

Subletting charges

Following consultation with the Leasehold Panel, Haringey Council has approved the following charges to be levied for leaseholders who sublet their properties.

Two options

Leaseholders who sublet their properties have two options for paying their charges which are described below. You must choose one of these options and state your choice on the registration form.

- **Annual charge of £20** This is included in the Annual Estimate. This will be the best option if your tenants change fairly often. If you notify the Home Ownership Team after the estimate has been raised, we will include the charge in your Actual Service Charge, which will be issued in the following year. Therefore, you will not be required to make a separate payment.
- **Registration fee of £75** This charge will be appropriate for you if your tenants only change occasionally. You must complete a new form and pay the charge of £75.

Reason for charges

The Council as the landlord has legal responsibility for the building and has obligations to all residents who live there. If there is a problem inside a leasehold property, the leaseholder should take the necessary action. However, if we fail to do so, Haringey acting on behalf of the Council as the landlord must take the necessary action. Hence if a leak (or some other problem) occurs in a leasehold property and it affects another property then Haringey must first contact the leaseholder. If the leaseholder cannot be contacted, Haringey must then request the sublessees to provide access.

Administration costs

The Home Ownership Team has systems and procedures in place in order it to keep the contact details of leaseholders and their sublessees up to date. The main costs covered by the subletting charges are:

- processing of the registration form, which requires updating the database and keeping a file of the relevant documents
- answering queries about subletting on the phone and by letter
- updating the details of sublets which generally require to be updated at least once a year
- undertaking regular monitoring of database records of subletting to send reminders to landlords for them to enable us to update information in respect of their tenancies
- liaising with Tenancy Management Officers regarding any minor problems/issues before taking formal action
- arranging for sublessees to receive the newsletters which are provided to all residents, such as about works to the block or the estate, estate action days or fire safety days
- issue of an occasional newsletter to leaseholders subletting, and other information on subletting

The registration fee must also cover the fixed costs in relation to resources required for dealing with such matters such as staffing and IT.

Non-compliance fees

Leaseholders will only become liable for these charges if they do not comply with the terms of their lease.

1. **Fee for non-registration:** £50 – where leaseholders fail to provide their correspondence address or do not register their sublet details, which means we have to undertake checking (Council Tax check plus an Experian check).

2. **Service action fee:** Charge as appropriate – for instance if an internal survey is required regarding a leakage, there will be a charge for the cost of our surveyor's time; or if sublessees leave rubbish in the communal area when they move out, there will be a charge for its removal. There will also be an administration charge of £25 to cover invoicing and collection.

3. **Non-compliance fee:** £50 – for sending out a letter detailing issues of noncompliance with the lease (such as anti-social behaviour caused by sublessees, noise nuisance or water leaks).

4. **Investigation fee:** charge as appropriate – if the Tenancy Management Officer has to go out to the leasehold property to investigate problems with a sublessee, such as noise nuisance or a water leak: £30 per hour plus an administration charge of £25 to cover invoicing and collection.

Legal basis

A charge for registration is required under Clause 4, Subclause 24, which states that a leaseholder who sublets their property must register their details with the landlord and also pay a fee as the landlord may decide. It states that this fee is payable whenever there is a change in the details relating to the subletting of a property. Non-compliance charges are payable under Schedule 11 of the Commonhold and Leasehold Reform Act, 2002 (Section 158). This entitles the landlord to make reasonable charges to recover administration costs arising from enforcing the requirements of the lease.