

Leasehold Team

Subletting

The terms of your lease will determine whether you have the right to sublet your property. With shared ownership properties, there are restrictions on subletting, and this should only be done in certain circumstances. Some older style shared ownership leases don't allow you to sublet your property.

Please email us at leasehold@karbonhomes.co.uk before you consider subletting your home.

If you are permitted to sublet under the terms of your lease, you will need to tell us if you are planning on letting or subletting any part of your property.

If you're able to sublet, you should consider if you need legal advice and the following things:

- Only give your tenants an assured shorthold tenancy.
- Use a reputable letting agency to manage your property. Different agencies have different terms, so 'shop around' before you decide.
- Give us a correspondence address and an emergency contact number.
- Get your tenants to pay a deposit. You can keep this money to cover any damage they cause. You are, however, legally required to protect this deposit.
- Consider your tax position. The Inland Revenue will be able to give you advice.

Establishing a tenancy is a great responsibility that affords the tenant various protections in law. You should therefore consider the implications this places upon you.

As a landlord you will be responsible for the behaviour and conduct of your tenants

Karbon will not correspond with your tenants as we have no legal relationship with them.

If you have any questions on whether you can or cant sublet your property you should contact www.leasehold@karbonhomes.co.uk.

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Alterations to your property (House or Flat)

Your lease details the exact requirements you must follow if you wish to make an alteration to your property. The requirements differ from property to property.

We always manage in accordance with the terms of the lease. There is sometimes a prohibition on any alterations so please don't be annoyed or upset if we are unable to provide you with permission.

In general, you're required to seek permission before making any alterations to your home. You may also need other permission, such as planning permission or building regulations permission.

To apply for permission to make alterations, please email us copies of any plans, drawings or diagrams that help to explain what you want to do. You should forward your request to info@karbonhomes.co.uk. You should mark your email for the attention of the Area Surveyor.

We will not refuse permission to carry out reasonable alterations unless we have a good reason. Our area Surveyor will provide you with a written decision based upon the terms your lease and also advise you on any other requirements, you will receive a written response whether you are approved or not.

Permissions granted should be retained with your other important papers as you will be asked to provide evidence of any permissions granted if you come to sell your property.

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Service Charge – disputes

A service charge is the payment that leaseholders must make towards the cost of shared services and repairs in the areas that they share with their neighbours. The lease for your property determines what your share of the cost is and what services should be provided by Karbon Homes.

I'm unhappy with one or several of the services provided:

There may be occasions when you feel that you should not have to pay all or some of your service charges and wish to dispute these with us.

If you are unhappy with a service provided such as cleaning your communal area or the grounds maintenance, we would ask you in the first instance to let us know about your concerns.

Your Leasehold Officer will contact you to discuss the situation and investigate the matter on your behalf. They will, if necessary, ensure the contractor is keeping to an agreed specification or schedule of works. Any refund or compensation provided will be reflected in the management accounts.

What is a dispute?

A dispute is when you do not agree with your charges because:

- You have been charged for a service you have not received
- The quality of the work carried out is not to an acceptable standard.
- The costs are not reasonable or payable under your agreement.
- We did not consult you correctly

What happens if I dispute my charges?

Service charge disputes sit outside of Karbon's usual complaints process. They will therefore not be logged as a complaint.

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If you have a concern over your service charge you should write to us to formally register your dispute, clearly setting out what it is about, how you believe you have been overcharged or charged for a service you have not received and how you would like it resolved.

Your Leasehold Officer will investigate your concerns. They may arrange to meet you to carry out an inspection of your property, block and/or estate. We will try to complete our investigation within 28 days, though if it is complex or involves charges from a managing agent it may take longer. If this is the case, we will let you know.

The Officer will respond to you as soon as possible providing their findings and outlining any action(s) they will be taking.

If you remain unsatisfied with our response you should refer the matter to the First-tier Tribunal.

The First Tier Tribunal is part of the courts and tribunals service and is an independent body set up by the government to assist in disputes. They deal with matters such as:

- Assessing whether service charges are reasonable.
- Assessing rent levels including fixed service charges.
- Management issues and charges.
- Determining whether charges are payable, and how much is payable.

You can also contact the Leasehold Advisory Service (LEASE) for information and assistance on service charges on their website at www.lease-advice.org

You can also apply to the Housing Ombudsman Service to investigate your dispute if you have exhausted our investigation process and remain unhappy. They will not usually investigate issues that are dealt with by the First-tier Tribunal or concerns about the level service charges or the amount of service charge increase. They may investigate your complaint if we have failed to keep to the law, follow proper procedure or good practice or behaved in a reasonable and competent manner.

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Your Service Charge

A service charge is a payment made by a tenant, shared owner or homeowner towards the cost of shared services and repairs beyond those specifically for their home. It is paid in addition to the rent and/or mortgage.

Your lease will set out whether you pay a service charge.

Your service charge:

A variable service charge is based on the actual costs for a particular year, together with any anticipated costs. At the end of the financial year, we produce a final statement of the charges payable. When we issue your management statement, we will advise you of any refund due to you or any amount due from you.

What items are covered by a service charge?

Maintenance

The maintenance of the electrical and mechanical systems within the building / estate including of CCTV, fire alarm systems, lightning protection, lifts, door entry systems and mechanical ventilation.

Repairs

Minor repairs carried out to the communal parts of the block/estate, including the mechanical and electrical services, including TV aerials lifts door entry systems etc.

Cleaning and rubbish clearance

Cleaning of internal communal areas and communal windows, removing fly tipping, bin hire.

Pest Control

This cost is for the prevention and extermination of pest infestations in the communal areas of your estate/block.

Grounds maintenance

Grounds maintenance for your block and/or estate, including car parks and hard surfaces.

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Utilities

Electricity supply to external/internal communal parts, including unadopted street lighting, car park and pathway lighting.

Water and sewerage charges

For individual water use (where we collect for the water authority) and external taps and community rooms.

Estate management costs

Where the estate or building are managed and maintained by a third party known as a Managing Agent we pass on some or all their costs to residents under this heading.

Management costs

Administering and managing the services listed in your annual service charge statement. It covers staff cost for dealing with income collection, setting service charges, carrying out consultation, dealing with enquiries and complaints. Where there is a managing agent, they may charge a management fee in addition to our fee.

Buildings insurance

Cost to insure the fabric of the building, but not your own contents, for which you will require your own contents insurance. Whilst insurance is a service charge item we charge you for buildings insurance as an individual charge.

Ground rent

Outright owners of flats may have to pay a ground rent. This is usually determined by the terms of your lease.

Replacement or Sinking funds

Some leases allow us to collect a 'sinking fund', also known as a reserve or replacement fund. Sinking funds are kept in an account that accrues interest and we only use this money for major items of expenditure such as external decorations, replacing door entry systems or lifts. If the cost of the work exceeds the amount in the sinking fund the difference will be charged to you.

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Section 20 information

Section 20 (S20) is a clause in the Landlord and Tenant Act 1985 that is intended to protect those who pay service charges from paying unnecessarily large sums for work carried out to their building or services.

S20 sets out three-stage consultation process, (sometimes we only need to issue two notices) which landlords must follow when carrying out qualifying works or setting up a qualifying long-term agreement (QLTA).

What are qualifying works?

Work where a tenant (with a variable service charge) or leaseholder will have to pay more than £250.

These are major works, such as:

- New roof
- Pathways
- External guttering
- Lift repairs or replacement.

What is a qualifying long-term agreement?

A contract for more than 12 months where a tenant or leaseholder will have to pay more than £100 in a year.

These are contracts, such as:

- Cleaning
- Fire safety.
- Lift maintenance
- Grounds maintenance
- Buildings insurance
- Fire safety provision

Large contracts or qualifying works in excess of the government set procurement thresholds.

When the contract value, or the qualifying work exceeds a set procurement threshold, legislation requires that we consult with you in a slightly different manner.

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This process eliminates your right to nominate a contractor to provide an estimate and allows Karbon to select an individual proposal when we outline the estimates received in relation to the qualifying works or long-term agreement.

Contracts and major works are publicly advertised and are therefore open to all contractors who may wish to tender for the work.

Sanctions for no compliance:

Your contribution to the cost of any work or service can be capped if we fail to follow the correct S20 consultation procedures first.

What happens during the consultation?

Before any work or contract starts, we must serve you with two or sometimes three documents.

Stage 1: Notice of Intention

The Notice of Intention sets out:

What work we intend to carry out. Why we need to carry out this work, or why we need to let this contract. You have 30 days to make any comments on the proposals, and where permitted, nominate a contractor that you would like to be included in the tendering.

Stage 2: Notice of Estimates

Once we have considered your feedback and asked contractors for prices, we will send you a Notice of Estimates which sets out:

- Cost for the tenders we have received
- Your estimated charge
- Summary of observations at the first stage

You have 30 days to make any comments on the tenders before we can instruct the successful provider.

Stage 3 Notice of Reasons

If the chosen contractor is not the most inexpensive, or is not one of the nominated contractors, we will write to you explaining why we have chosen the contractor we have.

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Frequently asked questions

Do you always have to consult?

No:

·If the cost of the service is less than £100 per property, or the cost of the “qualifying work” is less than £250 per property we do not have to consult.

Also, If the service is provided by Karbon Homes, we do not have to consult (such as grounds maintenance)

There is special provision made in the legislation which allows for Karbon to apply for dispensation, if the repairs are urgent due to serious health and safety concerns, we may apply to the First Tier Tribunal for a dispensation from the requirement to consult.

What can I do if the final cost is higher than the estimate?

We will always explain if the costs are higher than expected and there is an allowance included in the procedure.

If you remain unhappy you can apply to the First Tier Tribunal and ask them to assess the reasonableness under section 27A of the Landlord and Tenant act 1985. The Tribunal will assess the reasonableness of the charge and if we have complied with the consultation requirements.

Where can I find out more about S20?

The Leasehold Advisory Service website has comprehensive information about S20 consultation – www.lease-advice.org. They provide independent advice for residential leaseholders and are funded by the government.

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Variable Service Charge – how you are charged

A service charge is a payment calculated based on the terms of the lease or tenancy agreement, either shared evenly, by floor area, number of bedrooms, or sometimes on the rateable value.

Costs

You are charged for the costs that we have had to pay to deliver services to you.
We cannot charge you for anything that we have not had to pay for.

Managing Agent costs

A managing agent is an external management company that is appointed by the freeholder, to manage a block or estate. This would include services such as cleaning and building maintenance. The Managing agent invoices us for the estimated costs they expect to occur during the year, we pass these costs onto you through your service charge.

How are costs charged?

Apportionment This is the process of how the total cost of the services provided gets shared between the individual properties in a building or on an estate.

Tenancy / lease

Your tenancy or lease is your legal agreement with us and sets out what and how you are charged for the shared services you receive.

Karbon Homes has several different ways of charging due to stock transfers and you should always check your lease or contact us for a detailed explanation.

How am I charged?

Leaseholders are charged on a monthly basis. Leaseholders have the same options to pay their charges as our Tenants. The easiest way to pay is by direct debit, if you wish to set up a direct debit you should contact the Leasehold team who will assist you with this process.

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What will you receive from us?

Service charge estimate:

The estimated costs of maintaining your building or estate for the next 12 months.

Service charge reconciliation (Management Statement):

The actual costs of maintaining your building or estate for the last 12 months (the management statement) is sent within six months of the year end, showing how much has been spent on the services provided compared to how much the budget or estimate was set for.

When we write to you to issue your management statement, we will also advise you of any surplus due to you or any deficit due from you relating to the year in question.

Assurance check:

Best practice determines that when there are more than 4 units contributing to a service charge the accounts should be assurance checked by an independent accountant or auditor. This is not an audit. We believe this approach provides our leaseholders with the assurance that the accounts are a true record of expenditure. The cost of assurance checking the accounts is usually recoverable under the terms of your lease.

Inspecting your scheme accounts:

The Landlord and Tenant Act provides you with the right to inspect the accounts, this includes copies of invoices, utility schedules and documents to support the service charge. There is a prescribed process and timescales related to this procedure. Advice and information can be found at www.lease-advice.org.