

GOVERNMENT REFORMS MAKE IT EASIER AND CHEAPER FOR LEASEHOLDERS TO BUY THEIR HOMES

- Millions of leaseholders will be given a new right to extend their lease by 990 years
- Changes could save households from thousands to tens of thousands of pounds
- Elderly also protected by reducing ground rents to zero for all new retirement properties.

Millions of leaseholders will be given the right to extend their lease by a maximum term of 990 years at zero ground rent, the Housing Secretary Robert Jenrick has announced today (7 January 2021).

Today's measures come as part of the biggest reforms to English property law for forty years, fundamentally making home ownership fairer and more secure.

Under the current law many people face high ground rents, which combined with a mortgage, can make it feel like they are paying rent on a property they own. Freeholders can increase the amount of ground rent with little or no benefit seen to those faced with extra charges. It can also lengthen and lead to increased costs when buying or selling the property. Today's changes will mean that any leaseholder who chooses to extend their lease on their home will no longer pay any ground rent to the freeholder, enabling those who dream of fully owning their home to do so without cumbersome bureaucracy and additional, unnecessary and unfair expenses

For some leaseholders, these changes could save them thousands, to tens of thousands of pounds.

Housing Secretary Rt Hon Robert Jenrick MP said:

Across the country people are struggling to realise the dream of owning their own home but find the reality of being a leaseholder far too bureaucratic, burdensome and expensive.

We want to reinforce the security that home ownership brings by changing forever the way we own homes and end some of the worst practices faced by homeowners.

These reforms provide fairness for 4.5 million leaseholders and chart a course to a new system altogether.

The government is also now establishing a Commonhold Council – a partnership of leasehold groups, industry and government – that will prepare homeowners and the market for the widespread take-up of commonhold.

The commonhold model is widely used around the world and allows homeowners to own their property on a freehold basis, giving them greater control over the costs of home ownership. Blocks are jointly owned and managed, meaning when someone buys a flat or a house, it is truly theirs and any decisions about its future are theirs too

Professor Nick Hopkins, Commissioner for Property Law at the Law Commission said:

We are pleased to see Government taking its first decisive step towards the implementation of the Law Commission's recommendations to make enfranchisement cheaper and simpler. The creation of the Commonhold Council should help to reinvigorate commonhold, ensuring homeowners will be able to call their homes their own.

Under current rules, leaseholders of houses can only extend their lease once for 50 years with a ground rent. This compares to leaseholders of flats who can extend as often as they wish at a zero 'peppercorn' ground rent for 90 years. Today's changes mean both house and flat leaseholders will now be able to extend their lease to a new standard 990 years with a ground rent at zero.

A cap will also be introduced on ground rent payable when a leaseholder chooses to either extend their lease or become the freeholder. An online calculator will be introduced to make it simpler for leaseholders to find out how much it will cost them to buy their freehold or extend their lease.

The Government is abolishing prohibitive costs like 'marriage value' and set the calculation rates to ensure this is fairer, cheaper and more transparent. An online calculator will be introduced to make it simpler for leaseholders to find out how much it will cost them to buy their freehold or extend their lease.

Further measures will be introduced to protect the elderly. The Government has previously committed to restricting ground rents to zero for new leases to make the process fairer for leaseholders. This will also now apply to retirement leasehold properties (homes built specifically for older people), so purchasers of these homes have the same rights as other homeowners and are protected from uncertain and rip-off practices.

Leaseholders will also be able to voluntarily agree to a restriction on future development of their property to avoid paying 'development value'.

Legislation will be brought forward in the upcoming session of Parliament, to

set future ground rents to zero. This is the first part of seminal two-part reforming legislation in this Parliament. We will bring forward a response to the remaining Law Commission recommendations, including commonhold, in due course.

- The Law Commission published their report on enfranchisement valuation 'Leasehold home ownership: buying your freehold or extending your lease Report on options to reduce the price payable' in January 2020 and their reports on enfranchisement, commonhold and right to manage in July 2020. These reports are available here: <https://www.lawcom.gov.uk/project/leasehold-enfranchisement/>
 - A freeholder owns both the property and the land it stands on while leaseholders only own the property.
 - Marriage value assumes that the value of one party holding both the leasehold and freehold interest is greater than when those interests are held by separate parties. Today's announcement will remove marriage value from the premium calculation.
 - 'Modern ground rent' is the rent (determined under section 15 of the 1967 Act) payable during the additional term of a lease extension of a house (under the current law). It is calculated by valuing the "site", and then decapitalising that value.
 - Many long leases specify an annual ground rent of a 'peppercorn.' A peppercorn rent is used in circumstances where it is deemed appropriate for there to be no substantive rent payable. Under the current law, any lease extension of a lease of a flat under the 1993 Act must be granted at a peppercorn rent. Today's announcement means that both house and flat leaseholders will now be able to extend their lease to 990 years with a ground rent at zero.
 - The formula used to work out the cost to leaseholders for buying the freehold or extending the lease includes a discount for any improvements the leaseholder has made and a discount where leaseholders have the right to remain in the property on an assured tenancy after the lease expires. These existing discounts will be retained, alongside a separate valuation methodology for low-value properties known as 'section 9(1)'.
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PM call with business leaders: 6 January 2021

Press release

Prime Minister Boris Johnson hosted a call with almost 250 business leaders.



This afternoon the Prime Minister hosted a call with almost 250 business leaders alongside the Chancellor, Business Secretary and Trade Secretary.

He opened the call by recognising 2020 has been a tough year for businesses across the country, thanking them for their huge efforts helping to keep the country moving and looking ahead to the rollout of the vaccine as a source of hope this year.

On the agreement reached with the EU, the Prime Minister committed to working with British businesses to realise the vast opportunities on offer as the UK forges an independent future, and welcomed that firms can now look with certainty at the year ahead.

He set out the government's urgent ambition to unite and level up across the country by investing in education, skills, technology and infrastructure.

Referencing the rollout of gigabit broadband and the substantial investment in green technology announced in December, the Prime Minister also outlined his vision for building back better from the pandemic.

The Chancellor also spoke about his optimism for the UK economy in 2021 and committed to using all the levers at his disposal to drive growth across the entire UK which meets our climate ambitions.

Published 6 January 2021

[PM call with Prime Minister Trudeau of Canada: 6 January 2021](#)

Press release

Prime Minister Boris Johnson spoke with Prime Minister Trudeau of Canada.



The Prime Minister spoke to Prime Minister Trudeau of Canada this afternoon.

They discussed the international response to the coronavirus pandemic and the work underway in the UK and Canada to roll out vaccines as quickly as possible.

The leaders also spoke about the growing trading relationship between our countries, as well as foreign policy issues, including the recent arrests in Hong Kong which they agreed were deeply concerning.

The Prime Minister said he looked forward to welcoming Prime Minister Trudeau to the UK for the G7 Summit later this year, and to working together during the UK's G7 Presidency to advance common interests and address shared challenges.

The leaders also looked ahead to the COP26 Summit in Glasgow in November, and agreed on the importance of ambitious international action to tackle climate change.

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[Oral statement on new COVID-19](#)

regulations

Thank you very much Madam Deputy Speaker, I beg to move these regulations are approved.

The new variant of the coronavirus, Madam Deputy Speaker, presents us with a renewed challenge – here in Britain and around the world.

And our strategy throughout has been to suppress the virus until a vaccine can make us safe. And while collectively, our efforts were working on the old variant, when faced with a new variant that is between 50 to 70% more transmissible, there has been no choice but to respond.

And I understand that these regulations that we debate today have serious consequences and I regret the huge costs that they bring.

But I know, just as surely, that these costs are by far outweighed by the costs that we would bear without action.

Madam Deputy Speaker, when I have come to this House before, to ask for the House's support for national restrictions, we've had to take it on trust that there would be an exit before the vaccine is approved.

Today, I come to the House seeking approval of these regulations knowing from the huge pressure on the NHS right now, that this action is necessary today but also with the certain knowledge that we have a way out.

Madam Deputy Speaker, before turning to the details of the regulations I just want to set out that plan for how we get out of them because that is critical.

This country was the first in the world to deploy not one, but 2 vaccines.

And more than 1.3 million have already been vaccinated already including a quarter of the over-80s.

And from the middle of next month we plan to have offered the first dose to everyone in the 4 top-priority groups, and they currently account for more than 4 out of 5 COVID fatalities. And I am not sure this is a point that has fully been addressed, which is, because of the strong correlation between age and fatality from COVID, sadly, it means that we will be able to vaccinate those groups that account for 4 out of every 5 fatalities within the top-4 cohort. Now it does then take 2 to 3 weeks from the first dose to reach immunity but the vaccine, therefore, is the way out of this pandemic – and it's the way to a better year ahead.

But, Madam Deputy Speaker, this hope for the weeks ahead doesn't take away from the serious and immediate threat posed now. And I just want to turn now to what is in the regulations and the actions we need to take now.

The Office for National Statistics has reported that 1 in 50 of the

population has the disease – some with symptoms, some without.

The latest figures show that we have 30,074 COVID patients in UK hospitals – and that the NHS is under significant pressure.

Admissions are now higher than at any point in the pandemic. And so, on Monday, all 4 UK Chief Medical Officers [recommended we move the country to COVID-19 alert level 5](#).

In practice, this means they believe that, without action, there is a 'material risk of healthcare services being overwhelmed'.

It's for this reason that we have placed England into a national lockdown, alongside action taken in each of the devolved nations.

And every single citizen needs to take steps to control this new variant, and this personal responsibility is important, and to give the NHS a fighting chance to do its vital work – of saving lives – it is on all of us to support them.

These regulations set out that everyone must stay at home, save for a limited number of reasons permitted in law, including:

- essential shopping
- work – if you cannot reasonably do so from home
- education or childcare – if eligible to attend
- medical needs – including getting a COVID test or getting vaccinated
- exercise
- escaping domestic abuse
- and for support bubbles, where people are eligible

These regulations are based on the existing Tier 4 regulations, with some additional measures, which reinforce the stay at home imperative.

These include:

- stopping the sale of alcohol through takeaway or click-and-collect services
- closing sport and leisure facilities – although allowing playgrounds and allotments to remain open

Now I know that these further restrictions are difficult. But they are unfortunately necessary because we have to absolutely minimise social interaction to try to get this virus back under control.

And these measures came into force first thing this morning under the emergency procedure and will remain in force subject to this House's approval today.

I just want to return for the moment to the support that has been outlined because we are providing an additional £4.6 billion of support to businesses including to those in retail, hospitality and leisure who have been forced to close their doors once again, on top of, of course, our £280 billion plan for

jobs, which includes the extension of the furlough scheme until April.

Madam Deputy Speaker, I will close now just by reiterating that if we don't act now we know that eventually the NHS will not be able to cope.

And I know that no member of this House wants to see the scenes we have witnessed elsewhere in the world, of hospitals overrun or of doctors forced to make the choice of who to treat and who to turn away.

And we know that while the winter weeks will be difficult, we now know what the way out looks like.

And accelerating the deployment of our COVID vaccines, making the most vulnerable groups safe, and everyone playing our part on the way to get us there – that is the route out of this pandemic.

And in the meantime, Madam Deputy Speaker, we must stay at home, protect the NHS and save lives.

And that eventually will carry us to a brighter future.

[Education Secretary outlines plans to support young people](#)

Support for the continued education of young people has been outlined by the Education Secretary today, following the announcement that attendance at schools and colleges is now limited to all but vulnerable children and children of critical workers.

During the period of national lockdown strengthened remote education expectations will be put in place, with schools expected to provide a set number of hours of high-quality remote education for pupils, supported by further deliveries of laptops and tablets for the most disadvantaged.

With GCSEs and A Levels not going ahead as planned, the exams regulator Ofqual will launch a consultation – alongside the department – on the options for alternatives to the exams to ensure every young person gets a fair grade for their work, with the expectation that teacher assessment will be used.

Families entitled to free school meals will also be offered food parcels or vouchers, funded by the government.

The full package of measures set out by the Education Secretary in parliament today includes:

- Strengthened minimum standards of remote learning: schools will be

expected to offer pupils online lessons and a set number of hours of remote education for pupils – increased from the government’s previous minimum expectations. Ofsted will play an important role in holding schools to account for the quality of remote education.

- Next steps on exam alternatives arrangements: students will not be asked to sit GCSE, AS and A level exams this summer. The Education Secretary expects Ofqual to consider a teacher assessed system as a replacement for GCSEs, AS and A levels. A consultation will be launched next week and conclude swiftly to give certainty to schools, colleges and students, while also giving them the opportunity to have their say.
- Free school meals: extra funding will be provided to support schools to provide food parcels or meals to eligible students. The national voucher scheme will also re-open so that in the event schools cannot offer food parcels or provide an alternative local solution, every child can access free school meals while they are learning at home.

Education Secretary Gavin Williamson said:

The last thing any Education Secretary wants to do is close schools and this is not a decision that the government ever wanted to take. But the closing of schools for the majority of pupils does not mean the end of their education, and the outlook for schools, parents and young people is far more positive than the one we faced last year.

Schools and colleges are much better prepared to deliver online learning – with the delivery of hundreds of thousands of devices at breakneck speed, data support and high quality video lessons available. We are working with Ofqual, headteachers and the education sector to make sure those young people who were due to sit exams can take their next step and progress in education or into the world of work.

We are keeping schools and colleges open to vulnerable children and those of critical workers and I would like to thank all our teachers, support staff and all who work in education as we deal with this evolving situation and know that together we will get through this and be able to reopen all our schools to all pupils.

Given exams will not go ahead this summer, the department, with Ofqual, has worked up a range of contingency options, and the details of the approach will be developed in consultation with the exam boards and the sector. This will be based on teacher-assessment, with training and support provided to ensure grades are awarded fairly and consistently.

Assessments in some vocational qualifications can still take place in

January, where schools and colleges judge it right to do so. The department is working with Ofqual on arrangements for those who do not take their January assessments, as well as for vocational and technical assessments scheduled for February onwards.

Statutory key stage 1 and key stage 2 tests and teacher assessments planned for summer 2021, including the key stage 2 tests in reading and mathematics, will not take place.

The department will publish updated guidance for schools regarding remote education, including increasing the number of hours schools are expected to provide for pupils, building on the legal requirements already in place to ensure young people receive high quality remote education.

The government expects schools to have a digital platform, such as G-Suite or Microsoft Education, and should provide at least some of their remote provision via video lessons – this can be done by school-led videos or using other providers like Oak National Academy.

As the government announced in December, Ofsted will carry out monitoring inspection in the Spring term of schools most in need of challenge and support. These inspections will have a strong focus on remote education. In addition, Ofsted can inspect schools – of any grade – where it has significant concerns about safeguarding or the quality of education being provided, including remote education. Parents should raise concerns about remote education with their school, and can report those concerns to Ofsted if the matter is not resolved.

The government has committed to providing over one million devices to help schools and colleges throughout the pandemic – with over 560,000 of these delivered through 2020. The scale of deliveries has now been increased, with a further 50,000 devices sent to schools across the country on Monday alone. The government will deliver well over 100,000 devices over the course of this week.

The government is working with the UK's leading mobile network operators to provide access to educational sites. Schools can already request free mobile data uplifts for disadvantaged families, via the Department for Education's website.

The level of additional data for families will vary by provider, but for example Three customers will receive unlimited data and EE customers will receive an extra 20 gigabytes per month. Other providers supporting the offer include Tesco Mobile, Smarty, Sky Mobile, Virgin Mobile, Vodafone and 02.

The rapid testing programme for secondary schools and colleges will continue for those on site, with daily testing of close contacts available to students and staff and weekly testing available for staff. Primary staff will be included later in January as planned, and more detail will be set out in due course about reaching all secondary students as they return to face-to-face education.

Lutz Schöler, Chief Executive Officer at Virgin Media, said:

We know how important it is for children to take part in online lessons and remote learning, and we're pleased to be working with the Department for Education by offering free mobile data to Virgin Mobile customers who need it. This is the latest in a series of measures we have taken this year to support our customers during this challenging time.

Elaine Carey, Chief Commercial Officer, at Three UK said:

Education is crucial for everyone in society and it is vital no child misses out. Three UK wants to support those families that need access to connectivity to support their child's learning needs during the pandemic.

Marc Allera, Chief Executive of BT's Consumer brands, said:

Connectivity is essential for children to keep up with learning at home during the pandemic, particularly while lockdowns and further restrictions have such an impact on the way we all live our lives. As a national champion, BT has a responsibility to help ensure no one is left behind while face-to-face teaching is on hold, which is why we have partnered with the Department for Education to give pupils from disadvantaged families the mobile data they need to stay connected.

Nick Jeffery, CEO, Vodafone UK, said:

We are absolutely committed to doing what we can to keep the UK connected during the pandemic, including helping children to continue their education in lockdown. We launched our schools.connected programme last year, providing 350,000 free data SIMs for teachers to offer to pupils that need them most. We are also delighted to be joining the Get Help with Technology programme.

Notes to editors

- Further details on the national voucher scheme will be provided shortly. Schools should work with their catering providers so that meals continue to be available to any eligible pupils still attending school – including all infants and those receiving benefits-related free school meals – as well as for meals or food parcels for eligible pupils staying at home where necessary.
- Every secondary school is now able to place their order for devices, and

the vast majority will have received their full allocation by the end of this week. We will be systematically delivering devices to primary schools over the next two weeks, with the most disadvantaged areas being prioritised.

- We are also extending support to disadvantaged 16-to-19-year-olds, during the spring term, including those in further education. Schools with sixth forms, colleges and other FE institutions will be invited to order laptops and tablets to further support disadvantaged learners to access remote education.
- As announced in December, Ofsted's routine graded inspections will remain suspended for the spring term but during this period Ofsted will conduct a programme of monitoring inspections in inadequate schools and some that require improvement. These will have a strong focus on the quality of remote education being provided. In addition, Ofsted can inspect a school of any grade if it has serious concerns about the quality of remote education being offered to pupils.