

Committee(s): Barbican Residential Committee	Date(s):11 2012	June	Item no.
Subject: Barbican Sub-letting		Public	
Report of: Director of Community and Children's Services		For Information	
Ward (if appropriate):			
<u>Summary</u>			
This report is to inform members of the procedure relating to the registration with the City as landlord of sub-tenancies granted by long lessees on the Estate.			
Recommendations			
I recommend that this Committee supports the proposed strategy to proactively manage and record sub-lettings on the Barbican, to ensure the smoother running of the Estate.			

Main Report

Background

1. The majority of flats on the Estate have now been sold, with over 94% held on long leases.
2. Sublet flats make up a considerable proportion of the Estate following the success of the City's sales policy and the profitability to long lessees of buy to let. Furthermore, due to the lack of rental availability from the Corporation, it is the only way people can gain rental accommodation on the Barbican.
3. Lessees are entitled to sublet their flats without obtaining consent from the City but there is an obligation on lessees to ensure that every underletting is registered with the Comptroller & City Solicitor.

4. The procedure for giving notice of sublets is set out in the long leases granted on the estate. When people bought their flats it would have been clear from the lease what procedure has to be complied with on sub-lettings and it is no different from that which prevails on other residential estates.
5. It is essential that the legal department receives the notices so that they are aware for the purpose of, for example, legal proceedings who is in actual occupation of the flats on the Estate.
6. Both the procedure and the registration fee are similar to what one would find in operation on residential estates across the country.

Current Position

7. The Comptroller & City Solicitor regularly reviews the charges for registering dispositions and calculates that officer time in registering notices requires a fee of £80. Some other Local Authorities may charge less but as far as the City is concerned the fee or charges of £80 is entirely reasonable and to consider reducing the fee to that charged by other local authorities at a time of financial constraints within local government appears unreasonable.
8. There is an obligation to pay the registration fee and the charge is in line with normal private sector fees. The Comptroller & City Solicitor has further confirmed that if this fee was reduced the cost involved in processing the notices would be a general service charge item, payable by all lessees since the payment covers staff costs in his department in recording the notice in City's records and receipting the notice.

Proposals

9. It is proposed that all lessees will be reminded of the legal requirement to register any sub-letting and a further reminder letter will be sent at the expiry of those sub-lettings as to their continuing obligations in this regard. The Estate Office will then proactively write to the residents and inform them of the rules and regulations pertaining to the estate, by providing a welcome pack, including copies of the Service Level Agreement booklet, Barbicanews and an information pack.
10. Residents will be reminded that holiday lets are not permitted on the Estate unless planning permission is obtained. The planning position is that under the GLC (General Powers Act) 1973, planning permission is required for a change of use if a residential unit is let for a period of less

than 90 consecutive nights as a short let (the unit is only considered to be permanent residential if it is let as one let for a period for more than 90 consecutive nights). A change of use is unlikely to be granted planning permission if the unit is in a building with permanent residential units, so as to avoid the detrimental effects on permanent residential communities. The Estate discourages holiday lettings because of the security implications involved.

Consultees

11. The Comptroller has been consulted in the preparation of this report and his comments have been incorporated.

Conclusion

12. The procedure for giving notice of sublets is set out in the long lease. The Comptroller & City Solicitor requires these notices and the level of the registration fees for sub-letting and other dispositions.

Background Papers:

Barbican Subletting 13 February 2006

Contact:

Michael Bennett

Barbican Estate Manager

020 7029 3923

Michael.bennett@cityoflondon.gov.uk

Alan Bennetts

Assistant City Solicitor

020 7332 1094

Alan.bennetts@cityoflondon.gov.uk