

Chapter 2

Glossary

Actual

See 'Certificate of actual service charge'.

Administration charge

We charge individual leaseholders for any administration we have to do when they ask us for a particular service (such as a resale pack). We also charge for administration we have to do when a lease has been broken (for example, for legal action we take against a leaseholder who has not paid their service charges). We have these administration charges because we do not believe that the management fee all leaseholders pay should be used to pay for administration work we do for individual leaseholders.

Apportionment

How we divide the charges between leaseholders.

Building

The block or house in which your flat is situated (other than your flat or any other flats).

Certificate of actual service charge

We send you this every year and it shows your share of the actual cost of the services and work to your block and estate for the previous year.

Communal (shared) areas

Parts of the building or estate that all residents can use – for example, hallways, stairs, lifts, pathways and forecourts.

Day-to-day repairs

Minor repairs, such as replacing the glass in a broken window in a shared area.

Estimated service charge

We send this to you in March each year. It lists the estimated costs of your yearly service charge (including day-to-day repairs) for the new financial year. Your lease says you must pay the estimated service charge every three months in advance (for the three months to come), but you can also pay it in monthly instalments over 10 months.

If you choose to pay your yearly service charge every three months (quarterly), payments are due on 25 March, 24 June, 29 September, and 25 December.

Financial year

The council's financial year runs from 1 April to 31 March. All of the council's yearly accounts are drawn up for this period.

Flat

The whole of the property that has been leased to you, including the internal doors, walls, ceiling, floors, plaster work, and fixtures and fittings.

Forfeiture

If you do not meet the conditions of your lease, we or the council may apply to the courts to end your lease and repossess your flat. This is called forfeiture.

Freehold

Owning land or property and having the legal right to manage it and charge others for using it.

Ground rent

This is the rent you pay to the council. It is £10 each year.

Improvement

Major work which provides a completely new facility – for example, if we decide to provide a door-entry system where there wasn't one before.

Landlord

Haringey Council is your landlord. We (Homes for Haringey) are a non-profit-making company which manages and maintains the council's housing and carries out the council's responsibilities under your lease.

Lease

The contract between you (the leaseholder) and the council (the landlord). It sets out the council's and your rights and responsibilities. Plans in your lease show your flat, the building it is in and the estate it is on. It also explains how we must work out your service charges.

Leasehold Advisory Service (LEASE)

This organisation provides free information on areas of the law that affect leaseholders. Their website is www.lease-advice.org. You can also phone them on 020 7374 5380.

Leaseholder

Someone who has the right to own a property, as long as they keep to the conditions of their lease.

Leasehold Valuation Tribunal (LVT)

The LVT is an independent organisation that can decide many leasehold issues, such as whether the service charge is fair and reasonable. The tribunal can decide whether costs are too high and if work has been carried out to a reasonable standard.

Leaseholders or landlords can refer cases to the LVT. The county court

can also refer cases if a landlord is taking legal action because a leaseholder is not paying their service charge.

Long-term agreement

This is an agreement between the council and a contractor, that lasts for more than 12 months. It is for work, goods or services that we will charge you for. If we want to enter into a long-term agreement that will cost any leaseholder more than £100 a year, we must consult all the leaseholders concerned, by sending them 'section 20 notices'.

Major work

A large one-off repair, or maintenance or improvement work to the block or estate (for example, replacing all the windows in a block). If the charge is more than £250 for any leaseholder, we must consult everyone who is going to pay by sending them 'section 20 notices'.

Offer notice

This gives a council tenant information about their home when they apply to buy it under the right to buy scheme. It includes the selling price and information on service charges. It also gives details and estimated costs of any major works

we plan to carry out in the next five years.

Outside decoration (exterior decoration)

Redecorating the outside of your block of flats, including the windows, doors and shared areas. It also includes painting all fences and all painted shared areas, such as hallways and corridors.

Rateable value

Before 1990, the council used the system of rates to raise money for local services. The Government worked out each property's rateable value from how much it cost to rent the property.

Recognised residents' association

The Landlord and Tenant Act 1985 gives leaseholders the right to set up a residents' association to represent them. The residents' associations we recognise (approve) have the right to be consulted on issues relating to service charges, including section 20 consultation.

Section 20 notices

Consultation documents we must send to leaseholders to ask for their views before we carry out major work or enter into a long-term

agreement that may cost them more than a set amount.

Service charges

Charges you must pay the council as set out in your lease. They cover the cost of providing services and carrying out work to your building or block of flats, and the grounds or estate around it. We collect service charges from leaseholders on behalf of the council.

Statutory right

A legal right which is set out in an Act of Parliament.

Subletting

This is when someone who owns a property rents it, or part of it, to someone else.

Tenant

Someone who pays rent or a service charge to a landlord, which gives them the right to live in a property. In legal terms, a leaseholder is a type of tenant. Most council tenants are known as 'secure tenants'. A secure tenant has the right to stay in their home for as long as they want, as long as they do not break the conditions of their tenancy.