Questions and Answers

Why can't I just undertake repairs

Current Lease
The lease follows the requirements of the Housing Act 1985, making the landlord (Southwark) responsible for all repairs to the structure, exterior and communal areas of the block. Even if you were to undertake the repairs Southwark would still retain responsibility, which could cause problems if the repairs were unsatisfactory

Purchase Freehold
You would be responsible for all repairs and Southwark would only be responsible for any enforcement for disrepair as a local authority, not as a landlord

Surrender and Regrant
You would be responsible for all repairs, but Southwark would retain a right to inspect and enforce as landlord for urgent and health and safety repairs

Can I still utilise payment options

Current Lease
Yes

Purchase Freehold
No - you would be responsible for arranging direct payment to your chosen contractor

Surrender and Regrant
No - you would be responsible for arranging direct payment to your chosen contractor

Why can you only consider offering this option to blocks that are 100% leasehold owned?

Current Lease
Not applicable

Purchase Freehold
Not applicable

Surrender and Regrant
The council has a duty of care to its secure tenants, and for this reason could not consider passing across responsibility for communal repairs where a property is still tenanted.

Who will arrange to do the repairs works?

Current Lease
The council will continue to arrange all repairs, including major works

Purchase Freehold
You and your neighbours would be responsible for arranging and carrying out all repairs and renewals

Surrender and Regrant
You and your neighbours would be responsible for arranging and carrying out all repairs and renewals

How would we know what repairs should and shouldn't be done?

Current Lease
The council will inspect and survey the building to identify repairs required

Purchase Freehold
You and your neighbours would need to agree on what works are required - you would be able to appoint your own surveyor to advise you

Surrender and Regrant
You and your neighbours would need to agree on what works are required - you would be able to appoint your own surveyor to advise you. The council will continue to carry out inspections and will advise you if urgent or safety work is required

How would we know we have a reputable contractor and that the costs are value for money?

Current Lease

The council's tender process for repairs contractors ensure that the contractors are reputable and provide value for money

Purchase Freehold

It will be for you and your neighbours to check your chosen contractor's credentials and to decide whether or not the quotes provide you with value for money

Surrender and Regrant

It will be for you and your neighbours to check your chosen contractor's credentials and to decide whether or not the quotes provide you with value for money

How would we know the works had been carried out to a satisfactory standard?

Current Lease

The council employs consultants, technical officers and clerks of works who are responsible for inspecting the repairs and signing them off as satisfactorily completed. The council's contracts allow for the contractors to be recalled if work is found to have not been done to a satisfactory standard

Purchase Freehold

It will be for you and your neighbours to agree whether the repairs have been carried out to a satisfactory standard. You may choose to appoint a surveyor to check this on your behalf

Surrender and Regrant

It will be for you and your neighbours to agree whether the repairs have been carried out to a satisfactory standard. You may choose to appoint a surveyor to check this on your behalf. The council will continue to carry out inspections and will advise you if urgent or safety work has not been done to a suitable standard

Why does the lease have to be surrendered and regranted what does this actually mean

Current Lease

Not applicable

Purchase Freehold

Not applicable

Surrender and Regrant

The Housing Act 1985 (under which the right to buy is provided) sets out implied covenants that are deemed to be within a right to purchase lease. These include the requirement for the landlord to retain all repairing obligations for the structure, exterior and communal areas of the block. Even were the right to buy lease to omit these obligations they would still be deemed to be there. In order to pass over the repairing obligations, but also for the council to retain some responsibilities to protect both the block and the leaseholders it is necessary to enter into a new lease

How much would this cost each leaseholder?

Current Lease

Not applicable

Purchase Freehold

Not applicable

Surrender and Regrant

The current cost for a surrender and regrant is £1,062.16, plus VAT and any disbursements. You would also be responsible for any legal fees you incur on your own behalf

Can I arrange a sinking fund

Current Lease

No - under the terms of most of our leases there is no facility to run a sinking fund, and sinking funds are incompatible with the accounting requirements for social housing finance

Purchase Freehold

Yes - you would be able to agree this with all leaseholders in the block and either have it as part of the freehold trust or vary the leases, but we would recommend that you take legal advice

Surrender and Regrant

No not under the terms of the lease, but you could make a separate agreement with your neighbours. We would recommend that you take legal advice

What if I can't agree repairs with my neighbour(s)

Current Lease
It would be the council's responsibility to identify and undertake repairs

Purchase Freehold
You and your neighbours would need to agree. You could enforce the terms of the lease against your neighbour in court if necessary, but this is made complicated by the fact you would be joint freeholders

Surrender and Regrant
You and your neighbours would need to agree, but the lease would still allow the council to carry out any urgent or health and safety repairs. The council could also provide tenant mediation

Once surrendered can I revert to the old lease

Current Lease
Not applicable

Purchase Freehold
You and your neighbours would still be governed by the lease, but with yourselves as the freeholder rather than the council

Surrender and Regrant
No - but the new lease would allow for certain responsibilities to be retained by the council

What if fire safety work is required

Current Lease
The council will identify this and carry the work out, recharging via the service charge

Purchase Freehold
You and your neighbours would be responsible for identifying and undertaking such work

Surrender and Regrant
You and your neighbours would be responsible for identifying and undertaking such work. However, the council would retain a responsibility for inspection and providing you with a schedule of required work

What if necessary repairs aren't carried out

Current Lease
You have a right to take action against the council under the terms of the lease - but the work would be service chargeable

Purchase Freehold
You or your neighbours would be able to take legal action under the terms of the lease, but this would be complicated by being part of the freehold trust/company

Surrender and Regrant
The council would retain a right to inspect and carry out urgent and health and safety works if the leaseholders were refusing to do so. Legal action could be initiated under the terms of the lease

Can we use the council's contractors

Current Lease
Not applicable

Purchase Freehold
No

Surrender and Regrant
This could be a possibility, subject to the agreement of the contractor and direct payment

Can we use the council's surveyors

Current Lease

Not applicable

Purchase Freehold

No

Surrender and Regrant

This could be a possibility, subject to the agreement of the contractor and direct payment

Would the council still provide buildings insurance

Current Lease

Yes

Purchase Freehold

No

Surrender and Regrant

Yes

Would the council still provide resident management services

Current Lease

Yes

Purchase Freehold

No

Surrender and Regrant

Yes

Would the council still provide communal services

Current Lease

Yes

Purchase Freehold

No

Surrender and Regrant

Yes apart from repairs

Would I have to pay the legal costs

Current Lease

Not applicable

Purchase Freehold

You are required to pay all reasonable fees and charges in relation to the freehold sale

Surrender and Regrant

You would be required to pay all reasonable fees and charges in relation to the surrender and regrant of the lease