

Our ref:

Date: 19 March 2012

Dear Colleague,

London Assembly report: Highly Charged – Residential leasehold service charges in London

On 13 March 2012 the London Assembly's Planning and Housing Committee approved the final report of my review into residential leasehold service charges.

The review has highlighted issues within the service charges regime, affecting more than half a million leaseholders, and calls for a change of approach and the report sets out a number of actions that would make the present regime operate more equitably.

The report makes a number of recommendations, including:

- Private landlords and managing agents must make contract procurement and bills more transparent, with key stakeholders like ARMA, ARHM and RICS setting an example of good practice.
- Companies that promote their services as 100 per cent transparent seem to be boosting confidence in the way leaseholders can access all the information they need to know about how their services are procured and charged for. These best practice principles should be adopted across the sector.
- Private sector landlords should learn from their public sector counterparts as they tend to have more comprehensive consultation processes.
- The Leasehold Valuation Tribunal (LVT) is asked to review their processes to rule out any unfairness associated with leaseholders conducting their own cases.
- The LVT, in conjunction with LEASE, should set out plans for providing an expanded service offering mediation, pre-application advice and assistance as a cost effective method of improving the dispute resolution process.

- The Government should look at making mediation a compulsory first step of the dispute resolution process to help leaseholders avoid potentially costly court cases altogether.
- Conveyancing solicitors should provide leaseholders with more information up front, the way public sector landlords like local authorities have to.

I enclose the Executive Summary and recommendations and would be very interested to receive your views on the report and its recommendations. You can download a copy of the full report from the Assembly's website here:

<http://www.london.gov.uk/publication/service-charges-london>

If you would like a printed copy of the full report please contact Paul Watling whose details are set out below.

Please can you send any comments by 15 June 2012 to Paul Watling, Scrutiny Manager, City Hall, The Queen's Walk, London, SE1 2AA. Electronic submissions would be especially welcome (paul.watling@london.gov.uk).

All comments received will be reported back to the Assembly's Planning and Housing Committee at one of its meetings later this summer.

I look forward to receiving your comments on the Committee's report.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Steve O'Connell', with a horizontal line underneath.

Steve O'Connell AM
Planning and Housing Committee
London Assembly