

Administration Charges – Summary of tenants' rights and obligations

(1) This summary, which briefly sets out your rights and obligations in relation to administration charges, must by law accompany a demand for administration charges. Unless a summary is sent to you with a demand, you may withhold the administration charge. The summary does not give a full interpretation of the law and if you are in any doubt about your rights and obligations you should seek independent advice.

(2) An administration charge is an amount which may be payable by you as part of or in addition to the rent directly or indirectly—

- for or in connection with the grant of an approval under your lease, or an application for such approval;
- for or in connection with the provision of information or documents;
- in respect of your failure to make any payment due under your lease; or
- in connection with a breach of a covenant or condition of your lease. If you are liable to pay an administration charge, it is payable only to the extent that the amount is reasonable.

(3) Any provision contained in a grant of a lease under the right to buy under the Housing Act 1985, which claims to allow the landlord to charge a sum for consent or approval, is void.

(4) You have the right to ask a leasehold valuation tribunal whether an administration charge is payable. You may make a request before or after you have paid the administration charge. If the tribunal determines the charge is payable, the tribunal may also determine—

- who should pay the administration charge and who it should be paid to;
- the amount;
- the date it should be paid by; and
- how it should be paid.

However, you do not have this right where—

- a matter has been agreed to or admitted by you;
- a matter has been, or is to be, referred to arbitration or has been determined by arbitration and you agreed to go to arbitration after the disagreement about the administration charge arose; or
- a matter has been decided by a court.

(5) You have the right to apply to a leasehold valuation tribunal for an order varying the lease on the grounds that any administration charge specified in the

lease, or any formula specified in the lease for calculating an administration charge is unreasonable.

(6) Where you seek a determination or order from a leasehold valuation tribunal, you will have to pay an application fee and, where the matter proceeds to a hearing, a hearing fee, unless you qualify for a waiver or reduction. The total fees payable to the tribunal will not exceed £500, but making an application may incur additional costs, such as professional fees, which you may have to pay.

(7) A leasehold valuation tribunal has the power to award costs, not exceeding £500, against a party to any proceedings where—

- it dismisses a matter because it is frivolous, vexatious or an abuse of process; or
- it considers that a party has acted frivolously, vexatiously, abusively, disruptively or unreasonably.

The Lands Tribunal has similar powers when hearing an appeal against a decision of a leasehold valuation tribunal.

(8) Your lease may give your landlord a right of re-entry or forfeiture where you have failed to pay charges which are properly due under the lease. However, to exercise this right, the landlord must meet all the legal requirements and obtain a court order. A court order will only be granted if you have admitted you are liable to pay the amount or it is finally determined by a court, a tribunal or by arbitration that the amount is due. The court has a wide discretion in granting such an order and it will take into account all the circumstances of the case.

Administration Charges

NB: All fees subject to VAT (at 20%)

*Please make cheques payable to **Sovereign Housing Association** and add the 20% VAT to the fee detailed above*

***These fees are subject to change depending on the fee schedule for 'out-sourced' legal services**

Description of charge	Comments	£	£ inc VAT @ 20%
Approval of mortgage		75.00	90.00
Deed of variation/vary a restrictive Covenant	This is also subject to disbursement costs which vary – surveyor's fees and solicitors fees are charged separately. Consideration is based on external valuation	500.00*	
Permission under Restrictive Covenant or Private Owner Consent	Fee for external applicants who require permission under a restrictive covenant for extensions, new windows, conservatories etc. Same fee if seeking retrospective consent	200.00*	
Leasehold enquiries (resale)	Houses	75.00	90.00
	Flats	125.00	150.00
	Additional questions	30.00	36.00
Permissions and Retrospective permissions	Improvements/alterations/pets		
	Letter only no inspection required	15.00	18.00
	More complex & inspection or additional documents required	50.00*	
Granting a Licence	Garden licences, parking licences etc. licence fee is charged separately	300.00*	
Notice of Transfer/Assignment		30.00	36.00
Notice of charge		30.00	36.00
Deed of Covenant/Certificate of Compliance		30.00	36.00
Licence to sub-let (shared owners)	Initial approval - review after 12 months and thereafter	100.00	120.00
		100.00	120.00
Copy of Lease		50.00	60.00

Copy of NHBC certificate		45.00	54.00
Copy legal document provision i.e. Freehold title, Memo of Staircasing and any permissions	Less than 15 pages	10.00	12.00
	15-100 pages	20.00	24.00
	100+ pages	35.00	42.00
Copy of additional service charge statements	We will only provide the last three years statements	10.00	12.00
No access for appointments including additional services	Failed access for works by Contractors where an appointment has been agreed	Abortive fee recharged by each local contractor	
Recharge for our costs and legal fees on reverse staircasing and buy backs		150.00*	
Equity loan administration fee	Fee to administer application to amend/purchase further shares in the scheme	150.00	180.00
Lease extension		100.00	120.00
Buildings insurance opt out	Leaseholders can chose to opt out of the BI policy but they have to meet strict criteria so as the Freeholder we are assured that adequate insurance is in place	40.00 pa (+10.00 for each additional letter)	
Deed of Postponement	Sovereign to just sign and seal	30.00	36.00
	Outsourcing for Sovereign to draw up the document	175.00*	
Deed of Substituted Security		300.00*	
Granting a Licence	Garden licences, parking licences etc. licence fee is charged separately	300.00*	
Sale of land	Surveyors' fees and solicitors fees are charged separately. Consideration is based on external valuation	500.00*	
Request for Easement	Surveyors' fees and solicitors fees are charged separately. Consideration is based on external valuation	500.00*	
Staircasing admin fee		150.00	180.00