & 2 Actual Service Charges.** These notes provide additional information regarding the costs of caretaking and cleaning, insurance and administration. Also shown is how your share of the costs have been calculated.

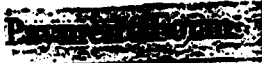
c) **Understanding your Certificate & Schedule of Section 1 & 2 Charges.** We have provided an illustrated guide to both of these documents in order to help you understand them.

d) **Schedules of exterior redecoration charges and major works/improvement charges 2001/02 (if applicable).** These schedules list works which have been previously advised to you by Section 20 notices, where costs have been incurred during the last financial year.

3. **Additional invoice (if applicable).** If the estimated service charges that you were charged for in 2001/02 were less than the actual service charges, you will have to pay an additional invoice. If you have arranged to pay your service charges by monthly instalments the bill will be included in your payment arrangement for next year. Otherwise you should pay the invoice within 14 days.

Please see over

Director Stephen Clarke



**HARINGEY COUNCIL**  
**Housing and Social Services**

**Please Return this form to:**

Home Ownership Team, Housing Services, 13-27 Station Road,  
London, N22 6UW [Tel: 020 8489 0000 ext 3647/3653]

I wish to pay by way of remittance slip  Please tick if yes and return to above address  
I wish to pay by way of standing order  Please tick if yes, fill in rest of form and return to above address

To: **The Manager**

Bank/Building Society .....

Branch Address .....

Sort Code .....

Account number

Please pay the sum of: ..... Monthly (Delete as appropriate)

Starting from this date: .....

Signed: .....

Name:

Address: ACACIA HOUSE

Area: WG

Home Tel. .... Work Tel. ....

**For Office Use Only**

To: The Co-operative bank, 195 High Road, Wood Green, N22 6D

For: The credit of the London Borough of Haringey

Account No 61168033

Sort Code: 08-90-37

PLEASE QUOTE INVOICE REFERENCE .....

The first payment is to be made on: .....

The final payment is to be made on: .....

Leasehold Property Service Charge: Customer A/c No.

**Housing Act 1985 (As Amended)**  
**Certificate of Actual Service Charge for the financial year 2001/02**

Name:

Property Address     ROCHFORD

Account No:

**Section One**

	£
Cost of Section one services	560.12

**Section Two**

Day to day repairs	22.92
Cost of External Redecoration	0.00

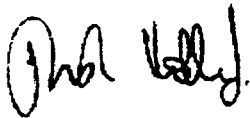
**Section Three**

Cost of Major Repairs and Improvements	11,889.73
--	-----------

**Your proportion of total Service Charge for the financial year 2001/2002     583.04**

*Please note that where applicable a schedule of costs for each of the above sections is enclosed with this certificate.*

I certify that this statement of expenditure for the financial year ended 31 March 2002, which has been prepared for ROCHFORD, together with the detailed breakdown of costs and notes herein, is sufficiently supported by the Council's records and in my opinion provides a fair summary of the expenditure incurred.



Justin Holliday CPFA

Head of Corporate Finance

**For and on behalf of the Director of Finance (the Council's Chief Finance Officer)**

**30 September 2002**

**Schedule of section one and two actual service charges payable for the year 2001/2002**

Name:

Address: ROCHFORD

Your A/c No 01

Sale Date: 21-Sep-92

Section 1- Services	See Notes	Grounds Patch	Block Cost	Charge
1. Caretaking and Cleaning	(1)		14,311.81	210.47
2. Lifts Maintenance			2,430.68	35.75
3. Communal Lighting and Power			0.00	0.00
4. Maintenance of Grounds		17,240.55		25.46
5. Concierge			0.00	0.00
6. District Heating - Fuel Cost			0.00	0.00
7. District Heating - Maintenance			0.00	0.00
8. Insurance	(2)			175.24
9. TV Aerials			486.31	7.15
10. Controlled Entry System			0.00	0.00
11. Administration Charge	(3)			96.05
12. Ground Rent				10.00
				<b>560.12</b>

**Section 2 - Other Repairs/Improvements**

Day to Day Repairs	(4)			22.92
				<b>22.92</b>

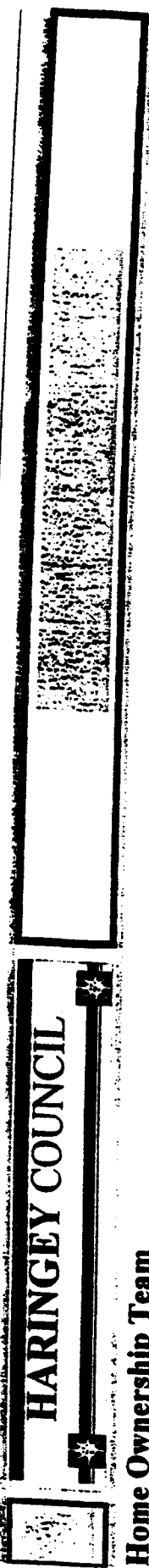
**Total section one and two actual service charges 2001/02** **£583.04**

**Less :-**

Estimated service charges 2001/02 already billed **£800.00**

**Reduction in charge to leaseholder** **-£216.96**

Please see the explanatory notes for further information on the method of calculation used in relation to your leasehold property.



**Home Ownership Team**

13/27 Station Road, Wood Green, London N22 6UW.

**Schedule of Major Works Costs** (contained in the Certificate of Actual Service Charge 2001/02)

Account No:

Address: **ROCHFORD**

Estimate Date	Invoice Type	Project Number	Details of Works	Actual date	Actual
12/10/00	2nd Interim	71435	Construction of concierge controlled entrances , installation of closed circuit TV cameras, monitors & door entry systems	30/09/02	£11,889.73

Summary for 'Account Number' = (1 detail record)  
**Total**

**£11,889.73**

Notes:

Interim Payment:

Where the work is still in progress or the final accounts have not yet been settled with the contractor, your share of the costs is calculated from the payments made to the contractor up to the financial year ended 31 March 2002.

Final Cost:

Your share of the costs is calculated based on the final accounts agreed with the contractor.

Outstanding Sec 20

Notices: You should note that for some Section 20 Notices costs have not yet been received. You will be invoiced for these items at a later date.





**Home Ownership Team**  
13/27 Station Road, Wood Green, London N22 6UW.

***Schedule of Major Works Costs*** (contained in the Certificate of Actual Service Charge 2001/02)

**£11,889.73**

**Grand Total**

# Understanding your Certificate

**HARINGEY COUNCIL**  
Home Ownership Team  
15, 17 Shalton Road, Wood Green, London N22 6W

**Example**

Leasing Act 1995 (As Amended)  
Certificate of Actual Service Charge for the financial year 2001/02

Name: \_\_\_\_\_  
Property Address: \_\_\_\_\_  
Account No: \_\_\_\_\_

<b>Section One</b> Cost of Section one services	500.84
<b>Section Two</b> Day to day repairs	0.00
<b>Section Three</b> Cost of External Redecoration	2,666.07
<b>Section Three</b> Cost of Major Repairs and Improvements	0.00
<b>Your proportion of total Service Charge for the financial year 2001/2002</b>	<b>3,166.91</b>

Your proportion of total Service Charge for the financial year 2001/2002 3,166.91  
Please note that where applicable a schedule of costs for each of the above sections is enclosed with this certificate

I certify that the statement of expenditure for the financial year ended 31 March 2002, which has been prepared for \_\_\_\_\_ together with the detailed breakdown of costs and notes herein, is sufficiently supported by the Council's records and in my opinion provides a fair summary of the expenditure incurred

*[Signature]*  
John Bullock CFFA  
Head of Corporate Finance  
For and behalf of the Director of Finance (the Council's Chief Finance Officer)

31 August 2002

The charges to your property for services provided and works carried out in the last financial year are shown in this column.

The certificate relates to your charges for the last financial year (2001/02). It is not a bill.

You have already been invoiced for your share of the external redecoration, major works and improvement costs (if any).

The Schedule of section 1 & 2 charges will show if you have been undercharged for these particular items and if you need to pay an additional invoice, one will be enclosed.

A breakdown of these charges is shown in the Schedule of section 1 & 2 actual service charges. The accompanying explanatory notes also provide further information on some of these charges and on the method of calculation used in working out your share of the costs.

Please refer to the schedules of external redecoration, major works and improvement costs for further information on these charges.

Please contact the Home Ownership Team if you would like to know the current balance on your service charge account.

# Understanding your Schedule of section 1 & 2 actual service charges

**Additional information**  
(including how your share of the costs has been calculated) can be found in the enclosed explanatory notes.

You pay a proportion of the cost of maintaining the grounds next to your block or in your estate. Note 5 of the explanatory notes shows the formula used in the calculation of this charge.

Ground rent is set at £10 a year for each leasehold property, as per the lease.

Service charges are payable in advance. You have already been billed for your estimated charges for 2001/02.

**LONDON BOROUGH OF HARINGEY**  
*Schedule of section one and two actual service charges payable for the year 2001/02*

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Sale Date: \_\_\_\_\_

Section 1 Services: See Notes  
Grounds Park Block Cost Charge

1. Caretaker and Cleanse	(1)	6,384.52	77.00
2. Lift Maintenance		0.00	0.00
3. Commercial Lighting and Power		748.28	20.22
4. Maintenance of Grounds		946.15	23.57
5. Concrete		0.00	0.00
6. District Heating - Fuel Cost		0.00	0.00
7. District Heating - Management		129.44	3.55
8. Insurance		205.41	5.55
9. TV Aerials		1,923.36	51.98
10. Cabled Entry System			85.53
11. Administration Charge	(9)		10.00
12. Ground Rent			500.84

Section 2 - Other Repairs/Improvements

Day to Day Repairs	(4)	0.00	0.00
<b>Total section one and two actual service charges 2001/02</b>		<b>£599.84</b>	<b>£599.84</b>
<b>Less:</b>		<b>£500.00</b>	<b>£99.84</b>
Estimated service charges 2001/02 already billed			
<b>Additional charge to leaseholder (invoice enclosed)</b>			<b>£99.84</b>

Please see the explanatory notes for further information on the method of calculation used in relation to your leasehold property.

Your share of the costs for the services provided to your block and estate is shown in this column.

The total cost of each service provided to your block is shown in this column.

Your share of the costs for day-to-day repairs is shown here.

If the total actual service charge is higher than the original estimate, then you will need to pay an additional invoice. If it is lower than the estimate, a credit adjustment will be made to your account.

The schedule shows your section 1 & 2 service charges for the last financial year (2001/02). Please contact the Home Ownership Team if you would like to know the current balance on your service charge account.

