

Leaseholder's Handbook



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Welcome to Midland Heart

- Introduction
- About us
- Further information
- Opening hours

Welcome

INTRODUCTION

This handbook is for all our leasehold customers, so please keep it handy so you can refer to it when you need to. It's a general guide and not a legal document so please refer to your lease agreement for any other information.

We hope that you find the information helpful and interesting and will help you get the best possible service from us. It'll set out your rights and gives you advice about the services we offer. If there's any part of this handbook or your lease which you are not sure about, please contact your property officer who will be happy to help you.

From time to time we may update or add information to this handbook, but we'll make sure we let you know about this as soon as we can if we do.

ABOUT US

We have been providing homes in the Midlands since 1925 and are committed to building long term relationships with you and the local community.

We provide homes for the whole community, from first time buyers and families, to those in retirement, in need of specialist care and those who are struggling to find a home.

Our team of property officers are dedicated to leasehold services and manage around 3,000 properties in the East and West Midlands. They are on hand to offer you advice on all aspects of your lease, provide you with accurate and timely information about the services you receive, the cost of these services and service charges. We aim to provide efficient, value for money services to our leaseholders, ensuring that service charges are reasonably incurred and that all services are provided to a high standard. Sometimes, there are changes in legislation, policy or practice which may have an impact on you. Don't worry, we'll update you with anything you need to know about this.

FURTHER INFORMATION

For further information about Midland Heart and the service we provide please contact:

Midland Heart

20 Bath Row
Birmingham
B15 1LZ

Telephone: **0345 60 20 540**

Or contact your Property Officer direct

Or visit our website: **midlandheart.org.uk**

OPENING HOURS

Our customer hub is open from **8am to 6pm Monday to Friday**

Our offices are closed on weekends and Bank Holidays and please check for opening hours during Christmas and New Year.

Policies & Procedures

- Equality & Diversity
- Confidentiality & Data Protection
- Service Standards
- Customer Complaints
- Customer Involvement



EQUALITY AND DIVERSITY

We've committed to providing homes and services which everyone will be equally pleased with. This means we'll treat all people fairly and with dignity and also work hard to remove and prevent all forms of discrimination in our homes and services. We'll specifically ensure that no resident, housing or job applicant receives less favourable treatment on any grounds. In particular on grounds of race, ethnic or national origin, religious or political beliefs, gender, sexual orientation, marital status, physical or mental ability, age or by being HIV positive or having AIDS.

We'll promote equality through positive action by our board, management and staff. We'll also make sure that people who work with us and who we buy goods and services from share our vision by asking them to show their commitment.

CONFIDENTIALITY AND DATA PROTECTION

All the information you provide us with is confidential. You have a legal right to inspect the information we hold about you which includes information we hold on a computer. If you'd like to see any of these records, please contact your property officer to make an appointment. You won't be able to take files off the premises but you can make copies of any document if requested. There may be a small charge for any photocopying.

We don't however, have to show you any information given to us in confidence by other people such as doctors, social workers or information that involves other people.

If you feel any information is incorrect, you can ask us to change it or remove any of it from the file. If we don't accept the information is incorrect, we'll attach a note to your file recording your view and our decision not to alter it.

Where outside organisations require information about you, this must be requested in writing and we'll only provide information that is relevant to a specific enquiry. If you feel this policy has been unfairly or unreasonably applied, please refer to our complaints procedure.

SERVICE STANDARDS

We have set levels of service standards so that you, our leasehold customers, know what you can expect from our Property Ownership team. We'll aim to always deliver the service in line with these standards.

We'll also monitor our service standards through telephone/postal/internet surveys, informal chats, mystery shopping exercises and through our comments, compliments and complaints procedure. We also encourage feedback through our email address publicised in our newsletter.

We want to:

- Make it easy for you to contact us
- Treat you with courtesy and respect in a professional manner
- Offer you help and advice
- Be open and honest
- Listen to your views and help you get involved
- Keep you well informed
- Get the service right first time
- Put things right when they go wrong
- Promote equality
- Train, develop, guide and support our staff
- Learn from our mistakes and our successes and try to improve our performance
- Provide our service to all members of the community irrespective of race, sex, religion or belief, sexual orientation or disability

We ask you to:

- Pay your service charges and rent within the agreed time on your lease
- Behave responsibly towards neighbours and visitors
- Keep your property in a good state of repair, including an annual gas service (where applicable and by a registered Gas Safe contractor)
- Allow staff and contractors access to your home where necessary to complete works on communal fixtures
- Report any communal repairs required on the building to us
- Not cause damage to any communal areas within or surrounding your building
- Be polite and respectful to staff

If you contact us we'll:

Telephone

- Answer your call as quickly as we can
- Take a message if the person you've tried to call is unavailable and arrange a call back as soon as is convenient
- Call you back as soon as possible if you leave a message on our answerphone

We aim to arrange call backs by the end of the next working day.

Writing

- Answer your letters and emails within 10 working days
- Include a contact name, direct dial telephone number and email address of the person writing to you

Personal Visits

- Make an appointment with you. We are able to visit you Monday to Friday between 9am and 5pm. Sometimes, we may be able to accommodate earlier or later hours during the working week
- Leave a card if you are out and let you know how to re-arrange the appointment
- Carry identification to prove we are who we say we are and will show you the identification upon arrival - you don't have to allow access without proof of identification
- Respect your home and all reasonable customs
- Provide interpreters upon request
- Facilitate leaseholder groups

Communal Repairs

- Respond to our repairs as outlined by the Responsive Contract

Site Visits

- Visit at least ten times a year where we provide significant communal services and between one to six times a year where we provide minimal communal services, dependent on the service level

We will send you:

- A copy of this handbook and a welcome letter for all new leaseholders
- Any updates to this handbook as necessary
- An estimate of your annual service charge
- A rent statement twice a year
- A copy of our complaints procedure upon request
- A copy of the building insurance details which explain how you can make a claim
- Information on how to access our Money Advice service if needed

CUSTOMER COMPLAINTS

We aim to ensure that our service is reliable, caring and efficient – and our surveys show that most of the time, it is. However, there may be times when you feel that we've fallen short of the standards you expect, or not resolved a problem as quickly or as effectively as you'd like.

If this is the case and you are dissatisfied with the service you receive, please let us know so we can put things right as quickly as possible. The best way to do this is to speak to your property officer. In most cases they will be able to resolve the problem.

What happens if they can't help?

If you're not satisfied with the way the problem has been dealt with, or if you feel the matter is not being resolved quickly enough, you may want to make a formal complaint. You should tell us what you think we have done wrong, and also what you would like us to do to put things right. You can do this in several ways:

- Put the complaint in writing to Midland Heart
- Telephone your customer service centre
- Speak to your Property Officer who will write down the complaint in your own words and ensure that it is passed to the right person

Who will deal with the complaint?

Stage One. In the first instance most complaints will be dealt with by the relevant departmental or regional manager at one of our offices local to you. The manager will investigate the complaint and will normally let you have a response within ten working days. If the matter is complicated and it is not possible to give a response within that time, the manager will let you know when you can expect an answer.

What if I'm still not satisfied?

Stage Two. If you're not satisfied with the way your complaint has been dealt with you can take it to the next stage of the formal complaints procedure. This means that the complaint will be investigated by one of our senior managers. We'll aim to give you a response within ten working days of receiving your appeal.

Stage Three. If you still remain dissatisfied, you can appeal to our Executive Board. Again, we'll give you a response within ten working days of your request to appeal to the Board.

Housing Ombudsman. If you've been through all the stages of our formal complaints procedure, and you still remain dissatisfied, you'll then have the right to take the complaint to the Independent Housing Ombudsman. The Ombudsman will only consider complaints after they have been through all the stages of our own internal procedure.

Sometimes, we may feel it is appropriate to refer a complaint to an independent organisation for arbitration or mediation. We'll only do this with the agreement of all the parties concerned.

However, we hope that you are happy with the service we offer you. If this is the case or if you'd like to compliment a particular member of staff, we'd love to know about this too. Please get in touch!

CUSTOMER INVOLVEMENT

We want to continually improve how we communicate with you. We believe that our leaseholders should have a voice and play an active role in how we provide our services. With this in mind it's our intention to actively involve you in the decision making process.

Customer Complaints

When we receive a customer complaint, it'll be dealt with as described under the Complaints Procedure. However, we actively use this information to improve our services and make sure these complaints don't happen again.

Mystery Shopping

We regularly have mystery shoppers test our services. This is to make sure we provide you the highest standard of service at all times.

Postal/Phone Consultation

We really value your feedback and we're happy for you to write or call your Property Officer with suggestions of ways we could improve our services to you.

Leaseholder Handbook

This handbook will be provided to every Leaseholder. Should you sell your property, please pass this handbook on to the new owners.

Residents Groups

We're happy to kick start and run residents groups for Leaseholders should you wish us to. Please contact your Property Officer for more information.

Focus Groups

We might from time to time, run focus groups which look at a specific issue or service area. You can register your interest in being involved in these. The agenda and outcomes for these groups will be featured in our 'In Touch' newsletter.

Your Right to Consultation

We have a legal duty to consult with you regarding major works contracts. Please refer to the "Major Works" section of this handbook.

Leaseholders & Landlords

- Who is a Leaseholder
- What is a Lease
- Copying, changing, ending, transferring your Lease
- Leaseholder Rights & Responsibilities
- Home Improvements & Written Permission
- Landlords Rights & Responsibilities
- Leasehold & the Law



WHO IS A LEASEHOLDER?

Once you've completed the purchase of your shared ownership property, you'll become a leaseholder. When you purchase additional shares in your property, you may become a Freeholder (this typically applies to houses). However, some properties may always be leasehold (this typically applies to apartments where there are communal grounds and communal services provided or where the freehold is owned by a local authority who is not prepared to sell the freehold land to us).

You may also own a house through purchasing 100% of the shares and therefore be a freeholder, but you may still be required to pay a service charge to cover the costs of communal areas and services provided.

WHAT IS A LEASE?

A lease is a legal contract between us (the landlord) and you. It's your solicitor's responsibility to explain it clearly to you before you sign it. This section outlines the conditions which appear in most leases, but leases do vary. Your lease sets out your rights and responsibilities as a leaseholder as well as our responsibilities. Your lease will run for a number of years and the length of time this lease has left to run is called the "unexpired" term.

Your lease is your most important document and we advise you to read it carefully. Please refer to your own lease for specific information but the following are examples of the types of conditions your lease may have:

- A responsibility to pay rent where you are a shared owner
- Information on how we work out the rent
- A right to buy additional shares, known as "staircasing"
- Restrictions on the right to sublet whilst you are still a shared owner
- How to sell your home whilst you are still a shared owner
- A description of the property you have bought, together with any gardens, parking or store which has been sold to you
- Definitions of your estate or scheme and your block or building. These are important as your service charge is based on these.
- The length of the lease
- The types of services which will be provided
- Details of rights, such as rights to use shared areas
- Details of when and why staff can come into your home
- Information about maintaining the estate, scheme, block or building and the inside of your home
- Our rights and responsibilities as the landlord
- Your rights and responsibilities as the leaseholder
- Service charges and how we work them out
- Details of contributions to sinking funds
- Information about ground rent

- Details about buildings insurance
- Information about paying your service charges, arrears, being charged interest on outstanding payments to us and our rights to end the lease in certain circumstances
- Details on what you can and cannot do at your home and on the estate

DO YOU NEED A COPY OF YOUR LEASE?

If you've lost your lease, you can contact the Land Registry and they'll be able to supply a copy for a fee. It's unusual for your mortgage lender to retain your title deeds since dematerialisation. Often your solicitor will send the original lease to you following registration and it's best to keep this safe.

CAN A LEASE BE CHANGED?

The lease can only be changed in exceptional circumstances. For example, your lease may ask us to do something which isn't possible. There are complicated rules governing how a lease can be changed. If you need more information you should contact a solicitor.

ENDING YOUR LEASE

We can only end your lease if you break some of the conditions of the lease. For example, if you do not pay the rent and service charges.

If we consider that you have broken the conditions of your lease, we will write to you. We will explain how you are in breach of the conditions of your lease and what you must do to put it right. If you continue to break the conditions of your lease, we may ask a court to end your lease.

The court will ask us to prove that:

- You've broken the conditions of your lease and;
- It's reasonable for you to lose your home as a result

You can also end your responsibilities under the lease by selling your home. Usually, the person who buys it will take on the lease. Sometimes, they will have a new lease granted.

If you're a shared owner and live in a house and buy all the remaining shares, you'll become an outright owner.

TRANSFERRING YOUR LEASE

You can add an extra leaseholder or remove a leaseholder from the lease if all existing leaseholders agree. Please note that your service charge or rent account (or both) must be clear of arrears.

You'll need our permission and the permission of your mortgage lender in both cases.

You'll also need a solicitor to deal with the transfer of the lease and you'll have to pay all the legal costs.

Relationship Breakdowns

If you hold a joint lease with a partner and the relationship breaks down, one of you can take on the lease. However, you'll need permission from us and your mortgage lender. We'll try to help and give permission if we can. We won't give permission if we think the remaining leaseholder cannot afford to pay the mortgage, service charge and other costs.

If you can't agree who should take on your lease, you must ask a court to decide.

Wills

You may be able to pass on your lease in your will. If you're a joint leaseholder, you may be able to pass on your interest in the lease, but you should be aware of any restrictions in your lease.

You should obtain your own independent advice on what will happen to your property if you die without leaving a will as it might not pass to the person you think it would.

WHAT ARE THE LEASEHOLDERS RIGHTS AND RESPONSIBILITIES?

A leaseholder has the right to peaceful occupation of your home. In return you are responsible for:

- Paying your rent unless you have staircased to 100% ownership of the property promptly and regularly
- Paying ground rent where applicable promptly and regularly
- Paying insurance premiums for the building insurance promptly and regularly
- Paying all service charges due including a contribution to a sinking fund promptly and regularly
- Carrying out all repairs that are your responsibility which include the repair/replacement of all internal fittings, fixtures and services exclusively serving your home
- Not making any structural alterations or additions until you have our written consent. This includes any work to the interior of the property involving the movement or removal of any internal walls.
- Not causing a nuisance or annoyance to your neighbours.
- Not harassing or causing offence to others, including to our staff
- Using your home only as a private residence
- Not to sub-let your property
- Keeping your home in good repair and condition
- Allowing us into your home to carry out repairs to your property or other parts of the building, or to neighbouring properties, if we give you 48 hours notice, in writing (except in emergencies)
- Allowing us into your home to carry out repairs to your property which are your responsibility, if you've failed to do them yourself within a reasonable time period. You'll be re-charged the full costs of such works including VAT and associated administration costs
- Being responsible for any overflows and for the cost of any damage caused
- Not putting up a TV aerial or satellite dish or burglar alarms outside your property or on the building without obtaining written consent to do so from us
- Not changing windows, external doors, removal of chimney breasts or re-roofing your home without our written consent to do so
- Not erecting an extension or conservatory without our written consent to do so
- Not using your home for running a business
- Not using your home for immoral or illegal purposes
- Paying all taxes due on the property eg: council tax
- Parking only in your designated parking space if you have one
- Checking if your lease allows pets (only certain ones do)
- Informing us if you wish to sell your property and obtaining our consent to do so
- If you purchased your home under the Right to Buy scheme, repay a proportion of any discount you received from us if you sell within the discount repayment period. (This varies between 3 and 5 years – please check with our legal admin team for further details)

Usually the space inside the roof is not included in your property, even if there is only access to it through your home.

INFORMATION WHEN YOU ARE CARRYING OUT IMPROVEMENTS WHICH REQUIRE OUR WRITTEN PERMISSION

Any work where our written permission is required will only be approved subject to planning and building regulations, the rules of statutory authorities (gas, electricity, water), any conditions we state and that all works are carried out properly and safely by qualified workers (for example NICEIC qualified fitter for work on an electrical fitting or appliance). Please note we can't process an application for obtaining our permission, if you owe service charges or rent. If you have an outstanding balance, you'll first need to contact your Property Officer to discuss the clearance of your outstanding arrears before your application can be processed. We'll need plans and exact details of the work to be done. We may ask a surveyor to visit your home and check the plans and specifications.

We'll inspect the work or ask to see a certificate to ensure the work has been done correctly. If the work is extensive we'll draw up a "Deed of Variation". This is a legal document which changes the terms of your lease. Also, if the layout of the property changes, we will have a new plan drawn up and added to the Lease. You'll be charged for all our costs relating to plans including inspections.

Examples of work you need permission for are:

- Replacing your windows
- Building an extension or conservatory
- Altering the internal layout of your dwelling
- Converting a loft

You need to obtain permission for all works which alter the structure or layout of your property, even if, for example, you want to take down an inside wall that is not part of the main structure.

Examples of works where permission isn't required but you still need to notify us beforehand would be:

- Internal rewiring works to your home
- New heating systems
- New plumbing and tanks
- New kitchens or bathrooms
- Installing an air conditioning/ventilation system

You're responsible for looking after everything inside your home or that only relates to your home. This includes:

- Inside walls which are not part of the main structure, plasterwork, ceilings and floorboards or flooring but not ceiling or floor joists
- Decoration and general repairs to the inside of your home
- Doors and doorframes (including your own entrance door to your apartment)
- Window glass but not window frames
- Sanitary fixtures and fittings
- Tanks, pipes, plumbing, wiring and drains supplying water, gas and electricity to only your home
- Individual central heating, hot water systems and radiators
- Individual garden areas (if you have one)
- Gardens, steps, hedges and boundary fences (if they are used only by you)
- Reporting of shared repairs which are required

Other charges which are outside of the lease, but for which you are responsible are:

- Contents insurance
- Gas, water and electricity charges
- Council tax

Other items you are responsible for are:

- Having any gas appliances fitted by a Gas Safe registered engineer and having those appliances serviced annually along keeping the certificates
- Repairing any accidental damage to any part of your home or the building caused by yourselves, your children, your pets or your visitors

Disabled Adaptations

There may be occasions when you feel that your home needs to be adapted if you or someone living with you has a disability. You'll need to write to us as described above to make alterations.

You may be able to apply to your local council for a Disabled Facilities Grant (DFG). This type of grant is used for the adaptation of a property for the benefit of a disabled person.

WHAT ARE THE LANDLORDS RIGHTS AND RESPONSIBILITIES?

Midland Heart (or where Midland Heart is not the freeholder a managing agent) may provide services and will have repairing obligations.

If you live in a house, you'll be responsible for your home but we may provide some services if these are shared with your neighbours, for example:

- Shared pathways
- Shared car parks
- Communal lighting
- Communal grounds
- Unadopted roads

If you live in an apartment, Midland Heart or the managing agent, will be responsible for the main structure, the exterior of the building, and any shared services which may include:

- External walls and inside structural walls
- The roof, foundations, timbers, joist beams, chimney stacks, drains and guttering
- Heating in common areas
- Shared TV aerials and satellite dishes
- Window frames
- The common parts including shared entrance hallways, staircases and landings, lifts
- Decoration to the outside building
- Shared boundary walls, fences and footpaths
- Shared car parks
- Electrical/mechanical services provided to the building such as entry-phones and communal lighting
- Unadopted roads

Whether you live in a house or an apartment, Midland Heart or the managing agent will insure your leasehold property for the full reinstatement value.

Where we provide services, we'll maintain proper service charge accounts and provide you with information on these services. Upon request, we will let you know how these are calculated. We'll set the anticipated service charge budget each year and notify you of these changes and any changes in relation to your rent and management charge fee.

We have the right of access to your home to carry out inspections or repairs, as do our agents. We would do this at a reasonable time and give sufficient notice. We also have the right to take enforcement action if you fail to carrying out repairs and maintain your home to a decent standard. In an emergency, if we require access and we are unable to contact you or you fail to allow us access, we may apply for an injunction to gain access.

We also have a responsibility to take legal action against you if you persistently cause harassment or anti-social behaviour to your neighbours and fail to address this when asked. This could result in us applying for an injunction or possession of your home.

FURTHER RIGHTS FOR 100% LEASEHOLDERS UNDER THE COMMONHOLD AND LEASEHOLD REFORM ACT 2002

The Act gives certain leaseholders the right to take over the management of the building where their apartment is situated without having to prove any shortcomings on the part of their landlord.

The Act sets out strict requirements to be met in respect of those buildings where the right can be exercised, which leaseholders can exercise this right and how a Right to Manage Company must be set up. The right can only be exercised in respect of a self contained building or part of a building. In respect of Shared Ownership leases, only those where 100% of the share have been acquired will qualify to take part. There has to be a certain number of qualifying leaseholders in the building/development to instigate such proceedings under the Act.

If you are interested in this option, you should visit **www.lease.co.uk**.

As part of the shared ownership agreement, you're not allowed to sublet your home. However, you may rent out a part of it while you continue living in the property – for example, by taking in a lodger. However, you mustn't issue them with a tenancy agreement, as this will give rights of occupation that you aren't permitted to give. If you wish to take in a lodger you should inform your Property Officer and we also strongly recommend you inform your mortgage lender. As a general rule you'll need their permission.

ENFRANCHISEMENT

The Leasehold Reform Act 1993 gives certain long leaseholders the right to acquire the freehold of a house (known as enfranchisement). This only applies if you own all the shares under your lease and isn't available to shared ownership leases.

Houses

Leaseholders who occupy a house under the terms of a long lease of more than 21 years duration, who have held the lease for at least 2 years and who pay a low rent can purchase the freehold of that house or extend their lease provided that they meet certain statutory criteria. If you're interested in doing so, you'll require professional advice to confirm that you meet all the statutory criteria and valuation advice in respect of the cost of the purchase. Please note that we are a registered social landlord which means we're excluded from the statutory provisions and cannot be forced to sell the freehold. However, we're likely to consider the possibility as long as the proper legal process is followed.

Apartments

Leaseholders who occupy apartments under the terms of a long lease (of more than 21 years duration) and who pay a low rent can (along with other similarly qualifying leaseholders in the same building) purchase the freehold of the building in which their apartment is situated. There are strict statutory criteria to be met in respect of the building itself and in respect of the number and type of leaseholders who may participate in the scheme. This is known as Collective Enfranchisement.

Leaseholders who occupy apartments under the terms of a long lease (of more than 21 years duration) and who pay a low rent can extend the duration of their lease provided they meet the statutory requirements. Shared ownership leaseholders do not have the right to extend their leases unless they own all the shares and have held the full shares and lease for 2 years. Any extension would be at market value, plus our costs.

If you're interested in either of these options, you'll require professional advice to confirm that all the statutory criteria can be met and valuation advice in respect of the cost of the purchase.

Again, please note that we are a registered social landlord and are excluded from the statutory provisions. We can't be forced to sell the freehold or extend a lease but we're likely to consider the possibility as long as the legal process is followed.

THE COMMONHOLD AND LEASEHOLD REFORM ACT 2002

The purpose of the Act is to provide more rights and power for leaseholders and provide greater protection for their service charge money.

Part 1 of the Act introduces a new form of tenure called Commonhold, which is a type of freehold estate. The title to the land is registered as a freehold estate. Each individual apartment is a separate freehold and the remaining elements of a building are seen as a "common part". The common parts are owned by the Commonhold Association which is a private company comprising of apartment owners.

Part 2 of the Act makes key changes to the existing leasehold legislation. The Act aims to reform residential leasehold law, giving leaseholders new rights and enhancing existing ones, to give leaseholders a greater degree of control over the management of their homes.

The main features of the Act are:

- The introduction of a new Right to Manage which enables leaseholder of apartments to take over the management of their building without having to prove fault on the part of the landlord or pay him any compensation. Right to Buy owners in rented blocks (where they out-number tenants) can claim the right. There are, however, specific requirements in terms of having to set up management companies for this purpose. The Right to Manage is not available to leaseholders of houses
- Easier enfranchisement for both leaseholders of apartments and leaseholders of houses (see above). Right to Buy owners in rented blocks (where they out-number tenants) can claim the right
- Easier ability to obtain lease extension and new longer leases
- The provision of the right to buy the freehold to leaseholders of houses who have previously extended their lease or the right to an assured tenancy after the expiry of their extended lease
- The strengthening of leaseholders' rights against unreasonable charges levied under their lease and the strengthening of leaseholders' rights to be consulted about service charges
- The strengthening of account rules for leaseholders' monies.
- The requirements for landlords to hold service charge funds in designated separate client accounts

Safety in your home

- Preventing Fires
- Annual Gas Safety Checks
- Preventing Carbon Monoxide Fumes
- Electrical Safety
- Burst & Frozen Pipes
- Condensation Advice
- Security



SAFETY IN YOUR HOME

This section provides some reminders on how to make your home safe and secure.

Preventing Fires

Homes recently built or modernised by us have good fire safety standards, but to reduce the risk of fire you should remember:

- You should have at least one smoke detector fitted. Test it regularly and replace the battery once a year
- Paraffin or Calor Gas heaters are dangerous, promote condensation and shouldn't be used
- Before going to bed or when you go out, make sure all fires are out and you've put out all cigarettes
- Make sure all matches and lighters aren't within reach of children
- Don't dry clothes over heaters
- Always watch chips pans while you're cooking and remove them from the heat when you've finished
- Don't leave candles lit if no-one is in the room
- Keep communal corridors, stairs and access points clear at all times in case of evacuation
- Never tamper with the self-closing mechanism on a door, or wedge the doors open. The closers are fitted so that the fireproof doors limit any fire to a small area to give you time to escape. Please report any damage to fire doors to us immediately.
- Close all doors at night
- Make sure that all fires have guards where there are small children or elderly people present
- Consider purchasing a fire blanket to use in the kitchen and a fire extinguisher for general use but make sure you carefully read the instructions so it's used correctly
- You mustn't store bottled gas, paraffin, petrol or other flammable substances in your home
- Plan an escape route with your family in the event of fire and teach them how to make an emergency call
- Make sure you know where window and door keys are so you can get them quickly, even in the dark, in case of an emergency
- If you have a mobile phone, make sure it's always charged up and in the room with you

If there's a fire in your home:

- Don't try to put the fire out unless you can do so quickly and safely
- Leave the room straight away and close the door
- Call the fire service and then leave the building

If you smell gas:

- Put out cigarettes
- Don't use electric switches (e.g. light switches)
- Open doors and windows to let the gas escape
- Check to see if the pilot light has gone out
- Check that no gas-fire supply is open and unlit
- Turn off the main gas supply (the main gas on/off lever can be found next to your gas meter)

If you suspect a gas leak, turn off the supply at the meter and contact your gas supplier as soon as possible.

Annual Gas Safety Checks

Gas safety checks are for gas leaks as well as for carbon monoxide (CO). Please remember it's important to have a gas service and safety check. You're advised that you should arrange this as the maintenance and servicing of all gas appliances is your responsibility.

Preventing carbon monoxide fumes

Carbon Monoxide (CO) poisoning can kill without warning. It's a colourless, odourless, poisonous gas. The initial symptoms of CO poisoning are similar to the flu (but without the fever). They include headache, fatigue and shortness of breath, nausea and dizziness. To prevent this you should:

- Keep rooms well ventilated
- Never sleep in rooms that have a gas back boiler
- Never burn charcoal inside a home, garage, vehicle or tent
- Never use portable fuel-burning camping equipment inside a home, garage, vehicle or tent
- Never use gas appliances such as ranges, ovens or clothes dryers for heating your home
- Never operate un-vented fuel burning appliances in any room with closed doors or windows or in any room where people are sleeping
- Don't use petrol powered tools or engines indoors
- Make sure vents are not obstructed or closed internally or externally
- Sweep chimneys at least once a year
- Buy officially approved gas appliances marked with 'CE'
- Use Gas Safe registered engineers to install gas appliances and to check and service them once a year - always keep the certificates
- Consider purchasing a carbon monoxide detector and ensure that batteries are checked annually

Electrical safety

It's important to have electrical safety checks regularly. Under new Building Regulations (Part P), all electrical alterations in your home must be done by a suitable and competent person who'll give you a certificate to say the work has been tested by an appropriately qualified person.

- Unplug any appliances that are not in use
- Always switch off the television at night
- Don't leave DVD players, TVs, computers and similar items on standby mode
- Use the correct fuses in plugs
- Don't touch bare wires. Turn off the electricity at the consumer unit
- Don't touch anything electrical if it's wet. Turn off the electricity at the consumer unit and don't use it again until it's completely dry
- Don't overload sockets. When you use adaptors, make sure that the total load on the adaptor is no more than 13 amps
- Don't carry hand held electrical appliances into the bathroom, other than an electric shaver or electric toothbrush
- Don't wire more than one appliance into a plug
- Replace worn flexes as soon as possible and don't put flex under carpet or lino – as you won't notice if it frays
- Don't carry out any electrical alterations or improvements yourself
- When putting in nails or fixings, take care to avoid where electrical wires are put behind plaster
- Make sure that all new appliances carry the British Electrical Approval Board (BEAB) guarantee and safety sign
- Use low voltage systems for garden lighting and a circuit breaker for power tools or appliances (e.g. a lawnmower)

For more advice on electrical safety, it's best to contact your local electricity board.

Burst and Frozen Pipes

To prevent burst pipes in cold weather you can:

- Try to keep your home fairly warm at all times by leaving your heating on a low setting, even when you're not there
- Know where your stopcock is and make sure you can turn off the main water supply if you need to
- Make sure outside taps are lagged and if they have separate stopcocks turn them off in winter
- If you're going away or the property is empty, even if this is for a short time, drain the water system by closing the stopcock and opening the taps

If your pipes do freeze or burst:

- Turn off the main stopcock
- Switch off your immersion heater if you have one
- Switch off your heating and hot water system
- Turn on all your taps to drain off as much water as possible
- Try to find out where the water is coming from and contain it if possible by putting rags or a bucket under it
- Report the problem to us if it's occurred in a communal area or if the communal areas are affected
- It's important that you do not use your lights if water is dripping through a light fitting

Condensation Advice

Condensation can be a major problem as it's caused by moisture carried by warm air meeting cold surfaces such as windows and walls. The vapour is turned back into liquid on contact and can, over a period of time, cause damage to clothes, bedding, decorations, furniture and result in unsightly mould growth.

To prevent condensation, follow this guidance:

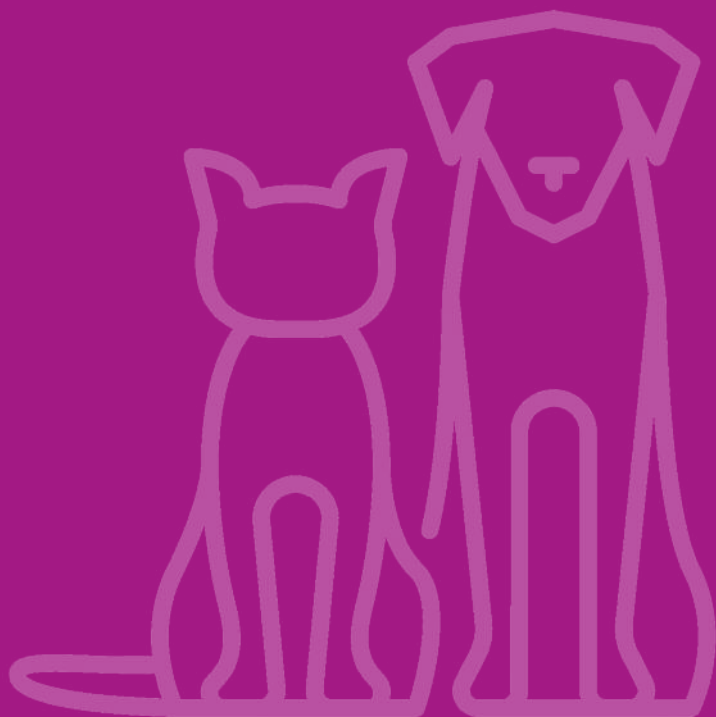
- Don't leave kettles boiling
- Put lids on boiling pots and pans
- Open a window to let out any built up steam
- Always dry washing outside if you can
- If you dry washing indoors, always open the window and close the door
- Always make sure that you vent a tumble dryer to the outside of the house or purchase a self-condensing tumble dryer
- Use vents in bathrooms
- Use extractor hoods in kitchens
- Keep window trickle vents open

Security

- Keep a spare set of keys with a family member or close friend in case you accidentally lose your keys or lock yourself out. We don't hold keys for individual properties
- When a property is purchased from us, we provide two sets of keys. We're not responsible for providing keys to owners who've purchased properties which have been re-sold
- Additional communal keys and parking entry fobs will be charged for
- All our property officers have an identity card which identifies them as our staff and you can ask to see before admitting them to your property
- Close all windows and doors every time you go out
- Have a chain fitted to your door if you don't have one
- Don't leave a key under the doormat, flowerpot or on a piece of string
- Consider fitting window locks, especially to ground floor windows if you don't have them
- When you go on holiday, cancel newspapers and milk deliveries if you have them

Living in your home

- Rubbish Disposal, Recycling & Garden Maintenance
- Smoking Policy
- Door Entry Systems
- Communal Areas
- Car Parking
- Pets
- Being A Good Neighbour
- Anti - Social Behaviour & Harassment



LIVING IN YOUR HOME

We want all our customers to live in a happy and safe environment. We ask that you treat your neighbours with consideration and respect and fulfil your responsibilities to look after shared areas.

Rubbish Disposal and Recycling

- Your local Council collects household waste from bins and recycling boxes or bags provided or from the shared bins area
- Bulky items will not be collected with household waste but your local Council will collect them separately if you call and make arrangements
- Don't throw or drop anything from balconies or windows
- You can be fined or even go to prison for misuse of drains, dumping rubbish or not using waste storage and collection facilities correctly
- Garden waste can't be mixed with household waste. It might be collected at the same time if you put it in special bags or bins provided by the Council
- Please ensure your dustbin does not overflow as this can attract rats and other vermin
- Make sure you put your dustbin out on the right day for collection

Gardens

If you have a private garden, maintenance of the garden is your responsibility, both front and back.

If your gardens are communal, we want you and your neighbours to enjoy them so please keep them as nice as possible. If there are any problems with the garden, particularly damage or misuse of the gardens, please report these to your Leasehold Property Officer.

We'll arrange for communal gardens to be tended which will include grass cutting and the costs of this are covered in your service charges. You'll be advised of the frequency, specification and costs of any gardening works.

Smoking

It's illegal to smoke in any of the internal communal areas, so please consider this and your neighbours.

Door Entry Systems

We install door-entry systems and CCTV cameras for your security and ask you to please make sure that the door is always locked behind you. If you find any faults with the doors please report these to us immediately.

Please be careful who you allow into the building and try not to allow non-residents follow you into the communal areas. They should press the button for the apartment they are visiting. Also, never leave the entrance door unlocked or propped open.

Communal Areas in the Building

All communal areas must be kept clear for health and safety, particularly fire safety reasons. Please don't use them for storage of pushchairs, bikes, pet cages or rubbish temporarily or permanently outside your door, on landings or in other shared areas. When such items are reported to our Leasehold Property Officer, we'll write to you asking you to remove the items straight away. An inspection will take place 5 days later and any items which have not been removed by you, will be removed and disposed of by us.

We'll arrange for communal areas and windows to be cleaned and the costs of doing this are covered in your service charges. You'll be advised of the frequency, specification and costs of cleaning.

Car Parking

Please note that we'll take action to remove any vehicles parked on our land that are untaxed or not in regular use. You're only entitled to park in your own designated car parking space and your visitors should park in the visitor's parking space, or your parking space. It's likely that as pressures on parking increase, we'll need to introduce controls for the benefit of all residents. We'll seek to review needs with residents.

We ask you don't:

- Change oil or discharge fuel tanks
- Do any major car repairs, paint spraying or car breaking
- Park commercial vehicles or lorries
- Park on footpaths, pavements or verges
- Block access to other residents or emergency vehicles

Pets

Most residents who live in apartments with shared entrances aren't allowed to keep pets. However, there are exceptions to this and permission may be given. If you wish to keep a pet, or are unsure if anyone in your building has permission to keep a pet, please contact your Leasehold Property Officer. Residents who have their own front and back door are generally permitted to keep domestic pets.

If you have a pet, please don't allow them to make unreasonable noise. Please, keep dogs on a lead outside the home and don't let any pet foul the pavements, neighbours or communal garden area. If this happens, it must be cleaned up by the pet owner.

BEING A GOOD NEIGHBOUR

We want to create neighbourhoods where people choose to live. To help us achieve this please be considerate to others living around you. Our message to all our residents is to enjoy your home, but don't prevent others from enjoying theirs.

Good neighbours understand there will be noise on occasions from other homes but also understand the need for peace and quiet. To be a good neighbour, we ask you please treat others around you as you would like to be treated.

Anti-Social Behaviour

Anti-social behaviour is any behaviour which harms the quality of life of residents in an area causing distress or alarm. It includes threats, drug dealing, theft and vandalism, harassment or victimisation.

Harassment

Harassment is the deliberate interference with the peace, comfort or safety of any person on grounds of race, colour, ethnic or national origin, religion, gender, marital status, age, sexual orientation or disability. Harassment can be a criminal offence. Examples include:

- Violence or threats of violence
- Abusive or insulting language or behaviour
- Damage or threats of damage
- Writing threatening, abusive or insulting graffiti
- Mental, emotional or sexual abuse

Action

If you're not able to resolve the matter privately, you should contact your Property Officer. We can give advice and may be able to help. We'll need evidence of the problem; it's a good idea to keep a diary of events. You may be asked to appear as a witness in Court. We'll support and help any victims of anti-social behaviour or harassment and will help if you wish to involve us. This could include visiting the victim to get details of the incidents. A resident's choice of whether or not to involve the police will be respected.

We work in partnership with other agencies including the police and the local Council to tackle anti-social behaviour and harassment activities. We'll:

- Investigate the complaint with the police if necessary
- Send warning letters and take any legal action we can under the terms of the lease
- Interview the person and any witnesses with your agreement
- Send you history sheets to record the incidents. Please return them to us as quickly as possible so that we can assess the evidence and advise on what action can and should be taken

Noise and Nuisance

Nuisance, including noise nuisance is always unwelcome. The person causing the nuisance may be unaware of the problems they're causing and speaking with your neighbour in the first instance can usually resolve these types of problems.

Examples of activities which we consider to be a nuisance are:

- Playing music, television, radios so loudly that it can be heard outside the home
- Arguing, door slamming, or other offensive behaviour heard or seen outside the home
- Repeated dog barking, roaming or fouling of shared areas
- Large numbers of visitors frequently calling at the home or congregating around the home in a way that intimidates passers-by
- Allowing children to run into other people's gardens, play ball games close to a neighbour's home, bang on doors or use abusive or insulting language
- Selling or taking illegal drugs
- Using domestic appliances at unreasonable times of day

Action

If, after approaching your neighbour, the situation does not improve, please contact your Property Officer.

If a leaseholder or any member of their household is causing a nuisance to neighbours, they are in breach of their lease. This includes children, visitors, pets and lodgers. If a leaseholder doesn't respond to complaints by neighbours, we'll take the matter up. Initially, we'll try to resolve the matter. However, if the nuisance doesn't stop, we'll take action against the offending leaseholder.

We'll not take action in some circumstances, such as:

- Petty disputes between two households
- Parking issues on highways
- Minor lifestyle disagreements, such as cooking smells, noise of a child playing in their own home
- Children falling out with each other

Repairs & Maintenance

- Reporting Communal Repairs
- Repair Response Times to Communal Property
- Leaks
- New Homes
- Structural Faults and Warranties



REPAIRS AND MAINTENANCE

Under the terms of your lease, you're responsible for any necessary repairs to your own property. We're responsible for repairs to the building structure of apartment blocks, communal areas and equipment, the cost of this is covered in your service charge.

How to Report a Communal Repair

We'll keep in good repair the structure of any apartment buildings and the communal areas. This includes roof, drains, window frames (not the glass), external doors, communal lighting, shared paths and garden areas.

Please let us know about any repairs to communal areas. Give us a call on **0345 60 20 540** to get through to the customer hub. Or, feel free to call, write to or email your Property Officer to do this.

If we aren't the owner of the apartment building, your Property Officer will be able to contact the owner (as we pass on your service charges to them) and we'll keep track of the progress of these works for you.

Emergency Repairs

If it's in office hours, please call your property officer or the Customer Hub on **0345 60 20 540**. If it's out of hours, please call the hub and leave a message with your details on and we'll get back to you the next day.

Repair Response Times to Communal Property

Emergency – to be attended to within 24 hours:

- Break-ins to communal areas
- Fire
- Floods
- Blocked drains
- Fire alarm faults
- Breaches of security to communal windows and doors
- Any fault which would endanger lives or put the safety of the public or residents of the building at risk

Routine Repairs – to be attended to within 14 working days:-

- All other routine repairs

Leaks

You may, by accident, cause a leak into another resident's property or unfortunately have to deal with the effects of a leak from a neighbouring property.

If the other property is a leasehold dwelling, we won't undertake any remedial work and the leaseholder is responsible for making an insurance claim and undertaking the remedial works required.

If the property is a Midland Heart tenanted property which has received damage as a result of a leak from a leasehold property, we'll carry out the remedial works to the tenanted property but will issue the leaseholder with an invoice for the costs of the works required to put right the damage caused.

When we become aware of an on-going minor leak from a leasehold property, we'll endeavour to contact the leaseholder and inform them that repairs are needed.

If no works are undertaken by the leaseholder to stop the on-going leak, then we'll write to the leaseholder asking them to rectify it within a certain time period. Failing this, we'll obtain an injunction to enter and do the works ourselves. Obviously, this action is only used as a last resort but would result in the leaseholder paying the full costs (including VAT) involved in stopping the leak as well as any associated legal and administrative expenses incurred by us.

New Homes

If you live in a new home, the contractor who built the home may be responsible for some repairs for a limited time after your home was completed. This is usually either 6 or 12 months and is called the "defects liability period". This starts from the time when the property is build complete and not the date you move in. Therefore it might have expired before you legally complete. We'll let you know during completion if your property has a "defects liability period" and when that expires and write this in your handover paperwork.

If your property is covered by a "defects liability period" we'll inspect your property with the contractor and agree what outstanding repairs, if any, is the responsibility of the contractor. The contractor's responsibility ends when they complete their repairs.

Structural Faults and the NHBC/Zurich

After the defects liability period, you may also be able to claim against the insurance cover provided by one of the above contractors. This policy will provide insurance cover for structural faults in your property. Your solicitor should've explained this at the time you exchanged contracts and provided you with a pack of information and your certificate when you legally completed. This cover is different from your buildings insurance or contents insurance cover as it covers the property for 10 years.

Money Matters

- Service Charges
- Major Works
- Sinking Funds
- Building Insurance Cover
- Rents & Payments
- Mortgages, Re-Mortgaging & Further Advances
- Arrears, Benefits & Problems Paying
- Benefits and Problems Paying/ Claiming
- Universal Credit
- Paying Your Bills



SERVICE CHARGES

Service charge is a payment you make towards providing and maintaining services for your building and/or estate. All leaseholders pay charges for building insurance and management of accounts. You'll also be required to pay into a "sinking fund" for major repairs and maintenance (see section on Sinking Funds).

Typically service charges can cover:

- Communal repairs and maintenance
- Cleaning of communal areas
- Maintaining of communal gardens, shrub areas and grass cutting
- Electricity – communal hallways, street lighting, external security lighting including periodic safety checks
- Emergency lighting, annual servicing of communal emergency lighting and safety equipment
- Contributions to the sinking fund
- Contributions to replacement reserves for major items, such as door entry systems and lifts
- Surveyors and other consultant's fees and costs in providing landlord's services as defined in your lease
- Management costs – incurred in setting up contracts and providing services eg: communal TV aerial systems. (Please note we do not attend to individual TV aerial repairs)

Ground Rent is also payable by leaseholders. It's a small payment paid every year and the amount is fixed for the period of the lease. We'll invoice you in April each year for this cost.

When you first buy your property, we'll provide you with details of the services we provide. The service charge year is 1 April to 31 March. We do review the estimated charges each year and will send you a new estimate.

Details of the final (or actual) costs will be sent to you within six months of the end of the financial year. If the cost has varied, we'll adjust your account for the following year. This is similar to your gas and electricity bills.

How service charges are calculated

The charges are calculated by taking into account the costs of services provided to each individual building or scheme. Each scheme has its own service charge, there's no cross subsidisation between schemes. We calculate it by dividing up the costs of each service by the number of properties that use or benefit from that service.

For example: if your property is situated within a block of 10 apartments, you'll be responsible for one tenth of the costs incurred in providing services to the block in which your apartment is located i.e. one tenth of the costs for communal lighting, ground maintenance and building repairs. Where the costs apply to an individual property, the whole cost will be charged back to the leaseholder.

A budget is drawn up annually and a copy is sent to all leaseholders with accompanying notes explaining the detail. The principal acts relating to service charges are the Landlord and Tenant Acts of 1985 and 1987 and the Commonhold and Leasehold Reform Act 2002. All payment dates for these charges will be specified in your lease.

Administration and Management Charges

This charge is a fee paid to cover the costs of administering the leasehold services to leaseholders.

It covers costs for:

- Managing the lease and responding to enquiries
- Employing property officers, their administrators and their manager
- Collection of rent, ground rent, service charges, building insurance and any action taken for recovery of any outstanding fees or charges
- Resident involvement, consultation information (letters, tenants, residents and leaseholders newsletters)
- Satisfaction surveys
- Leaseholders handbooks
- Compliance with legal and regulatory guidance (issuing set notices as required)
- IT systems
- Negotiating contracts for services
- Monitoring contracts for services
- Costing services
- Maintaining account records of income and expenditure
- Issuing estimated and final accounts
- Recording charges and payments
- Referral for debt counselling
- Arrears management
- Legal recovery
- Providing facilities for reporting repairs
- Providing general information to residents
- Dealing with anti-social behaviour as described in the Anti-Social Behaviour and Harassment Section
- Stock condition survey
- Section 20 consultation

Year End Accounts

Once a year, we calculate the service charge payments you've made for the previous financial year, together with the actual costs of the providing the services. We issue you with a statement showing a breakdown of the costs compared to payments. This will also include details of repairs that have been carried out for that period. This will also show any creditor debit due, which will then be transferred onto your accounts. We send out year-end accounts within six months of the end of financial year.

If we fail to do this, you can request the most recent summary in writing. We must then supply this information to you within one month or within six months of the end of the financial year (31 March).

You may inspect the accounts if you wish, and to do so you must ask in writing within six months of receiving the summary and we have one month to agree to your request. We'll provide facilities for you to inspect and make copies and we'll charge you a reasonable amount for any photocopying. The cost of providing the inspection forms part of our management charge.

Under the Commonhold and Leasehold Reform Act 2002 we may be required to issue a summary in a standard format. Where we own the freehold, we send a summary to you each year by the end of September. If you have a query about your service charge invoice, please feel free to contact your Property Officer.

What you do if you think the service charges are unreasonable

In the first instance, please contact your Property Officer. Where possible we'll clarify any issues with you. However, if you're still not happy and we can't resolve the issue with you, you do have the right to take your case to a Leasehold Valuation Tribunal (LVT). The LVT will hear both sides of a dispute and will make a decision based on the evidence, judgement and experience of the LVT members. We must at this point advise you that you'll have to pay a fee for this service but you can also contact the Citizens Advice Bureau or a solicitor for advice at any time.

Management Audit

You can require a management audit under the Leasehold Reform Act 1993.

For this to apply, there must be more than two leaseholders in the building and more than two thirds of the leaseholders in the building must want an audit.

Service Charge Consultation

It's your right to be consulted on how we manage communal areas and your home. We'll always consult you on cyclical decoration and minor works as described under the Major Works Consultation Section.

Apart from major works consultation, under the Commonhold and Leasehold Reform Act 2002, we have to consult all our leaseholders paying a variable service charge on two "qualifying" areas of cost:

Qualifying Long Term Agreements

This is an agreement or contract for a term of more than 12 months. These can include repairs, maintenance, cyclical works, servicing, improvement works, communal cleaning and gardening, contracts for lift or door entry/entry phone system maintenance, fire precaution equipment servicing, insurances and utilities (if tendered). We'll consult where the contribution of any one leaseholder exceeds £100 (including VAT) in the account period of one year.

Where residents pay proportional payments (i.e. building insurance) we'll consult with all residents if one or more residents are required to pay over £100 (including VAT).

Qualifying Works

This is covered under the Consultation for Major Works and is where residents are required to pay £250 (including VAT) or more.

MAJOR WORKS

If we own the freehold, we're responsible for the upkeep, maintenance, repair and improvement of your building. As such, from time to time, we'll carry out major works to your block or estate to keep it in a good state. Major works are normally large projects designed to prolong the life of the building or estate in which your property is situated.

As a leaseholder, under the terms of your lease, you're required to contribute towards the cost of the works to the building or estate.

This includes works such as external decorations, re-surfacing of communal, footpaths and parking areas, roof, window and lift renewals. Major works can take some time to complete. This type of work is sometimes referred to as planned maintenance.

Payment for Major Works

Your contribution towards the cost of major works is still a service charge under the terms of your lease but is also often mentioned separately and is known also as a sinking fund (mentioned previously). However, if there's insufficient money in the sinking fund to meet the costs, you'll be liable to contribute any additional amount to cover the costs. This was agreed when you signed your lease and you agreed to us maintaining the property and to make payment of any shortfall if there are insufficient funds from the regular monthly contributions.

Sinking Fund Assessments

Where we own the freehold, approximately every 5-6 years, we'll survey all our properties which will result in a cyclical plan for major works activity and will calculate estimated cost of such works. This is how we determine the level of sinking fund which needs to be charged to our leaseholders. This is to both ensure the property is well maintained and also to minimise there being insufficient funds to meet the costs. We did the last review in 2009.

Major Works Consultation Procedure

Under Section 20 of the Commonhold and Leasehold Reform Act 2002, we must consult you about any work costing £250 or more per leaseholder. We aim to ensure that you're involved in every stage, from start to finish.

The Commonhold and Leasehold Reform Act 2002 set out the consultation procedures we must follow. This means we must send letters to all leaseholders who will have to pay towards the work or services and to any recognised tenants' associations which represent them. The letters we send you about these matters are all called Section 20 Notices. For major works, there are usually three Section 20 Notices:

1. A notice telling you about the proposed work. It'll describe the nature of the work, explain your right to suggest a contractor to do the work, invite your comments and tell you that you have 30 days to respond
2. A notice giving at least two estimates from two contractors with another 30 days for your comments
3. A final notice will be sent if the contract is not awarded to a nominated contractor or the lowest tender

The Section 20 Notices contain information about what we plan to do and they give you the opportunity to take part in the consultation. You have to right to:

- Send us your written comments about the proposals. We must carefully consider any observations we receive during the consultation period
- Generally, you also have the right to nominate a contractor to tender for the work, providing they have the appropriate insurances and are experienced in the type of work being tendered
- Ask questions and share your views. Where major work is planned, your Property Officer will usually organise a residents meeting for this purpose

Guarantees

On major works there's a limited "defects liability period" that varies from 6 months to 12 months depending on the nature of the work. For some specific types of work such as roof resurfacing and windows, manufacturers offer warranties against manufacturing defects. Insurance-backed guarantees are obtained for up to 25 years depending on the items and materials used. If you discover any defects, you should contact your Property Officer immediately.

SINKING FUNDS

Some properties have their own sinking fund for major repairs, renewal and replacements, which is included in the service charge.

The sinking fund is to ensure there is sufficient money to meet the costs of works when they arise in the future. Setting up a sinking fund helps to ensure that all occupants, irrespective of when they actually live in the property, share the financial cost, as it would be unfair to expect future occupants to pay for major works. The sinking fund helps maintain the value of your assets and avoids or offsets the need to pay large one-off sums when major works are required. By law we have to consult with you before ordering any major works unless it is an emergency.

The actual contribution into the sinking fund is reviewed each year based upon when the various building components are likely to require replacement and what the cost will be. This is a "best estimate" as the life of a component may exceed the prediction and, conversely, it may require replacement earlier than expected. The level of contributions is reviewed periodically and the amount in each property's sinking fund is shown in the audited accounts.

Money held in the sinking fund is held in "trust" for each property in an account which accumulates interest. The interest received is added to the sinking fund and is shown in the audited accounts. As the money is held in trust, we're unable to use these amounts for our own purposes. In the very unlikely event that we go out of business, creditors wouldn't be able to claim any of this money. The sinking fund on one property cannot be used for fund work on another.

Typical major repairs and replacements for which the sinking fund would be used for can be:

- Roofs, guttering, pointing
- External drainage
- Footpaths, parking areas, access roads (where not adopted)
- Communal lighting and power
- TV aerial systems
- Lifts
- Door entry systems

Expenditure on minor repairs to any of the above would normally be met out of the service charge account.

BUILDING INSURANCE COVER

A separate booklet entitled "Insurance Information Pack for Leaseholders" should have been given to you. Should you need a copy, please contact your Leasehold Property Officer who will arrange for another to be sent to you.

HOW IS MY RENT SET

For Shared Ownership properties, your lease will state the initial rent and when and how this is increased. Rents are increased annually. If you buy extra shares in your home, the amount of rent you pay will go down. If you buy your home outright, you will cease to pay rent to us.

PAYMENT

We collect payment by Direct Debit on the 1st of every month. We can accept debit card payment over the phone, please call your Property Officer if you'd like to do this. You can also pay by cheque, payable to Midland Heart Ltd and send the payment to us. Please note, we're unable to accept cash and you should never send cash through the post. You can also pay using the Allpay method of payment. If you have any queries, please feel free to contact your Property Officer.

MORTGAGES, RE-MORTGAGES AND FURTHER ADVANCES

Most shared ownership properties are purchased with a mortgage. If you don't keep up with rent, service charge and mortgage repayments, this could lead to you losing your property through repossession or forfeiture.

From time to time you may wish to consider re-mortgaging or borrowing more to improve your property. The shared ownership lease states that you must first get our written permission before you can re-mortgage and receive a further advance secured on the property (but where you are staying with the same lender) or where you are changing the mortgage lender (even if the loan amount will remain the same). If you're merely retaining the same mortgage amount and changing from variable, fixed or tracker mortgage types, then there is no need to notify us.

WHAT ABOUT ARREARS?

Under the conditions of your lease if you're a shared owner, you're required to pay your rent monthly.

We have an Arrears Policy, if you'd like a copy, please contact your Property Officer who will send you one. We act to prevent arrears becoming an unmanageable debt by making early contact with shared owners and we'll contact the shared owner by phone, letter and a personal visit. We'll then agree an instalment plan which is approved by the organisation to recover arrears. We'll also provide you guidance and contacts on debt management through organisations such as the Citizens Advice Bureau. We'll approach lenders where a mortgage is present, to request the reimbursement to us of arrears.

These amounts will be added to the mortgage debt by the lender. The lender may or may not agree to do this but where they do agree, lenders operate their own policies as to whether or not they will seek repossession as a result of this. If the mortgage lender refuses and we have exhausted all our policies and procedures to secure an agreement to repay arrears, we might seek forfeiture of the lease which would result in you losing your home.

If you refuse to pay, we can go to court as you're in breach of the terms of your lease and we can seek a judgement against you. Please remember that your home is at risk if you don't keep up repayments on a mortgage or other loans secured on it.

If your arrears relate to service charge payments only, we would seek a County Court Judgement against you for this debt. If the debt still remains outstanding we could consider other enforcement actions.

BENEFITS AND PROBLEMS PAYING/CLAIMING UNIVERSAL CREDIT

Housing Costs

If you're on a low income, Universal Credit may cover some of your housing costs such as mortgage interest payments, loans for repairs and improvements and some service charges.

To find out if you're eligible for Universal Credit please visit www.gov.uk/universal-credit or call **0800 328 5644**.

If you get into arrears because you have not applied for Universal Credit or have not provided the required information, then you'll still be responsible for paying the full rent and service charge.

If you are entitled to Universal Credit you must:

- Submit your claim to the Government on time
- Give them the information they need to assess your claim eg: proof of all income, savings and identification so they can process your claim
- Ask them to pay the rent and service charge direct to us
- Tell the Government of any changes, like if your income changes, or if someone else moves in or leaves. If you don't tell the Government then you could be seen to be committing fraud
- Your local Citizens Advice Bureau can advise you about claiming Housing Benefit/Universal Credit as well as other benefits that you might be entitled to claim, so please get in touch if you need to

Pension Service

If you are aged 60 or over, you may be entitled to assistance in paying your service charges from the Pension Service if you receive Pension Credit. The application is means tested by The Pension Service, however, if you qualify, this could result in some financial support.

Income Support/Universal Credit

If you're between 16 and 59 years old and can't be available for full time work and don't have enough money to live on, you may be able to get Universal Credit. Whether you qualify or not and how much you get depends on various factors. To find out if you qualify, contact your local Jobcentre Plus Office.

Council Tax Benefit

You can claim Council Tax Benefit if you pay Council Tax and your income and capital (savings and investments) are below a certain level. You can apply direct through your local Council.

Other Benefits

There are other benefits you could apply for. Check the fact sheets on this on **www.direct.gov.uk/MoneyTaxAndBenefits**, to see if any of the following apply to you:

- On a low income (employed or looking for work)
- Have dependent children
- Are sick or disabled
- Are caring for someone
- Aged 60 or over
- Have recently been bereaved
- Pregnant or have recently had a baby

PAYING YOUR BILLS

If you're struggling to pay your bills, give priority to the essential bills such as:

- Mortgage and rent
- Service charges
- Council tax and utility bills
- Food and clothing

We suggest that you always contact companies to advise them of your circumstances so that you can make arrangements with them. Check out the "Useful Contacts" section for contact details for the debt counselling advice service, if you need it.

The **Property** Ladder

- Staircasing For Shared Ownership Leaseholders
- Recommending Professionals
- Buying Additional Shares In Your Home
- Selling Your Home
- Home Information Packs (HIPS)



STAIRCASING FOR SHARED OWNERSHIP LEASEHOLDERS

As a shared owner, at some point you may decide to buy further shares in your property. You can purchase additional shares in your property, in most cases, immediately after you legally completed and move into your new home.

Please note requests for buying additional shares can't be processed until any rent arrears are cleared from your account, unless you're buying enough shares that you'll own the property outright, in which case, any arrears will be legally cleared on completion.

You can purchase from as little as an additional 10% share, but typically, a 25% share is usually purchased, or you can buy the balancing share and own the property outright. You can become the full owner in one go, or in several steps and over several years to suit your personal circumstances.

As you buy more shares in your property, the rent which you pay to us reduces. However, not all leases are the same, so it's important to check your lease as there may be some specific requirements contained within your Lease which are not included within this guide. There are some leases where you're not able to staircase to 100%.

Where your property is a house, generally the freehold will be passed to you when you reach a 100% share and own the property fully.

Please note that where a service charge and ground rent is applicable, this charge will still be applicable irrespective of the amount of the share of the property you own, even if it is fully owned by you.

RECOMMENDING PROFESSIONALS

We can recommend independent financial advisors who'll be able to discuss the amount of share you can afford to purchase. They'll also be able to provide you with a Mortgage in Principle as you're likely to need an additional mortgage advance to secure additional shares in your property.

It's worth speaking with one of the independent financial advisors as they'll be required to confirm to us that you meet the affordability criteria to purchase the additional shares.

We're also able to recommend solicitors who understand staircasing and can provide you with effective professional advice to make the process efficient and cost effective for you.

STEP BY STEP GUIDE TO BUYING ADDITIONAL SHARES

- 1) Please notify us of your intention to purchase additional shares. You can do this by calling your Property Officer or contacting them by post: **Midland Heart Ltd, 20 Bath Row, Birmingham B15 1LZ**. We'll send you a registration form which you'll need to complete and return to us together with your valuation and administration fee (as described below).
- 2) We'll send you a list of 3 independent RICS qualified valuers who will be required to have access to your property to provide an open market valuation of your property. This is required to provide the value of the shares you are going to purchase. Please note the valuation is only valid for 3 months and if the purchase of the shares is not completed within that timeframe, a further valuation will be required. The list will state the cost of the valuation. Please select the valuer you would like us to instruct and indicate your choice on the Registration Form.
- 3) We'll also send you a referral form for an independent financial advisor who will calculate your affordability and will provide us with confirmation of your affordability and you with a Mortgage in Principle. Please return this form to us as soon as you can so that the financial advisors can contact you when you return your Registration Form.
- 4) We'll require you to pay the valuation fee. This should be paid to us, by cheque, payable to Midland Heart Ltd, with your property address clearly marked on the back of the cheque and "Valuation Fee" written on the back. Please note a valuation and an admin fee is payable each time you buy additional shares in your property.
- 5) We charge a Registration Fee for Staircasing. This fee is payable each time you buy additional shares in your property and is payable when you return the completed form. If you choose not to proceed with the purchase of the additional shares, this fee is not refundable (unless we're advised by the independent financial advisors that you don't meet the affordability, in which case, the administration fee will be refunded to you within 10 working days of such notification). The Registration Fee should be paid to us, by cheque, payable to Midland Heart Ltd, with your property address clearly marked on the back of the cheque and "registration fee" written on the back.
- 6) Once you have had your valuation carried out, subject to confirmation of affordability, we'll calculate the value of the share you wish to purchase (we'll advise you of the share you can afford should your affordability fall below the share you originally intended to acquire).
- 7) You'll need to instruct your solicitor to proceed and you'll also need to notify us that it's your intention to proceed with the purchase of the additional share of your property.

- 8) Your solicitor will then work with our solicitors to progress the matter, but it's important that you advise your solicitor that the matter needs to complete within a 3 month period in order to avoid further valuation costs. Your solicitor should update you on progress. However, please note that you may contact us for an update and we'll be happy to help you.
- 9) In readiness for completion, your rent account must not be in arrears as this can cause a delay in the completion of your purchase. It's important not to cancel any Direct Debits or Standing Orders you have with regard to the payment of your rent until after legal completion has taken place as this can cause delays with the completion as your account may fall into arrears. We'll need to continue to collect any ground rent or service charge if it's applicable after your staircase purchase and if you're not buying the full share to give you 100% ownership, a rent amount will still be required and the Direct Debit/ Standing Order must not be cancelled. Please note that if your rent account is in credit, we'll refund this after legal completion has taken place.

SELLING YOUR HOME

If you wish to sell your shared ownership home, you'll need to contact us (details as above). You'll need to advise us of the estate agent you are using to sell your home. We'll write to the estate agent to ensure they understand the home ownership scheme and to confirm to them that we'll need to approve any new purchaser as being eligible for purchasing the home.

We can give you recommended estate agents if you wish, who are familiar with selling shared ownership properties. We'll need to ensure that the prospective purchaser meets affordability criteria and also the qualifying criteria (i.e. first time buyer, key worker etc). We can also help in recommending solicitors as well if required.

Please see the separate section under Right to Buy/Right To Acquire if you wish to sell your property as there is some important information about paying back discounts.

HOME INFORMATION PACKS (HIPS)

From 14 December 2007, all homes in England and Wales will need a home information pack which includes a home energy rating (or EPC) when you are selling your property. There are no many providers of HIPs and EPCs and local estate agents are able to organise these for you when you wish to sell your property.

For more information on home information packs, please see www.homeinformationpacks.gov.uk

For Further **Assistance**

- Leaseholder Advice
- Other Useful Contacts



LEASEHOLDER ADVICE

First Tier Tribunal (FTT)

An independent organisation which has the power to make judgements or decisions where there are disagreements between leaseholders and freeholders. It makes decisions about service charges, administration charges, changes to the term of leases, charges for repair work and when consultation needs to be carried out. Both the landlord and the leaseholder have the right to apply to the FTT. The county court can also refer matters to the FTT if there are legal proceedings for not paying service charges.

If a tribunal is needed, a panel is formed. It'll be made up of a lawyer, a valuer and one other independent person. They may come to a decision by examining the paperwork or they may hold a meeting (called a hearing) to ask questions and listen to the different points of view.

You can appeal against the FTT's decision but permission to appeal must be given by the FTT or lands tribunal.

You'll have to pay a basic fee to take a matter to the FTT and sometimes there are also other costs. If you are on a low income, you may be able to get help with these expenses.

Tribunals can take place anywhere in the country but they are all part of the Residents Property Tribunal Service (RPTS). To get information about applying to the LVT, visit www.rpts.gov.uk.

RICS Royal Institute of Chartered Surveyors

12 Great Charles Street,
Westminster, London,
SW1P 3AD

024 968 8555

9.00 am to 5.00 pm Monday to Friday

Homes England

0800 1234 500

9.00 am to 5.00 pm Monday to Friday

www.gov.uk/government/organisations/homes-england

Leasehold Advisory Service (Lease)

Lease is an independent advice agency funded by the Government. They provide free advice and information on all aspects of residential leasehold property, including management, service charges and making applications to the LVT.

Lease,
70-74 City Road,
London EC1Y 2BJ
0845 345 1993.
info@lease-advice.org
www.lease-advice.org

The Local Government Ombudsman

The Ombudsman service will investigate and make decisions about complaints any tenant or leaseholder has about us. However, the Ombudsman will only investigate a matter if you have already been through our formal complaint procedure (see separate section on our complaint process).

Local Government Ombudsman
The Oaks, 2 Westwood Way,
Westwood Business Park,
Coventry CV4 8JB
02476 695 999
www.lgo.org.uk
Advice line: **0845 602 1983**

Publications

The Government department which is responsible for housing and leasehold matters is the Office of the Deputy Prime Minister (ODPM). It produces a lot of useful information on leasehold topics, including leaflets which you can download from their website at **www.housing.odpm.gov.uk**.

OTHER USEFUL CONTACTS

Leasehold Property Officers:

Nathan Chakma

nathanial.chakma@midlandheart.org.uk

0121 666 5243

Krishna Madhal

krishna.madhal@midlandheart.org.uk

0121 654 6711

Aida Ndiritu

aida.ndiritu@midlandheart.org.uk

0845 850 1020 ext. 5642

Simone Hoskins

simone.hoskins@midlandheart.org.uk

0845 850 1020 ext. 5639

Alison Grimshaw

alison.grimshaw@midlandheart.org.uk

0845 850 1020 ext. 6541

Jacqueline Scott

jacqueline.scott@midlandheart.org.uk

0845 850 1020 ext. 5316

Right to Buy Officer & Resales Officer

Joanne Dolan

joanne.dolan@midlandheart.org.uk

0845 850 1020 ext. 6715

Senior Team Leader

Rekha Bettam

rekha.bettam@midlandheart.org.uk

0845 850 1020 ext. 6249

Leasehold Manager

Amelia Watts

amelia.watts@midlandheart.org.uk

0845 850 1020 ext. 5640

If you're not sure who your Property Officer is then please contact the Customer Services Centre on **0345 60 20 540**

National Grid Gas Emergencies	0800 111 999
Power Companies	Help on choosing a utility Company – gas and electricity www.energywatch.org.uk
New Property Warranties	MHBC House, Davy Avenue, Milton Keynes, MK5 8FP 0800 035 6422 www.nhbc.co.uk
Zurich Insurance	01252 522000 www.zurich.co.uk
Debt Counselling Helpline	0808 808 4000 www.nationaldebtline.co.uk
Welfare Benefits	www.gov.uk
Citizens Advice Bureau	0344 411 1444 www.citizensadvice.org.uk
Financial Services Authority	0800 111 6768 www.fsa.gov.uk
Council of Mortgage Lenders	0845 373 6771 www.cml.org.uk
District Valuer	03000 501 501 www.voa.gov.uk
Department of Communities And Local Government	Eland House, Bressenden Place, London SW1E 5DU 020 7944 4400 www.communities.gov.uk
The Pension Service	0800 991 234 www.thepensionsservice.gov.uk

Noise Complaints (daytime)

Contact your property officer or your Local Council's Environmental Department

Noise Complaints (night time)

Contact your Local Council's Environmental Department

Stray/Dangerous Animals

Contact you Local Council and they will arrange for it to be collected

Glossary of Terms

- Glossary Of Terms



GLOSSARY OF TERMS

These terms are used either in this document or in your lease. It's not an exhaustive list but it's designed to aid your understanding of some of the most common terms used.

Assignment

This is the process of transferring the lease to someone else. A lease is assigned when the property is sold.

Audit

An examination, usually of financial accounts.

Board

This is a voluntary group of members who set our policies and strategies and monitor our activity.

Communal Areas

The parts of the building or estate which can be used by all the residents such as stairs, lifts, paths, communal gardens.

Constitution

This is a document that sets rules for an organisation such as a residents' association.

Consultation

This is the process of asking for other people's opinions. Where possible, we will consult you about anything we do that affects you.

Covenant

A form of responsibility. The lease says what you are responsible for doing while you own the property.

Cyclical Maintenance

Work that we do usually every 4-5 years, such as general redecoration and associated repairs.

Defect

Any problem with a property, or part of a property, that needs repair work and which the builder should put right.

Defects Liability Period

The time during which the contractor is responsible for defects.

Deficit

This is a shortfall. For example when we have not collected enough money through service charges to cover all the repairs.

Demise

This is a legal term used to describe your entire home. Your "demise" is defined by your lease along with the "lease plan" that forms a part of your lease.

Enfranchisement

The process by which leaseholders, individually or together, may be able to buy the freehold of their house or apartment.

Equity

The percentage of the total value of your home. For example, if your home is valued at £100,000 and you own a 70% equity share, your share is worth £70,000.

Forfeiture

When the lease comes to an end because you have not done something which the lease says you must do; e.g. pay your rent and service charge.

Freehold

Absolute ownership of the property and the land on which it stands.

Gross rent

This is the rent you pay to the landlord during the term of the lease. You may have to pay ground rent as well as any other charges you have to pay to us.

Ground rent

An amount of money paid by the owner of an apartment or house to the owner of the land that it is built on.

Head Lease

There are two leases in some schemes where we are not the freeholder. The lease between us and the landlord is known as the head lease, and our lease with you is called the under lease.

Improvement

Work we do to your home or your estate that is not a repair and which is something different from what was originally provided.

Landlord

This is a person or organisation who owns the freehold (or head lease) or a property and grants a tenancy or lease to a tenant or leaseholder.

Lease

A contract that explains our responsibility to you, and your responsibility to us.

Lease Plan

One or more drawings that are a part of your lease to show you the extent of the building you live in and areas you own as well as areas you share with other leaseholders.

Leasehold

Ownership of a property for a set period of time.

Leaseholder

The person who has been granted the lease by the landlord for a fixed term in return for the purchase price.

Leasehold Valuation Tribunal

This is an organisation which makes decisions about service charge disagreements between landlord and leaseholders. It is made up of a panel of people with experience of property disagreements such as solicitors and surveyors.

Lessee

This means the same as a leaseholder.

Long Term Agreements

Contracts for services running for more than a year where, as at January 2006, the cost per year will be more than £100 per leaseholder.

Mortgagee

A bank or building society who lent you money (a mortgage) so that you could buy a property.

Mortgage Protection Clause

A requirement in most shared ownership leases for us to tell your lender if we are going to forfeit your lease because you have not paid your rent or service charge to us. It also deals with dividing up the proceeds if the lender has to take possession and sell the property on the open market.

Preserved Right To Buy

Tenants of local authorities who had the right to buy but whose home has been sold to a registered social landlord will still have the right to buy.

Qualifying Works

Works for which we are required to consult you about before proceeding. As of January 2006 these are those which will cost at least £250 per leaseholder.

Rent

This is the money you pay us for the share of your home that you do not own.

Rent Charge

This is the percentage of the cost of maintaining the services to an estate. You can still pay this even after buying the freehold of a house.

Resale

This is the process of selling your home.

Retail Price Index

This is the government index that measures changes in the price of goods and services. Changes in this index are used to measure inflation.

Reserve

The fund, or funds, that the lease says we must collect towards the cost of expected future work.

Right to Acquire

Tenants who have an assured tenancy with a registered social landlord can buy their home at a discounted value if they meet certain conditions.

Right to Buy

Tenants who have a secure tenancy with a local authority or a registered social landlord can buy their home at a discounted value if they meet certain conditions.

Service Charge

This is a payment you make to us in return for services we provide.

Service Charge Accounts

The record of the service charges we have received from leaseholders and the expenditure incurred for servicing the property.

Shared Owner

This is someone who has bought his or her home under shared ownership conditions.

Sinking Fund

Money that we collect from leaseholders to pay for cyclical maintenance or major work. It is a form of regular saving for a future event and helps spread the cost over a period of time.

Specified Percentage

The percentage of the total cost of the service you pay. In some cases this is decided by splitting the costs by the number of properties receiving the service, or based on how much of the service you have.

Staircasing

This is the process of buying extra shares in your home if you are a shared owner.

Tender

This is what we do to get the best prices for big contracts such as redecoration work and based on a detailed specification of the work. We invite contractors to give their price or "tender" for the work.

Transfer

You will transfer your lease to a new owner if you sell your home or if you want to change any of the names on the lease.

Trust Funds

This is a fund which holds money in "trust" for other people. Private landlords collect service charges for services and must hold the money in a trust fund. This protects the money that the leaseholders have paid towards long term maintenance.



INVESTOR IN PEOPLE



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