

November 2020



PEAKS & PLAINS
Housing Trust

Leaseholders handbook

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A little bit about Peaks & Plains...

We are an ambitious, profit for purpose housing provider based in Macclesfield, with over 5000 homes across Cheshire and the High Peak.

We play an important role in the communities where we work and pride ourselves on the quality of our homes and the service we provide our customers.

...Introduction

This handbook is for all our residents who have a long leasehold property, whether tenants who have exercised their Right to Buy or Right to Acquire, or new customers who have purchased existing long leases or acquired shared ownership properties under Help to Buy.

The handbook gives guidance to all residents, but as we have many different types of lease it is not a comprehensive interpretation of the law, nor does it override or affect the terms of your lease.

It is important that you read your lease carefully, if there is anything that you do not understand we recommend that you take independent legal advice. If you have misplaced your lease we can provide you with a copy but we charge a fee for this.

If there is any difference between this handbook and your lease, the lease takes precedence. If you have a question that this handbook doesn't answer, please contact us – we are here to help you. You can find our contact details on the back of this handbook.

“ Helping improve lives by addressing local housing need ”

Customer care...

Peaks & Plains is committed to providing excellent customer care.

We listen to and respect our customers, dealing with enquiries in a helpful and friendly manner. We are aware of the diversity of our customers and their differing individual requirements and try to tailor the service provided each time to the needs of the customer.

Our Customer Voice Policy is available on our website or contact us at getinvolved@peaksplains.org and we can send you a copy.



Customer service standards...

In addition to our normal customer services standards we are committed to ensuring our leaseholders receive the following:

- All new leaseholders will be sent the link to the Leaseholder Handbook on our website. Existing leaseholders will also have access to the handbook.
 - We will use Plain English in our consultation paperwork
 - We will be clear and transparent about charges and repayment options
 - Service Charges will be fair, reasonable and clear
 - We will listen, engage and consult
 - We will ask for your feedback at least once every 3 years via formal survey
- We will review these promises annually.

Your lease...

When you purchased your home under a long lease, you bought the right to live in your property for a fixed number of years.

Peaks & Plains retains the freehold interest and is therefore your landlord. Peaks & Plains has a legal duty to enforce your obligations under the lease and also to maintain and repair the building that your home is in if it is a flat. If you are a Shared Ownership Leaseholder of a house, all the repairs will be your responsibility. We will also manage the estate, all shared areas, grounds and services.

Your lease states that you must contribute towards the cost of managing and maintaining the block and the common areas.

These costs are called service charges and are

explained in more detail in the following chapter. As a leaseholder you are responsible for taking care of your home, keeping it in good repair and maintaining any garden area that is included in your lease. You are also responsible for the regular maintenance and repair of any gas appliances in your property.

You are required to adhere to the terms and conditions of your lease. You will require the consent of Peaks & Plains prior to any alterations being made or if you wish to sublet the property, re-mortgage or take out a loan that will be secured against the property. Your lease is a legally binding document and sets out your obligations as a leaseholder. You are advised to read it carefully.

Service charges...

These are charges you pay to Peaks & Plains as your share of the cost of managing, maintaining, repairing, insuring and providing services to the block or estate in which you live.

Service charges include items such as repair and maintenance works, building insurance, management costs, grass cutting or landscaping and any other running costs for your block or estate. These charges are known as 'variable service charges' because they vary depending on the costs involved.

You will also pay into a sinking fund. These funds are used when major works are required on your block or estate and help prevent you having to find large sums of money when work is required.

Why do you need to pay service charges?

Peaks & Plains has a duty to maintain its estates to a good standard. If money is not spent on maintenance your home and neighbourhood could deteriorate and fall into disrepair. This would make the area less pleasant to live in and the investment you made when you purchased the leasehold could suffer.

The annual service charge

By the end of February each year we will send you a budget for the year ahead. This will set out our estimate of the costs and how much you will be required to pay each month.

By the end of September each year we will send you details of the actual service costs incurred by us for the previous financial year. If we have spent less than we budgeted for we will credit this to you. If we have spent more then we will invoice you for any shortfall.

We must send you a summary of leaseholders' rights and obligations in relation to service charges with your bill.

When and how will I know what to pay?

Before your service charge is due to be paid for the financial year ahead we will send you a schedule showing you how much needs to be paid and collected each month.

Service charges will be billed monthly to make it easy for customers to budget and pay but remains payable as under the terms of your lease which may be different.

How do I pay my service charges?

When you become a leaseholder we will set up a Direct Debit for your payments.

Is there a limit to how much I can be charged?

Service charges must be fair and reasonable. Peaks & Plains will consult you if we have to carry out work which would cost any one leaseholder more than £250.

What does my service charge cover?

Generally your service charges will cover the following items. This list is not exhaustive and each scheme or property may benefit from different services. You will be sent a service charge estimate every year, which will tell you what services you are expected to pay for.



Repairs and maintenance

This covers day to day repairs to the communal area or repair to the exterior of your block e.g. paving, communal lighting, door entry systems, roofing, lifts, drainage gutters etc. Repairs specifically for your block are divided by the number of units in your block. Some repairs may be specifically for your property.

Electricity & heating

This is the cost of running all the communal lights or any other electrical services in the block in which you live. If your home benefits from a shared boiler we will charge you your proportion of the costs of maintenance and repair for the boiler.

Building insurance

If you live in a flat or shared ownership house then Peaks & Plains will insure the property under its main Buildings Insurance. Peaks & Plains reviews its insurance before the start of every financial year to ensure that the policy is fit for purpose and represents value for money. The Buildings Insurance is not based on an individual valuation for each property but makes provision for whatever the cost need is to reinstate or rebuild any property.

A summary of the cover provided is available on the leaseholder section of our website together with the contact number for leaseholders to call if they want to discuss the policy or to make a claim in their own right. If you require a hardcopy of the schedule of insurance an administration fee will be charged.

Leaseholders should always arrange to have their own adequate level of contents cover.

Communal systems and equipment

This is the cost associated with maintenance of communal television aerials, door entry systems, lifts, water pumps, emergency alarms and fire systems etc. We will also replace communal equipment such as carpets and furniture that has come to the end of its useful life.

Grounds maintenance

If you benefit from a communal garden which we maintain we will charge you a portion of the costs for keeping the grounds tidy.

Fire inspection

We are required by law to carry out fire safety inspections in all properties where there is an internal communal area. We will carry out an inspection when there is a change in the law or a significant change in the use or occupation or materials of the building or if there has been an incident at the building. In these instances we will recover the cost of the fire inspection from leaseholders.

Caretaking & cleaning

If we carry out any caretaking or cleaning services to your block or estate we will charge you a proportion of the cost of this service.

Landscaping and tree management

If your home is in the vicinity of a green space then you may be charged a proportion of the costs of maintaining those areas.

Sinking fund

A sinking fund is an amount of money which is set aside to cover any major work which may be needed on a block or in the common areas in the future. Sinking funds help to prevent leaseholders having to find large sums of money when work is required. We calculate sinking funds by looking at the cost and lifetime of each component and then charge a portion of this each year. We will review sinking funds regularly to make sure we will have enough money to carry out the work when it is required.

More information on the type of works covered by the sinking fund can be found on page 11 of this handbook.

Management fee

This relates to the staff time spent on:

- Dealing with any repairs that may be needed
- Advising on any queries
- Inspecting properties to identify the works that will be needed
- Calculating service charges and sending out invoices and statements
- Any other activities related to managing your lease

Other charges

Your lease may allow us to charge you a ground rent, which is an annual charge that is fixed for a period of years specified in your lease.

What if I don't agree with the service charges?

Peaks & Plains always tries to ensure the charges are fair and reasonable and will also try to ensure that service charges don't fluctuate unduly each year. However, if you feel we have made a mistake please contact us and we will be happy to investigate and respond to your query. If you want to make a formal complaint about your charges you can use Peaks & Plains' Compliments, Comments and Complaints Policy to do so. The details are on page 14 of this handbook.

If you are not satisfied with the decision made by Peaks & Plains regarding your service charge you have the right to challenge services charges at the First Tier Tribunal (Property).

Any decision made by the Tribunal is binding on both parties. The tribunal may charge in order to hear your case and both parties will bear their own costs.

If you have already paid your service charges, you can still challenge them through a First Tier Tribunal. In fact, you are strongly advised to continue payments, even if you wish to query them.



HM Courts &
Tribunals Service

Further information can be obtained from:

First Tier Tribunal Service
First Floor, 5 New York Street
Manchester
M1 4JB

0845 100 2614 or 0161 237 9491

Service charge arrears...

What happens if I am in financial difficulty?

Peaks & Plains is here to help so, if you experience any difficulty paying your service charges please contact us as soon as possible.

We will discuss payment options with you and in most circumstances we will be able to reach an agreement to assist you through any financial difficulty.

Please do not ignore any invoice as failure to act may result in final demands being issued and, in extreme cases, legal action may be taken.

You can contact the citizen's advice bureau for free and impartial advice about debt.

What happens if I refuse or fail to pay my service charges?

Your lease is a legally binding document, the terms and conditions of which clearly state that you have agreed to pay service charges to the Landlord (Peaks & Plains) to manage and maintain your block and the estate. Peaks & Plains is unable to do this if the service charge is not paid.

By failing to pay you are breaking the terms of your lease and are at risk of losing your home. In extreme circumstances the Court may decide that you are in serious breach of your lease and grant forfeiture of your lease.

This means that the ownership of your flat will return to Peaks & Plains. Any legal costs that Peaks & Plains incurs from applying to the Courts will be passed on to you, it is therefore very important that you contact us as soon as possible if you encounter financial difficulties.

Ad hoc administration charges...

Administrative charges are charges for services which are individual to a leaseholder. They are payable in addition to your service charge and rent, for services received by you either directly or indirectly, including:

- The grant of approvals under your lease or applications for such approvals
- For, or in connection with, the provision of information or documents
- Costs arising in connection with a breach (or alleged breach) of your lease

In most cases, administrative charges must be paid before we can provide the service. For example you would have to pay the required administrative charge before we would provide a copy lease.

Administration charges must be reasonable. A leaseholder can apply to the First Tier Tribunal (Property) to challenge the reasonableness of the charges. The tribunal can also decide:

- how much the leaseholder has to pay
- the date on or by which they have to pay
- the way the administration charge must be paid.

Repairs & improvements...

This section is a brief guide to the repair obligations of both Peaks & Plains and the leaseholder and tells you about improvements you can make to your home. If you are in any doubt about repairs or improvements please contact us for further advice.

What are Peaks & Plains' obligations?

If you live in a flat, we are responsible for the repair and maintenance of the structure, exterior and common parts of the building in which you live, the cost of which is recovered through your service charge.

We will therefore repair and maintain the foundations, roof, external doors, structural walls and communal facilities. We will also carry out external decorations to blocks of flats. Although we are responsible for carrying out these works, Leaseholders must contribute toward the cost.

If you live in a house as opposed to a flat. You will usually have full responsibility for the repairs.

What are my responsibilities as a leaseholder?

You are responsible for keeping in good order the condition of

- internal doors
- external door furniture
- internal plaster and wall coverings
- service pipes, cables and wires
- fittings such as kitchen utilities
- window glass and furniture
- baths, sinks, toilets and wash hand basins
- individual domestic heating systems

Repairs that you are responsible for must be carried out by a competent contractor and paid for by you.

The above list of items for repair is indicative and may vary from one individual lease to another.

The lease should always be checked.



Do I have to provide Peaks & Plains right of entry to my property?

You must allow access to your home to relevant Peaks & Plains employees and subcontractors to inspect and carry out any necessary repairs, or to carry out communal water sampling or other necessary compliance inspections, when they are our responsibility. Where access is required you must arrange for any request to access to be accommodated, we will give you reasonable notice, although this may not be possible in an emergency.

What can I do if Peaks & Plains fails to carry out repairs they are responsible for?

Peaks & Plains has to fulfil our duties under the terms of your lease. If you need a repair, you should report it to us. If we fail to meet our obligations you should contact us with details of your repair and when it was reported.

You should also send copies of any correspondence that you have had with us.

How do I report repairs?

- 📍 Online using **My Account**
- ✉ Email **trust@peaksplains.org**
- ☎ Call us on 0800 012 1311
- 💬 Chat live on our website **peaksplains.org**

What rights do I have to carry out works to my property?

You can redecorate the interior of your property but you must get our consent if you are replacing a bathroom or kitchen or if you wish to make any structural alterations.

What works do I need to get written permission for before I begin?

You must not carry out any structural works or alterations to your property until you have our prior written consent. Examples of structural works are:

- Re-decoration of the exterior
- Changing windows and external doors

- Major rewiring
- Building an extension

Examples of alterations are:

- Installing new kitchens or bathrooms

You must also get prior written permission for the following:

- Carrying out work on a fixed or freestanding gas appliance
- A loft conversion (as you may not own the loft)
- Replacement of bathroom or kitchen

Before you carry out any structural repairs, alterations or adaptations you must contact us. We will send you a copy of our guidance and information about our fees and charges.

Gas & electrical safety...

Leaseholders are responsible to ensuring that their gas appliances are checked every year.

You are also responsible for ensuring that the electric systems contained within your property are safe and we recommend you obtain a valid EICR report every 5 years.

We may ask you to provide proof that you have had an annual check of your gas appliances and relevant inspection of the electrics.

You must employ a **Gas Safe Registered** engineer to carry out the check. If you have a communal boiler, Peaks & Plains will carry out the annual gas check and charge you a proportion of the cost of that work.

Consultation & major work...

Customer Feedback

Peaks & Plains encourages and welcomes customer feedback from its leaseholders.

Leaseholder forum

Throughout the year we may hold smaller focus groups for leaseholders to feedback and be consulted on subjects such as changes to the handbook or other matters of interest.

If you are interested in joining the Leaseholder Forum email getinvolved@peaksplains.org

Major works

From time to time Peaks & Plains will need to carry out major works to the block your property is in. This may be following the result of surveys, listening to residents (both tenants and leaseholders) or

where we have identified the need to undertake a major repair and improvement project. These works may include new roofs, lifts, and sometimes replacement windows and flat front doors or estate works.

It is a legal requirement for Peaks & Plains to consult with leaseholders prior to carrying out any major works where it will cost any one leaseholder more than £250. If the cost of the major work is likely to exceed £250, we will write to you informing you of the proposed works and you will be invited to make written observations and in some cases, to nominate a contractor.

In most circumstances the cost of major work will be recharged to the sinking fund, however, in those instances where there are insufficient funds we will invoice you for the additional costs. We may be able to offer you a repayment plan and you should contact us to discuss when the need arises.

Sinking fund...

A sinking fund is the name given to a long term savings account that homeowners contribute to through service charges.

This builds up every year and provides contributions towards any major works that are required over a period of time, such as the painting of communal areas or replacement of a roof.

Why have a sinking fund?

If a sinking fund is not set up, payment for any required works are due from a homeowner on completion of the works.

This can mean that homeowners will receive large bills that they need to pay.

A sinking fund should allow you to spread the cost of any major works.

Will I be consulted about any works that are required?

Yes, we are obliged to consult with you for any single item of works that will cost more than £250 per property. This will be in the form of letters that meet legal requirements.

If you have any comments, wish to nominate a contractor or have a query with the costs or works you should contact us.

How do you work out how much I have to pay towards the sinking fund?

Our surveyors will look at information including the life expectancy of components and determine when we may need to replace certain items. Using that information we will decide what your sinking fund contributions should be. Other factors such as independent condition surveys, works to similar properties and inflation are also taken into account.

What if no works are required?

No works are started until a qualified surveyor has inspected the property and assessed the condition. If it is deemed no works are required a reassessment will be scheduled for the following year.

What happens if there is not enough money in the sinking fund to pay for the works?

We try to avoid this scenario where possible, however unexpected works do occur. You will receive formal confirmation of the final amount of works and any likely shortfall. We will pay for the contractors bill, make the contributions due for tenants, deduct the sinking fund and any amount still left will be payable by homeowners. Payment options may be available depending on the amount owing.

Who looks after my sinking funds contributions?

All contributions are held in a central bank account and accounted for separately. Interest is earned on the monies that are held and is added to the sinking fund balance every year.

I live in a mixed block of flats; do I pay for the tenants' works through my sinking fund?

No, you only pay for your contribution due. If you live in a block containing 4 flats, 1 of which is owned and three tenanted the homeowner will pay a contribution of ¼ of the cost of the works. Peaks & Plains would pay ¾. This is paid for through the tenants rent.

Can I take my sinking fund contributions with me when I move?

No, the contributions that you make will remain in the account and be used when works are required. You may wish to make an informal arrangement with your buyer to take this into account. A buyer's solicitor will always write to us and enquire about the sinking fund balance. From experience a sinking fund will improve the saleability of a property as the repair burden on the buyer is reduced.

What do I do if I think the sinking fund contributions are too high?

If you want clarification of what you are paying you can get this from us. This includes items covered, life expectancy or the balance in the account. If you are still not satisfied you will need to provide reasons why you think the charge is too high that are supported by evidence and make a complaint through our complaints procedure. Your charges will then be reviewed by a Manager.

Selling your home...

There are no restrictions on you selling your home at any time, however if you sell within your discount repayment period (if you purchased using the Right to Buy or Right to Acquire), you will be required to pay back some, or the entire discount awarded to you at the time of purchase.

You may also have to offer the property back to us first. When you have agreed a sale on your property your solicitors will ask us to sign a certificate of compliance.

We will only be able to sign this document and assign the lease providing there are no service charge arrears and no other breaches of the lease.

Letting your home...

Peaks & Plains will usually have no objection to you subletting your home unless you are a Shared Ownership Leaseholder, when subletting is forbidden by the lease.

But we will require that you provide us with certain information and pay a reasonable administration fee.

There are many things to consider before letting your home to tenants, in order to comply with current legislation. You will also be required to declare any rental income to HM Revenue & Customs.

If you don't notify us that you have sub-let your home, your insurance may be affected. Please contact us before you decide to sublet so we can give you some guidance.

Lease extension & enfranchisement...

Under the Commonhold & Leasehold Reform Act 2002 Long Leaseholders have the right to request an extension of the length of their lease. In certain limited cases they also, if the property is eligible, may be able to purchase the freehold of the block.

Both these processes are complex and you are advised to seek your own independent legal advice in relation to the same.

You can get more advice at the Leasehold Advisory Service or www.gov.uk website.

Right to Manage...

Under the Commonhold and Leasehold Reform Act 2002, leaseholders have the Right to Manage the block they live in.

The Right to Manage is a complex legal process and some restrictions do apply. You will be required to seek your own independent legal advice.

You can get more advice about the Right to Manage from the Leasehold Advisory Service or Ministry of Housing, Communities & Local Government.



Peaceful enjoyment of your home...

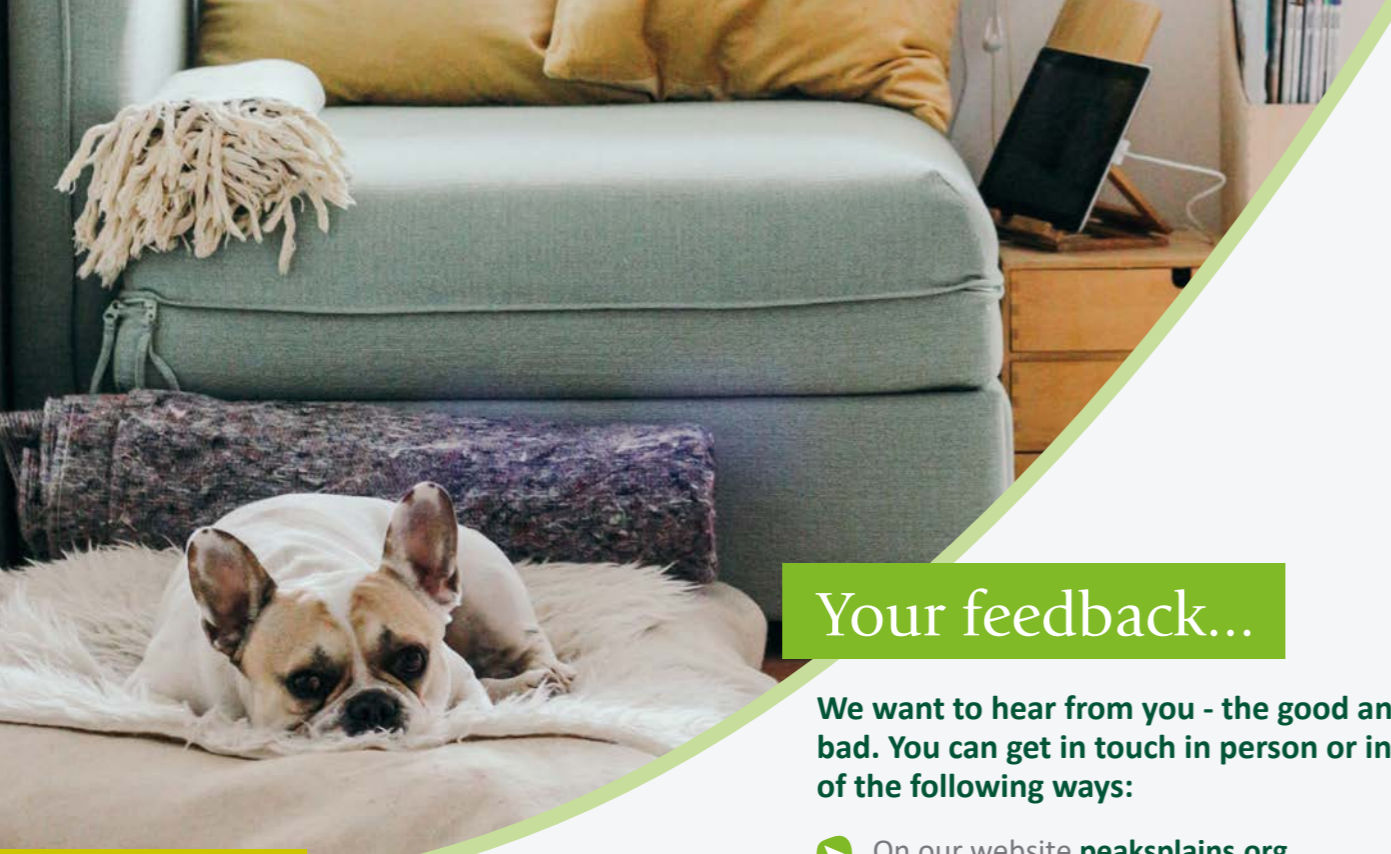
Under the terms and conditions of your lease you are entitled to peaceable enjoyment in your property.

Your lease will usually state that you, anyone visiting your property or anyone you allow to stay at your property, either informally or by way of subletting must not cause a nuisance to other residents. It is important to remember that what you do may affect your neighbours and vice versa. The following list, although not exhaustive, gives some examples of how to avoid causing a nuisance to neighbours:

- Not to make unnecessary or excessive noise (particularly early morning or at night)
- To ensure that any permitted pets are kept under control at all times
- To keep any garden areas clean and free from rubbish
- Not to block access to any neighbouring property who has the right of access

In most circumstances neighbour disputes can be easily resolved. If you are unable to resolve the dispute yourself, you can request that Peaks & Plains become involved and try to settle the disagreement. In extreme cases Peaks & Plains may consider legal action against a party who is continually causing a nuisance. This can be costly and Peaks & Plains will make every attempt to resolve the situation prior to legal action being taken. You may be required to pay Peaks & Plains' reasonable costs for dealing with a breach of lease.

If you are experiencing any disturbance to your peaceable enjoyment or have any concerns about nuisance neighbours, please contact us on 0800 012 1311 or complete [our online form here](#). If you are the cause of nuisance we will take legal action and recover our costs from you.



Your feedback...

We want to hear from you - the good and the bad. You can get in touch in person or in one of the following ways:

- On our website peaksplains.org
- ✉ complaints@peaksplains.org
- ☎ 0800 012 1311
- Chat live on our website peaksplains.org

Our Compliments, Comments and Complaints Policy is **available on our website** or contact us and we can send you a copy.

First Tier Tribunal Service

As well as applying to the Residential Property Tribunal Service for a decision over the fairness of Service or Admin charges you can also ask them to decide on a variety of other matters such as

- Changes to your lease
- Section 20 consultation (Major Work)
- The Right to Manage
- Freehold Purchases etc

There are fees associated with making an application.

For impartial advice about service charges, the First Tier Tribunal Service or any other leasehold matter please contact

LEASE, the Leasehold Advisory Service on 020 7832 2500 or visit www.lease-advice.org

Alternatively you may want to seek your own independent legal advice. You can find information at www.justice.gov.uk/tribunals/residentialproperty

Pets...

Pets can be a great source of companionship and enrich our lives. While we understand that you may want a pet, we do need to consider the impact this can have on your property and neighbours. That's why you need permission before getting some types of pet.

You can get more information **on our website**.

If you have been given permission to keep a pet that becomes a nuisance to other residents you may be asked to remove the pet. If you have a pet that you have not been given permission to keep you can request retrospective permission. If permission is not granted you will be asked to remove the pet.

Ways to get in touch with us...

- ✉ leaseholders@peaksplains.org
- ☎ 0800 012 1311
- Chat live on our website peaksplains.org

Glossary of terms / definitions...

Arrears	The sum you owe when you have missed rent or service charge payments
Common areas	Areas shared by more than one person such as a communal garden
Enfranchisement	Buying the freehold of the block from the landlord
First Tier Tribunal	A service where leaseholders can challenge fees or charges
Freeholder	The outright owner of the land and building you live in
Landlord	Your landlord, Peaks & Plains Housing Trust
Lease	The contract that tells you what your landlord is letting to you and for how long
Leaseholder	Someone who holds the lease to a property
Lease extension	The process of purchasing more years to add to your lease
Lease variation	Making changes to the terms or conditions contained in your lease
Lessee	A tenant or leaseholder
Lessor	A person who leases or lets a property to someone else.
Major work	Repair or improvement work needed to a property, communal area or block that will cost more than £250 per service charge payer
Management fee	A fee you pay for the time staff spend managing your block or estate
Re-mortgage	Taking out additional borrowing against a property
Right to Manage	Taking over the management of the block you live in
Service charges	Fee payable for services you receive such as window cleaning



PEAKS & PLAINS
Housing Trust



leaseholders@peaksplains.org



0800 012 1311



www.peaksplains.org