



**OFFICE OF THE  
DEPUTY PRIME MINISTER**

Noelle Rawe \_\_\_\_\_

Matthew Pye  
Administration Officer  
Housing Private Rented Sector

Office of the  
Deputy Prime Minister

2/J6  
Housing Private Rented Sector  
Eland House  
Bressenden Place  
London  
SW1E 5DU

Direct Line: 020-7944-3462  
Divisional Enquiries: 020-7944-3462  
Fax: 020-7944-3519  
GTN No: 3533  
mathew.pye@detr.gov.uk

Web Site: [www.odpm.gov.uk](http://www.odpm.gov.uk)

Our Ref: Rawe

19 July 2002

Dear Ms Rawe

**Service Charges**

Thank you for your letters to Lord Rooker and John Prescott about the possible service charge demand that you may be faced with. Your letter has been passed to this division as we are responsible for residential leasehold matters. I have been asked to reply.

Firstly, I should start by saying that neither this Department nor myself can get involved in any individual case or give advice, that being said I hope the following is of use. If I have misunderstood or made incorrect assumptions please let me know.

From the information contained in your letter it would appear that you have been offered both the right of first refusal (appendix 7 – letter from Mr Andrew Ladsky to yourself makes reference) and have been served with a Section 20 notice in respect of 'major works' (appendix 1, letter from Martin Russell Jones, first paragraph makes reference to a notice forwarded under the Landlord and Tenant Act last year). You may like to check whether, if my assumptions are correct procedures have been followed, and I enclose a copy of this Departments' booklets 'Right of first refusal' and 'Long leaseholders' which explains these issues in more detail.

Where the resolution of service charge disputes are concerned, as your leases state that any such disagreements are to be taken to arbitration rather than being able to apply to a Leasehold Valuation Tribunal (LVT), this is where the matter should, at present, be addressed. For information I enclose a copy of our booklet 'Applying to a LVT' which sets out the procedures were you able to apply to a LVT. With that in mind you may like to know that the Commonhold and Leasehold Reform Act 2002 (the Act) provides that unless arbitration is agreed to after a particular dispute has arisen, such a dispute will (when this particular provision is commenced) in future, be able to be heard before a LVT.

We expect this provision to be commenced in November, although this is, of course, subject to change. You will need to obtain your own legal advice to confirm whether you will, should you wish, be able to use this new provision when it is commenced.

Of course one option you may not have considered is enfranchisement (buying the freehold). The Act is making it easier for leaseholders to enfranchise, including reducing the qualifying criteria for collective enfranchisement of flats to at least %50. Therefore, on a block with 35 flats, such as yours, if you had 18 leaseholders who wished to participate in this you may be able to purchase the freehold. I note that some of the leaseholders are domiciled overseas, and I would point out that the Act is also removing the residency test. These particular provisions are to be commenced on 26 July. I enclose a copy of this Departments booklet 'Initial guidance to the leasehold provisions', which explains the leasehold proposals of the Act in more detail.

I hope this is of help, and once again, I would suggest that you consider getting your own legal advice to this situation.

Yours sincerely,



**Matthew Pye**