

What Leaseholders Need

A seminar
Southwark Leaseholders' Conference
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Wm. Booth Centre
Denmark Hill

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The Symptoms

E.g.

1. The service charges are too high; answer: they reflect the costs reasonably incurred.
2. The standard of service is poor; answer: the standard reflects the contractual requirements.
3. The design solution is wrong; answer: it was agreed by the landlord.
4. The work did not need doing at that time; answer: leaseholders were consulted.
5. The work/service did not reflect vfm; answer: contractual standards met; L/L was satisfied

Etc.

The Underlying Illness

Leaseholders do not have a say/cannot influence the spend decisions

- The lease allows the landlord to spend leaseholders money on what; when; how; how much; and why.
- A variable service charge.

The Government's Cure

'Protection' e.g.

- S.19 LTA 1985 'reasonableness' FTT
- S.20 LTA 1985 'consultation'
- S.21 ff 'inspection of accounts'

NB Housing Act 1985 provisions in public sector.

The Government's Cure (cont'd)

'Influence'

- LTA 1987 › private sector
- LRHUD Act 1993 › collective enfranchisement
- CLRA 2002 › right to manage (private sector)
but public sector always has had the 'Right to Manage'
(1985 Act S.27)
(TMOs 1993 Act)

Southwark – Practical Examples

1. Direct Labour Force – repairs (SBS)
– cleaning/gardening
2. Partnering – major works
3. FRAs
4. My Southwark Homeowner Service £700k (ILMC)
5. Latest! : part B blocks' panels
› a personal example 'buildings insurance'

Leathermarket – Leaseholders Influence

1. No partnering – traditional procurement
2. Professional consultants – extra £
3. FRA responses
4. Panels – blocks looked at
5. Nashe House/Lifts on Lawson
6. Kipling DHS

Influence v Control

Leaseholders need to influence spend decisions
but

1. Hard work!
2. Collective decisions – service charges are communal.
3. Management decisions not political decisions.
4. Operational rather than strategic.

Conclusion

There is little need for further statutory reform

- › the tools are there
- › pick them up and use them
- › control spend decisions v complaints
after the event