

Chapter 6

# Your rights

Your lease gives you certain rights. You also have 'statutory' rights, which are rights set out in law. One of your statutory rights is your right to be consulted (asked for your views) about major work and service charges. Please see chapter 4, 'Service charges' for more information.

This chapter tells you about some of the other statutory rights leaseholders have. If you decide to use these rights, you should also get independent advice from a solicitor. You can get more information and advice about your rights from LEASE, the Leasehold Advisory Service. Their website is [www.lease-advice.org](http://www.lease-advice.org).

This chapter tells you about:

- your summary of costs;
- your summary of rights;
- your right to see our accounts;
- management audits;
- buying the freehold of your block;
- extending your lease; and
- what the leasehold valuation tribunal can do.

## Your summary of costs

Every year we send you a certificate of actual service charge. This includes a summary of the costs that make up your service charge. If we do not send you this, you can ask us for it. We will send you the certificate within six months of the end of each financial year.

## Your summary of rights

From 1 October 2007, when we ask you to pay your service charges and administration charges, we must send you a summary of your rights and obligations relating to these charges. This is in line with the Commonhold and Leasehold Reform Act 2002.

## Your right to inspect our accounts

Once we have given you the summary of costs, you can write to us and arrange to see and make a copy of our accounts, receipts and other relevant documents. You must do this within six months of receiving the summary of costs.

When you ask to see our accounts, we must reply to you within one month and you will have access to

the accounts for up to two months. We may charge you for any photocopies you make.

## Management audits

A leaseholder, or group of leaseholders, can employ a qualified accountant, valuer or surveyor to carry out a management audit to find out:

- how well we are providing the services we charge you for; and
- how we use the money we receive from you.

You have the right to a management audit if:

- your flat is the only one in the building; or
- more than two-thirds of the leaseholders in the building (or one leaseholder if there are only two in the building) want an audit.

The auditor will send us a 'section 80 notice'. This notice tells us the names and addresses of the leaseholders who want the audit and the details of the auditor. The auditor can inspect our paperwork and the communal areas of buildings we manage. The section

80 notice must also tell us what information the auditor will need to carry out the audit.

We must reply to the auditor, giving them the information they need, within one month of the date of the section 80 notice. We will provide facilities for inspecting and copying the paperwork.

## Buying the freehold of your block

Together, the leaseholders in a block of flats may have the right to buy the freehold of their block from the council.

### **You can buy the freehold if:**

- you do not own more than one flat in the building;
- there are two or more flats in the building (if there are only two flats in the building, both must be owned by leaseholders who want to buy the freehold);
- at least two thirds of the number of flats in the block must be lived in by leaseholders;
- at least half of the flats in the block must be owned by leaseholders who want to buy the freehold; and

- they own 100% of their lease (leaseholders who do not own 100% of their lease do not qualify).

### **Leaseholders cannot buy the freehold if:**

- more than 25% of the floor area inside the block is used for something other than housing (this could affect, for example, flats which are above a row of shops); or
- the block is going to be knocked down in the next five years.

If the leaseholders can meet all these conditions, they can buy the freehold of the block from the council. This is a complicated process, and leaseholders who are considering buying the freehold will need to employ a qualified surveyor. They should also get independent legal advice. You can go to [www.lease-advice.org](http://www.lease-advice.org), where you can see a booklet called 'Collective Enfranchisement' that tells you more about buying the freehold of your block.

If there is a disagreement about the value of the freehold of the block, the Leasehold Valuation Tribunal will decide the value.

Once the leaseholders have bought the freehold, we and the council will no longer be responsible for managing or maintaining the block. The leaseholders will jointly own it and be responsible for it.

## **Extending your lease**

You can extend your lease by another 90 years, but you will have to pay us to do this. To extend your lease, you must have owned the lease for at least two years.

You and the council must agree how much it will cost to extend your lease. If you and the council cannot agree, the Leasehold Valuation Tribunal will decide the cost. The Leasehold Advisory Service (LEASE) provides a lot of helpful information about extending your lease on their website – they recommend that anyone wanting to extend their lease should get advice from a solicitor.

## What the Leasehold Valuation Tribunal (LVT) can do

The LVT makes decisions on disagreements about leasehold property.

The LVT is usually made up of three members – a lawyer, a surveyor and a member of the public. The tribunal is a type of legal hearing, but it is not as formal as going to court. You can represent yourself at the tribunal if you want. **However, it may be worth getting professional advice before you start.**

The LVT can decide whether:

- charges for services, repairs, maintenance, insurance, administration or management are reasonable;
- services and work are of a reasonable standard;
- the leaseholder has to pay their charges under the terms of their lease; and
- consultation with leaseholders about major work and long-term agreements was carried out properly.

The LVT will decide on most disagreements about service charges, your rights and your lease. If you have paid your service charge, you can still challenge it at the LVT.

The landlord or the leaseholder can apply to the LVT.

The county court can also refer decisions to the LVT if, for example, we are taking you to court for not paying your service charges. If you want to take a disagreement to the LVT, you must fill in a form saying what charges or services you have a problem with. Please contact the **Residential Property Tribunal Service** for an application form.

Residential Property Tribunal Service  
10 Alfred Place  
London WC1E 7LR

Phone: 020 7446 7700

Fax: 020 7637 1250

E-mail:

[london.rap@communities.gsi.gov.uk](mailto:london.rap@communities.gsi.gov.uk)

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

If you want to apply to the LVT, there is a charge. This will not be more than £500. You will also have to pay a hearing fee of £150 if the LVT

agrees to hear your case. You should always get professional advice from your solicitor, a citizens advice bureau or LEASE (the Leasehold Advisory Service) before you go to the LVT.

You will have to pay the costs of any legal advisers you employ when the LVT deals with a case that you or we ask them to settle.

Normally, you will not be able to claim the costs of applying to the LVT or their hearing fee from the council (and the council will not be able to claim these costs from you). This is only possible where it was totally unreasonable to argue for or against the case. We will sometimes be able to get our legal costs back as part of the service charges for the building.

You can appeal against the decision of the LVT, but you must get permission to appeal from the LVT or the Lands Tribunals.