



Llywodraeth Cymru
Welsh Government

GUIDANCE

Leaseholder Support Scheme: guidance for applicants

Guidance on how to apply for the Leaseholder Support Scheme.

First published: 27 June 2022

Last updated: 27 January 2023

This document was downloaded from GOV.WALES and may not be the latest version.

Go to <https://www.gov.wales/leaseholder-support-scheme-guidance-applicants-html> for the latest version.

Get [information on copyright](#).

Contents

[Overview](#)

[Eligibility](#)

[Frequently Asked Questions](#)

This document was downloaded from GOV.WALES and may not be the latest version.

Go to <https://www.gov.wales/leaseholder-support-scheme-guidance-applicants-html> for the latest version.

Get [information on copyright](#).

Overview

The Leaseholder Support Scheme is designed to help you if you're in, or facing, significant financial hardship as a direct result of fire safety issues affecting your property.

The scheme is free and is designed to offer leaseholders advice and solutions to their current financial concerns and in some cases to purchase leasehold properties.

Every household's financial concerns are different and the Leaseholder Support Scheme will support and advise applicants on the best course of action. This will include a financial review to determine options to support the household. This may, if appropriate, lead to the option of property buy-out, but this has to be the right solution for the leaseholder.

To be eligible to apply to the Leaseholder Support Scheme you will:

- be the owner of a property in an eligible building in Wales
- pass the Financial Eligibility Assessment (where we check if your disposable income means you fall into the Social Metrics Commissions' definition of significant financial hardship because of fire safety issues)

The first step is to complete the [scheme eligibility checker](#) where you can check if you might be eligible for the scheme.

Information submitted to the eligibility checker is for your personal use only. It is not visible to any third party and it's not saved or stored anywhere. The data is not retrievable, so please bear this in mind when you're filling the forms in.

This document was downloaded from GOV.WALES and may not be the latest version.

Go to <https://www.gov.wales/leaseholder-support-scheme-guidance-applicants-html> for the latest version.

Get [information on copyright](#).

The eligibility checker provides an initial indication as to whether or not you may be eligible to apply to the scheme, based on the information provided.

If you think you're eligible to apply, then the next step is to make an application. The completion of any part of this application process will not affect your credit score in any way.

You must make sure that all the information you provide in the application is as accurate as possible. You will also be asked to supply certain documents (detailed below) to support your application.

Action may be taken against anyone knowingly supplying false or misleading information, including the repayment of costs incurred by the scheme.

When your application has been submitted you will be assigned a case handler who will support you through the next steps. If you do not qualify at this time and your circumstances change then you can re-apply.

As all household financial circumstances are different, the Leaseholder Support Scheme will provide you with free advice from an independent financial advisor. They will assist you with a review of your finances and provide advice and support on the actions which can be taken. You'll be provided with a list of advisors and you'll be free to choose one to make contact with. You may also find or introduce an alternative IFA but they will first need to sign up to the scheme before carrying out any work. This online database on [fca.org.uk](https://www.fca.org.uk) may help. The independent financial advisor will review your finances with you and develop the right support and advice to meet your specific circumstances.

Your financial details won't be shared with the Leaseholder Support Scheme in any way, but the advisor will confirm the appropriate route to take and if the best solution is to purchase the property from you. This service will be free of charge - the independent financial advisor will invoice the scheme directly and you won't be asked for any payment.

If the independent financial advisor advises a buy-out is the best option for you then your case handler will explain what happens next should you wish to sell. If your home is purchased you'll be able to sell it and move on, or you could have the option to rent your home back. Don't worry, the scheme will also help you through this.

Eligibility

To be eligible for help from the Leaseholder Support Scheme you will be the owner of a property in an eligible building and in, or facing, significant financial hardship.

As the first step, you'll need to complete the [eligibility checker](#) to see if you may be eligible for support

If the eligibility checker indicates that you may be eligible for support, you can submit an application.

The type of information you'll be expected to provide for this application is shown in the tables below. Please provide as much information as you possibly can to help with the processing of your application.

Building eligibility

Your building must be 11 metres or higher in height and have recognised or potential fire safety issues which make the property unable to receive an accurate valuation for mortgage purposes. These fire safety issues will have led to increased service charges which have been passed on to you, the leaseholder. Do not worry about knowing the exact height of the building as the eligibility checker has a way to identify eligible buildings based on the number of

floors.

When you submit your application we will check the eligibility of the building. You must give us evidence so we can complete these checks.

If you are able to provide the additional optional evidence in the table below this may speed up your application:

Evidence you must give us

- Building name and address
- Contact details of managing agent for the building
- Service charge statements from the last year showing that there are additional costs related to fire safety issues

Additional optional evidence

- A B2/A3 rating as a result of your EWS1 form (may be available from your managing agent)
- Documented fire safety failings under the Fire Safety Order 2005 or the Housing Act 2014
- Service charge statements from the last 3 years
- Evidence of lack of eligibility for re-mortgage due to fire safety issues

Applicant eligibility

To be eligible for the scheme, you must be able to show that you are the owner of the property and don't own more than 2 properties in total (including the eligible property).

When you submit your application, evidence that you can use to show your eligibility includes:

Evidence you must give us

- Proof that you own the property that's eligible for the scheme e.g. mortgage statement

You will also be required to show how your disposable income puts you close to or below the poverty line.

You will need to provide your income after tax (your take home pay) and property related outgoings.

Income includes:

- your usual net earnings from employment
- any profit or loss from self-employment (losses are treated as a negative income)
- any state support - all benefits and tax credits you're receiving
- any income from occupational and private pensions
- any investment income
- any maintenance payments you're receiving
- any income from educational grants and scholarships (including, for students, student loans and parental contributions)
- the cash value of certain forms of income in kind (for example, free school meals, free school breakfast, free school milk, free school fruit and vegetables, Healthy Start vouchers and free TV licence for those aged 75 and over)

To help you work out your income and costs if they're not paid to you on a monthly basis, please follow the table below to convert the payments into a

monthly figure:

Payment frequency	Formula to convert to monthly basis
Weekly	x 4.35
Every 2 Weeks	x 2.175
Quarterly	÷ 3
Annually	÷ 12

If you proceed to a formal application, evidence that you can use to show your financial eligibility includes:

Evidence you must give us

- Bank statements from the previous 3 months showing income and outgoings
- Payslips from the previous 3 months
- Any other documentation required to clearly evidence the income and costs declared in your application

Frequently Asked Questions

General

What is the Leaseholder Support Scheme and how can it help me?

The Leaseholder Support Scheme will help leaseholders in mid to high-rise residential buildings (11 metres or higher) that are in, or facing, significant financial hardship as a result of fire safety issues.

If your building is eligible and you pass the eligibility assessments, then you'll be assigned a case handler to guide you through the application process. You'll receive free financial advice from an independent financial advisor who will review your finances with you and develop support and advice to meet your specific circumstances. If appropriate, an offer will be made to purchase your property. You'll then be able to choose to sell it and move on, or you could have the option to rent your home back.

How do I know if this scheme is the right option for me?

Through the Leaseholder Support Scheme the independent financial advisor will advise you on the best course of action to meet your personal circumstances. It may be that your financial worries are temporary and a bespoke solution will be advised. The advice provided will be free of charge and it's entirely up to you if you wish to take it forward.

Will I be appointed an independent financial advisor?

No, you'll be provided with a list of independent financial advisors who are part

of the scheme and you can choose from this list. The list provided will hold details of independent financial advisors who understand the scheme objectives and can give the appropriate advice. You may also find or introduce an alternative IFA but they will first need to sign up to the scheme before carrying out any work. This online database on [fca.org.uk](https://www.fca.org.uk) may help.

How long will the Leaseholder Support Scheme run for?

The scheme will run for a two-year period, initially, starting from June 2022.

Is there an application fee, or other cost to applying to the Leaseholder Support Scheme?

No, application to the scheme will be free. If you're eligible for the scheme, the services of an independent financial adviser will also be provided free of charge.

Where is the Leaseholder Support Scheme available?

The scheme is available to all areas of Wales.

How long will the process take once my application is submitted?

Every attempt will be made to complete the process as quickly as possible and to keep all applicants informed on how their application is progressing.

Can I reapply to the Leaseholder Support Scheme if my application is unsuccessful?

Yes. If you're unsuccessful and your circumstances change you can re-apply to

the scheme.

Eligibility

How do I know if I am eligible?

To find out if you and your building are eligible for support from the scheme, the first step is to complete the [scheme eligibility checker](#).

How are you working out if I am below the poverty line?

To work out if you are in significant financial hardship, we check if your household's disposable income puts you below the poverty line.

We use the Social Metrics Commissions' definition of significant financial hardship as the poverty line. We then use the figures provided by the Office for National Statistics' Households Below Average Income (HBAI) to measure your disposable income against the Social Metric's Commission's definition of significant financial hardship. This will vary depending on the number of adults and dependants living in the property.

Can I make a joint application?

Yes. The application will be based upon a household rather than an individual.

The Valuation Process

How will the value of my home be calculated?

If the right solution for you is the sale of your home it will be valued by an independent Royal Institution of Chartered Surveyors accredited valuer.

It will be valued using the same process and guidelines as they value all other homes and properties. This will give a fair market value for your property based on there being no fire safety concerns in the building.

The valuation will be arranged at no cost to yourself.

Any offer for the purchase of the property will be 100% of that value.

Do I have to accept the offer?

No. As the scheme is voluntary, if you're unhappy with the valuation provided, there's no obligation to accept the offer.

I'm not happy with my initial valuation, can I request a second one?

It is important to manage expectations with property values and although the property will be valued without any consideration of fire safety concerns we appreciate it may not meet your expectation of its value.

If you're unhappy with the first independent valuation, you may request a second one but it will be conducted under the same industry standard guidelines set by the Royal Institution of Chartered Surveyors.

The Purchase Process

Will I be able to sell my property via the Leaseholder Support Scheme?

If you and your building are eligible for support from the scheme and your independent financial advisor recommends the buy-out option as the best solution for your circumstances, then you'll be offered the option to sell your property.

What happens when I sell my property?

Once a purchase price is agreed, you'll be connected with a registered social landlord or local authority who'll purchase the property.

How long will the purchase process take?

We're unable to provide a fixed timescale as each situation will be different, but the process will be carried out as quickly as possible.

This document may not be fully accessible.

For more information refer to our [accessibility statement](#).

This document was downloaded from GOV.WALES and may not be the latest version.

Go to <https://www.gov.wales/leaseholder-support-scheme-guidance-applicants-html> for the latest version.

Get [information on copyright](#).