

## OUR MISSION

To bring about improvements in the law and the way it is enacted, so leaseholders may enjoy their homes without unnecessary problems

### Become a member of FPRA

Join your association, or if there is not already one in place, contact the FPRA about how to form one

Campaigning for better leasehold conditions is a systematic and steady process of lobbying politicians and civil servants, generating publicity, building alliances with other organisations, responding to consultations, and representing leaseholder views at key events and meetings.

Under our Chairman's dynamic leadership, the FPRA's profile has grown significantly in recent years, with mentions in parliament, appearances on radio and television and quotes in national papers.

FPRA has established excellent relations with many organisations, government departments and is attracting the interest of university researchers doing projects on leasehold housing.

We can only do this as a non-profit organisation by having members, so please consider joining us, if you are not already a member, or if you are, by encouraging others to do so.

Campaigning is just one of the many benefits of FPRA membership, others include our advice service, newsletter, publications, and the ability to share experiences.



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## EMPOWERING LEASEHOLDERS

In 2016 there were approx. 4.1 million leasehold dwellings in England, made up of private blocks, retirement homes and local authority and housing association properties.

The majority are owner-occupiers with the remainder contributing to the private rental sector.

For over 45 years the FPRA has successfully been campaigning to deal with the many problems and issues faced by leaseholders who were, it seemed, forgotten by political parties.

There is, however, much more to do and this leaflet summarises the current issues we are working on so that our members will be empowered to handle these.

## 1 LAW REFORM/LEGISLATION

Leasehold law is unnecessarily fragmented and complicated.

This has made interpretation of leasehold law very difficult, even for the legal profession, never mind the average leaseholder or tenant.

Further, many of the processes and systems created by Acts of Parliament would benefit from simplification and/or updating so as to make them more workable.

There are trade bodies in the sector that are aware of abuses in leasehold management and try – through their codes of practice and membership – to improve an unsatisfactory situation. But they lack any real sanction on their members and membership of any trade body is completely optional, with there being no legal barrier to anyone, however disreputable, setting up in the sector.

Leaseholders who seek redress over abuses find the process complicated and expensive, whether taken through the Courts or the less formal First-Tier Tribunal.

The costs of legal action can be excessive with the worry of having to pay the landlord's costs as well.

FPRA continues to address this because of the glaring need to consolidate all landlord and tenant legislation.

## 2 TAKING CONTROL: ENFRANCHISEMENT AND THE RIGHT TO MANAGE

One of the successes of our campaigns and legislation over our 45 plus year history, has been the introduction of leaseholders' right to enfranchise, by acquiring the freehold of their building. So encouraged, significant numbers of leaseholders acted together to take responsibility for the management of their homes, many forming Residents' Associations, Residential Management Companies, Right to Manage Companies, Flat Management Companies etc. and become members of FPRA. Just the number of types of groups listed gives you an idea of the complexity.

The solution, as used in practically every other country in the world is 'commonhold' under its various names but there has been a lack of political will, to make this system work, by allowing leaseholder owned blocks to convert to commonhold with the agreement of a majority, rather than 100 per cent, of the leaseholders.

FPRA considers that the directors of freehold and right to manage companies should not bear the same onerous duties as those borne by commercial companies. They are volunteers who give freely of their own time to make a difference to their community. We have also produced a comprehensive booklet, *A Guide to Formation, Recognition & Running Your Association* which is available via our website.

## 3 PROTECTION OF LEASEHOLDERS' MONEY

Leaseholders are usually required by terms of their lease, to make advance payments towards the service charge, and to contribute to a sinking or reserve fund. These sums can be substantial, especially if major works are in the offing.

It is believed that there is no other area in the UK in which money held by a third party is not regulated. It has been suggested that the sums held by unregulated and unprotected third parties may well exceed £1 billion. An individual can set up in business as a property manager without any formal qualifications or experience or insurance – even if they have a criminal background and hold these deposits or other sums.

Perhaps unsurprisingly, this has from time to time resulted in leaseholders falling victim to fraud or outright theft of their payments. Sometimes they lose money through incompetence and the Financial Conduct Authority has no involvement and therefore there is no compensation.

Shocking as this seems, there has been much legislation to protect much smaller sums and housing deposits for renters, but nothing to protect leaseholders' funds.

FPRA believes that it is essential that a system is devised so that funds paid by leaseholders to managing agents or landlords are protected by a scheme similar to the Financial Services Compensation Scheme.

## 4 ENERGY EFFICIENCY

FPRA representatives have attended and raised leasehold concerns at various Forums and Conferences. We have also worked with Sustain to highlight issues surrounding energy efficiency in blocks of flats.

FPRA is a member of the Fuel Poverty Coalition.

We seek that all government initiatives, such as the Green Deal, should reflect the situation in blocks of flats so that they can benefit from energy efficiency, just like any other householder.

## 5 INSURANCE AND OTHER COMMISSIONS AND PAYMENTS

FPRA believes it is immoral and fundamentally wrong that any payments for any service, including the payment of insurance commission be made.

The payment of these commissions is inappropriate and leads to increased charges.

Some trade bodies make it compulsory for their members to disclose payments to leaseholders, but even in those cases, it is often well hidden.

All charges to leaseholders, whether it is for repairs, insurance, electricity, entry phone systems or anything else, should reflect the true cost and if a manager or freeholder requires payment, this should be completely transparent and charged separately.

## 6 DISABILITY ISSUES

FPRA has campaigned to have legislation reflect the special needs of disabled people when occupying flats, but these needs also need to reflect the requirements of others sharing the same facilities.

Legislators have often failed to appreciate that the common parts of a block of flats are not the same as an individual house.

## 7 PARKING

Many flats suffer from parking problems, often with illegal parking and FPRA has worked with other organisations to try and ensure there is an effective solution to this problem. FPRA continues to work to improve the unsatisfactory present situation.

## 8 REVIEW

Existing legislation quickly becomes outdated and new legislation often forgets to allow for the leasehold situation, so FPRA campaigns that all legislation needs to be made appropriate to the sector.

## 9 MAJOR WORKS LIMIT (Section 20)

Leaseholders are facing unnecessary costs and administration because under Section 20 of the Landlord and Tenant Act 1985, there are expensive and time consuming procedures for works over £250. The £250 limit has not been increased for over a decade and is not being kept in line with costs.