

# **Homes for Islington**

## **Leaseholders' Guide to Major Works**

## Index

	Page
<b>1. Introduction</b>	<b>3</b>
<b>2. Responsibility for repairs – ours and yours</b>	<b>3</b>
<b>3. Partnering or framework contracts</b>	<b>5</b>
<b>4. Consulting with leaseholders – the legal requirements</b>	<b>7</b>
<b>5. Consulting with leaseholders – HFI’s approach</b>	<b>9</b>
<b>6. Managing the contracts on site and ensuring quality</b>	<b>10</b>
<b>7. How we calculate your major works charge</b>	<b>11</b>
<b>8. Help with paying for the works</b>	<b>12</b>
<b>9. Methods of payment</b>	<b>20</b>
<b>10. Complaints and mediation</b>	<b>20</b>
<b>11. Useful contacts</b>	<b>22</b>

## 1. Introduction

Welcome to Homes for Islington's (HFI's) Leaseholders' Guide to Major Works.

This guide sets out your rights and responsibilities as a leaseholder in relation to major works to your block or estate. It tells you how HFI arranges the works and how we consult with you and keep you informed about our projects.

We publish a booklet about major works for both tenants and leaseholders, called "Getting it Right". A copy is provided to residents when their property is included in the following year's programme.

Also on our website is [Getting it right online](#) . This contains a page for every block and provides information about any works that are proposed or under way, and you can download a copy of "Getting it Right". The page will be updated regularly.

### What are major works?

By major works, we mean repair, replacement and improvement works which are estimated to cost at least £250 per leaseholder, about which we consult you and for which you receive a separate bill. This is different from minor, routine repairs, which we do not consult on and for which any payment is included in your annual service charge.

Most of these works are carried out as part of a seven year rolling programme during which we carry out all the external repairs and decoration that are needed to maintain our properties in good condition. Other 'major works' are smaller, one-off projects, such as security systems, environmental works and repair or renewal of lifts and other communal services. Different contractual and consultation arrangements apply to these different types of projects, as explained in chapter 4.

Whatever the type of contract, you, as a leaseholder, will be expected to contribute towards the cost of the works in line with the provisions of your lease.

## 2. Responsibility for repairs – ours and yours

Your lease is your legally binding contract with your landlord, the council. It sets out the repairing responsibilities and obligations of both parties, as described below. This guide does not replace or affect your lease, and is not meant to be a definitive interpretation of your lease, so you should not rely on it in any disputes that may arise about your lease or your position as a leaseholder. In those situations, you should get independent advice.

Your lease defines the boundary of your estate (if you live on one) and the block/property you live in. These boundaries are important as we can only charge you for works carried out within them.

### **The landlord's repairing obligations**

As your landlord, the council has an obligation to maintain the building that your home is located in. Since April 2004 HFI has been responsible for the repair and maintenance of the structure, exterior and common parts of the building and estate (if your home is part of an estate). We carry out the repairs and collect leaseholders' share of these costs on the council's behalf. As a leaseholder you have agreed to pay the landlord a contribution towards the cost of these works. Examples include:

#### Estate works

- Estate roads and paths
- Boundary fences and gates
- Refuse bin areas
- Play areas
- Landscaping
- Estate lighting
- Gardens (excluding private gardens)

#### Block works

- Roofs
- External repairs and decorations
- Windows
- Refuse bin areas
- External walls
- Rainwater gutters and pipes and drains
- Communal doors and entry phones
- Lifts
- Communal boilers
- Communal electrical services
- Decoration of communal areas

### **Your repairing responsibilities**

As a leaseholder, you are responsible for maintaining and repairing the inside of your home. Your responsibilities include:

- The front entrance doors to your home
- Internal decorations

- Individual heating systems
- Cookers and gas fires
- Pipes, water tanks, drains and cisterns within your home
- Gas, electricity and water supplies within your home
- Any other fixtures or fitting within your home

As a leaseholder you have also agreed to allow the landlord access to your home to enable us to carry out inspections and to complete any necessary repairs. We must provide you with a minimum of 48 hours notice, unless there is an emergency.

### **3. Partnering or framework contracts**

The framework contract is a long-term agreement between Islington Council and a group of contractors which is managed by HFI. The contract is for carrying out major works to the buildings which HFI manage.

#### **The background**

In recent years the government has favoured replacing traditional competitive tendering with long term relationships or partnering contracts between contractors and clients. These relationships should ensure the quality and value for money of the work undertaken. They should be sustainable and based on measurable outcomes. The Council wrote to all leaseholders in January 2003 to explain the framework contract proposal. Consultation on a wider scale was organised in March 2003.

This included discussion at area housing panels, the Islington Leaseholders Forum, articles in local area housing newsletters, a leaflet (“Looking Good”), and information on the Council’s web site. At the area housing panels, residents were given the chance to get involved with selecting the contractors. A meeting was held in August 2003 to go through the shortlisting process with residents.

Residents were invited to the presentations and interviews with contractors and asked to score the contractors’ performance. The contractors’ responses to the questions asked by residents were taken into account by the evaluation team.

#### **Key aims of the framework contract**

- Substantially reduce tendering costs for the landlord, contractors and for leaseholders compared with “traditional” tendering.
- Improve customer care and reduce complaints.
- Introduce a more efficient method of cost control.
- Identify areas of waste and reduce the environmental impact of construction.

#### **Project Partnering Contract**

A new way of working known as the project partnering contract or PPC has been introduced as part of the framework contract. This provides a foundation for partnership working by:

- Bringing together all those working on a major works project.
- Aiming to save time and money by using the experience of the construction firms before going on site.
- Establishing a framework covering the development of design, the management of risk, the agreement of services and works and the agreed maximum price (AMP) before work starts.
- Providing methods of problem solving, and shared objectives to avoid disputes.

### **Process for allocating a constructor to carry out the work**

A notice was published describing the proposed contract and the type of works to be delivered, and firms were asked to submit bids. Based on the bids received a list was created of construction firms who would be able to carry out the work. Constructors with the appropriate skills were then invited to submit detailed bids for the programme of major works planned.

Bids were scored 40% on price and 60% on quality. 17 firms made successful bids for contracts up to 2009/10. For 2010/11 a new tender process was carried out and three successful contractors were selected.

A constructor is selected based on the type of work and its value, the constructor's previously tendered price, their credit rating and their availability. As the contract progresses, selection also reflects past performance on other projects. A team is set up for each project made up of staff from the constructor and HFI. This team develops a project plan within the agreed budget (based on an earlier feasibility study).

Competitive tenders are carried out for any elements (e.g. scaffolding) which were not previously tendered.

A First Scope of Works meeting is held with leaseholders to tell them about the scope of work and provisional estimated costs. The project team finalises the details of the project, where possible taking account of feedback from leaseholders on the scope of the work.

The Agreed Maximum Price (AMP) is then finalised with the constructor. (See AMP section below).

A review is held by senior managers. There are usually two such reviews with any questions answered by the project team. When the senior managers are satisfied it is passed to the HFI board for approval. Details of the costs are prepared and issued to leaseholders as part of the "Section 20" Notice. If the constructor selected is not the cheapest, a discount will be allowed to compensate for this difference.

A further consultation meeting is then held with the leaseholders to discuss the costs they have received as part of the Section 20 Notice.

When work has been completed HFI will agree the final costs with the constructor. This will take account of any changes to the work (authorised by HFI) since the AMP was set, as well as any other financial changes. Leaseholders are sent a final bill based on their share of the actual cost of the works.

### **The Agreed Maximum Price (AMP)**

The setting of an AMP follows the same process for all projects:

- Block-by-block assessment based on standard options e.g. roof renewal, concrete repairs and external decoration.
- Site management facilities e.g. site supervisors, accommodation, transport and tools.
- Access costs e.g. scaffolding,
- Defined risks e.g. further repairs not in the AMP.
- 3% general contingency allowance. This and the risk allowance are not included in the final bills if they remain unspent.
- Professional fees are shown separately and include things such as architects, quantity surveyors and other specialists.
- An 'indexation' which covers increases (and decreases) in the market price of labour, materials, plant, transport and energy. The rates and prices that make up the AMP are taken from the original tenders from the list of constructors. Those tendering for work were required to submit their rates and prices. They also had to show the following:
  - Percentages based on a pre-priced schedule of rates that covered most of the normal building works.
  - Percentages on the cost of specialist works such as window renewals and scaffolding.
  - Weekly rates for site costs.
  - Percentages to cover overheads and profit.

## **4. Consulting with leaseholders – the legal requirements**

Landlord's are legally required to consult with leaseholders before carrying out major works. This is often called "Section 20" consultation because it was introduced by Section 20 of the Landlord and Tenant Act 1985 (as amended by the Commonhold and Leasehold Reform Act 2002).

The consultation arrangements set out in the Act are quite detailed and involve two (sometimes three) stages of consultation. However, they were originally designed around traditional contracts and didn't fit well with the framework arrangements. Different consultation arrangements were therefore introduced for framework contracts.

HFI uses both types of contract and has different consultation arrangements for each, as described below.

## **Statutory leasehold consultation under tendered contracts**

Smaller projects (security schemes, lift renewal, landscaping works, etc.) and a few main contracts are tendered in the traditional manner. In these circumstances, consultation with leaseholders is carried out in two (sometimes three) stages

**Stage 1:** this is at pre-tender stage. We will send a Notice of Intention. This notice:

- Gives a general description of the proposed works
- Gives the reasons for carrying out the proposed works
- Gives leaseholders a period of 30 days to send written observations on the proposals
- Gives leaseholders the opportunity to nominate a contractor they would like us to ask for an estimate, provided the contract sum is below the threshold (currently £3.8 million) which require it to be tendered Europe-wide.

We will consider and respond to all the comments received at this stage.

**Stage 2:** this is the tender stage. We send leaseholders a notice, which:

- Gives the name and address of the proposed contractor
- Gives details of any connection between the landlord and the contractor
- Includes an estimate of your contribution to the proposed works
- Includes a summary of any observations received at Stage 1, together with the landlord's response
- Gives leaseholders a period of 30 days to send written observations on the proposals

Again, we will consider and respond to all comments received.

**Stage 3:** if the contract is awarded to a contractor who did not give the lowest price and was not the one nominated by leaseholders, we are required to write to leaseholders explaining our choice of contractor.

## **Statutory leasehold consultation under framework contracts**

Under the framework arrangements, the contractor may have been selected, under what is known as a 'qualifying long-term agreement' (QLTA), long before the individual contract is let, so it is not possible for leaseholders to propose an alternative contractor for an individual scheme. However, landlords are required to consult with leaseholders before entering into a QLTA, as Islington Council did in 2004.

In relation to the individual project, only a single stage of consultation is required. This involves sending out a Section 20 Notice, which

- describes the works
- gives an estimate of how much they will cost the landlord
- indicates the contribution likely to be required from each leaseholder

Leaseholders have the right to make written observations on the proposed major works, which must be received within 30 days of the date of the Section 20 notice. The landlord must have due regard for any comments received and write back with a response within 21 days.

## **5. Consulting with leaseholders – HFI’s approach**

HFI recognises the financial impact that major works can have on our leaseholders and we have, therefore, developed our own consultation arrangements, which go far beyond the basic legal requirements, as described in the previous chapter.

We want to give leaseholders plenty of notice of future major works and, therefore, publish our programme of works as far ahead as possible, on the website, at [‘Getting it right online’](#).

Each year, we write to all those affected by the following year’s programme and enclose our booklet ‘Getting it Right’. This provides a lot of information about the way we carry out the work and communicate with residents throughout the period of the contract.

### **First residents’ meeting**

At the time when we begin drawing up proposals for individual estates, we invite all residents to a ‘first residents’ meeting’, at which we outline our initial proposals, introduce the contractor, and seek residents’ views. We also seek volunteers to join a Residents’ Steering Group, which meets regularly throughout the contract period.

When the scope of the proposed works and the budget are close to being finalised, we get to what we call the “scope of works stage”. We write to leaseholders at this stage, describing the works we plan to undertake and an indication of the likely cost, plus an invitation to a meeting to discuss them. This is before we start the formal consultation process. We want to give you advance notice of the scope of the planned works and an idea of what your share of the cost is likely to be, so you can comment on the proposals and plan how you might arrange to pay.

### **Formal consultation process**

The next stage is the start of the formal consultation process, when we send leaseholders a Section 20 notice. We will include, with this notice, details of a

further meeting, which will take place during the consultation period, so that you can meet with us to raise any queries you have about the proposed works.

If you write to us with any comments during the consultation period we will respond to you individually. We will also write to all leaseholders at the end of the consultation process with a summary of any comments or observations received, together with our response. There is no legal requirement to do this, as we will have responded on an individual basis. But we want to let all leaseholders know the type of issues that have been raised and our response to them and if there are any changes to the proposed works as a result.

Before the works start on site we will hold a pre-commencement meeting for all residents. This provides an opportunity to talk to the contractor and to ask any questions you may have about the works themselves or about what will happen while they are taking place.

## **6. Managing the contracts on site and ensuring quality**

HFI is determined to achieve a good quality of workmanship and high levels of resident satisfaction and we have put arrangements in place which will help ensure that we achieve this.

### **Relationship with our contractors**

With partnering contracts, the emphasis is on establishing good relationships with contractors who have a reputation for, and a commitment to, quality, rather less on checking contractors and penalising poor performance. HFI ensures that our partners meet the high standards required to enable us to work together to ensure a quality product.

### **Getting things right on site**

There is far more communication between residents, the landlord and the contractor under the new partnering contracts than used to be the case. At the front line is the Resident Liaison Officer, who is employed by the contractor and available to sort out day to day issues raised by residents. If problems persist they can be addressed at the monthly steering group meetings, which are attended by residents, the Consultation Officer and the constructor.

### **Customer care**

HFI have set standards of customer care which we expect staff and constructors to meet. Our complaints procedures enable residents to get problems resolved where these standards are not met. We also carry out customer care training, involving constructors as well as our own staff.

## Inspection and enforcement

It will not always be possible to resolve differences by goodwill alone and HFI employs Clerks of Works who, in the event of disputes, will carry out inspections and ensure that any defects are rectified in accordance with the terms of the contract.

## Resident satisfaction

At the end of each contract, we commission an independent resident satisfaction survey. We look carefully at the results of these surveys to ensure that we continue to increase the levels of customer satisfaction recorded.

## 7. How we calculate your major works charge

Following the terms of your lease, we issue you with an invoice for your estimated share of the cost of the works, based on the amount in your Section 20 notice, once works have started on site.

We calculate your contribution based on the contractor's priced specification for the works. We separate the cost of works to the estate (if you live on one) and the block in which you live, based on the definitions in your lease, and then charge you a proportion of each.

To calculate your estimated cost we work out the unit charge and then we apportion this cost using the number of bedrooms in your property.

### Unit charge

When we carry out major works to the estate/block in which you live, we calculate the "unit charge" by dividing the total estimated cost of the chargeable estate/block works by the number of units (dwellings) in the estate/block.

### Bedroom apportionment

The number of bedrooms in a dwelling may differ within a block. We make the charges fairer by apportioning (adjusting) the unit charge by the number of bedrooms in your property.

Number of bedrooms	Charge
0 (bedsit)	Unit charge minus 20%
1	Unit charge minus 10%
2	Unit charge
3	Unit charge
4	Unit charge plus 10%
5	Unit charge plus 20%

## **Five-year Right to Buy protection period**

If a landlord agrees to sell a property under the Government ‘Right to Buy’ scheme to their tenant(s), it is a requirement that the landlord must send the tenant(s) an offer notice known as the Section 125 Offer Notice. This outlines the price and conditions of sale. It can affect the amount a leaseholder contributes towards major work costs within the first five years of purchase. The landlord cannot charge a major work contribution higher than the amount listed in the Section 125 Offer Notice under each of the specified repair category other than adding costs for inflation. These categories are listed under ‘itemised repairs and improvement works’ on the Section 125 Offer Notice.

## **8 Help with paying for the works**

The lease agreement requires that service charges, including those for major works, be paid in full within 14 days of receipt of the estimated invoice. However, we recognise that this could cause difficulties for many leaseholders. We are unable to waive any costs except in a few specific schemes where the Government has decided to ‘cap’ leaseholders’ costs, but we have developed a number of arrangements to help leaseholders pay their share of the cost. You will need to enter into a payment arrangement within twelve weeks of receiving your estimate and keep up your payments in accordance with the agreement.

### **Agreed maximum price**

For works carried out under the framework contract, we negotiate an “agreed maximum price” with the constructor. A feature of the framework contract is that we expect there to be little variation when the final accounts come in. Your estimated invoice will be based on this figure and, to give you some financial certainty, we have decided that your final cost will not be any more than the figure given to you at the Section 20 consultation stage.

The only exception would be if a new project (e.g. door entry scheme) were added to the contract or if additional works, not identified in the scope of works, were found to be necessary. In these circumstances, we would undertake a new Section 20 consultation process before starting the new works.

If the final cost is lower than the estimate, and you have paid in full, you will receive a credit for the overpaid amount.

### **Prompt payment discount**

If you pay your cost in full within twelve weeks of receiving your estimated invoice you will receive a 2.5% discount. This means that you only have to pay 97.5% of the estimate up front. Your estimate will tell you what this figure is.

### **Two years interest free**

If the property is not your only home you can pay in 24 monthly instalments, without incurring any interest charges, provided you enter into a payment arrangement within twelve weeks of receiving your estimate and keep up your payments in accordance with that agreement. The minimum payment must be £100 each month.

If you sell your property before the end of the payment period, you will have to clear the balance outstanding.

### **Three years interest free**

If the property is your only home you can pay in 36 monthly instalments, without incurring any interest charges, provided you enter into a payment arrangement within twelve weeks of receiving your estimate and keep up your payments in accordance with that agreement. The minimum payment must be £50 each month.

If you sell your property before the end of the payment period, you will have to clear the balance outstanding.

### **Five years interest free**

If the property is your only home and your cost is more than £10,000 you can pay in 60 monthly instalments, without incurring any interest charges, provided you enter into a payment arrangement within twelve weeks of receiving your estimate and keep up your payments in accordance with that agreement.

This 'deferred payment' arrangement will be secured by a charge on the property. An administration fee of £200 will be payable for this which must be paid in advance. If you sell your property before the end of the payment period, you will have to clear the balance outstanding.

### **Extended payment schemes**

If the property is your only home you can pay by regular, monthly, instalments over a period of up to ten years, depending on the size of your bill. This 'deferred payment' arrangement will be secured by a charge on the property. An administration fee of £200 will be payable for this which must be paid in advance.

If you sell your property before the end of the payment period, you will have to clear the balance outstanding.

If your cost is **under £10,000** you can pay over five years. You will have to pay interest after the third year. You will need to enter into a payment arrangement within twelve weeks of receiving your estimate and keep up your payments in accordance with that agreement.

Interest will be charged at a discounted rate, the Bank of England base rate, from the start of year four to the end of the payment period, provided you maintain your payments in accordance with the agreement.

If your cost is **over £10,000** you can pay over a period of up to ten years. You choose how long the payment period lasts. You will have to pay interest after the fifth year. You will need to enter into a payment arrangement within twelve weeks of receiving your estimate and keep up your payments in accordance with that agreement.

Interest will be charged at a discounted rate, the Bank of England base rate, from the start of year six to the end of the payment period, provided you maintain your payments in accordance with the agreement.

For both schemes, during the interest free period you can make overpayment on your monthly instalments. This will reduce the amount that you pay interest on.

## **Houseproud**

Houseproud is a national scheme supported by central government working with local authorities. The aim of the scheme is to provide access to loans for leaseholders aged 60 and over, or households with a disabled person of any age. We can provide help and support in exploring the loan options available, and in making an application. Loans arranged through Houseproud have a “no repossession” guarantee.

## **Bank and building society loans**

You can approach a bank or building society for a loan/mortgage or ask your current lender to increase your mortgage. You may find that these lenders can be more flexible or offer more favourable terms than we are able to.

## **Independent advice service**

We have appointed a charity called Broadway to provide leaseholders with independent specialist financial advice to help them identify the best way to arrange to pay major works charges. They can advise on the range of mortgage products which are available in the market. They can also look at your whole financial situation, including any debts. They can then help you to identify priority debts and to maximise any benefits you may be entitled to help you pay your major works or other service charges.

You may wish to apply for benefits directly yourself. For more information contact Islington Benefits Team on 020 7527 3697, or send them an email at [benefitcheck@islington.gov.uk](mailto:benefitcheck@islington.gov.uk).

## **Statutory right to a loan**

If your property was sold by the council under the Right to Buy scheme within the past ten years, you may have a statutory right to a loan, provided you apply within six weeks of receiving your bill. These loans must be secured by a charge on the property. The period of the loan is fixed, depending on the amount borrowed. The interest rate is also set out in the rules and is likely to be higher than you could obtain from a banks and building society.

## **Income support**

If you are in receipt of income support, job seeker's allowance or pension credit, you may be able to obtain a mortgage and have the interest met by income support. The Department of Work and Pensions will advise on your eligibility.

You may wish to apply for benefits directly yourself. See our "Benefits information for homeowners" leaflet for more information.

## **Placing a charge on your property**

A legal charge can be placed on your property for the costs of the works if you cannot secure private finance to pay for the works, for example from a bank or building society, and you have sufficient equity in your property to cover the cost of the works. You have two options. You can defer all payments, (the cost of the works and the interest), until the property is sold. The interest would be 'rolled up' and be deducted from the sale proceeds. Alternatively you could pay the interest each month, which would mean that when the property is sold the charge will still be for the original amount, and again will be deducted from the sale of proceeds. In both cases the interest rate will be 1% above the Bank of England base rate.

## Buy-backs

In exceptional cases, consideration could be given to the council re-purchasing the property. However, repurchases would be at “sitting-tenant” value, which is likely to be around half of vacant possession value.

## Hardship capping

In very limited circumstances of hardship, and if all other options fail, we may consider capping the amount payable to a minimum of £10,000.

## Summary of financial assistance for leaseholders with major works

These options are only available for payment of the **estimated bill**. The payment arrangement must be made within 12 weeks of receiving the **estimate**.

		Eligibility criteria	Operation
1	Agreed maximum price	Applies to framework contracts where the agreed maximum price.	Where the estimate or final account for the project exceeds the amount shown in the Section 20 notice, HFI will seek to recover only the notified amount, except where there is a need for additional works, not included in the scope of works. These will be separately charged for, following the serving of a further Section 20 notice.
2	Prompt payment discount	Estimate paid within twelve weeks of receipt.	If you pay your major works bill within twelve weeks of receiving the estimate, you will be entitled to a 2.5% discount. This means that you only have to pay 97.5% upfront.
3	Two year interest-free payment period	Minimum monthly payment must be at least £100	Payment by monthly instalments of 1/24 of the estimated bill per month. This is the maximum payment period available to non-residents.
4	Three year interest-free payment period	Must be your only home.  Minimum monthly payment must be at least £50.	Payment by monthly instalments of 1/36 of the estimated bill per month.

5	Five year interest-free payment period	<p>Must be your only home.</p> <p>Charge must be at least £10,000.</p>	<p>Conditions</p> <ul style="list-style-type: none"> <li>• a legal charge will be placed on the property, for which an administration fee of £200 will be payable. This must be paid in advance.</li> <li>• in some cases you will also have to pay a fee to your lender.</li> <li>• payment of monthly instalments (1/60 of the estimated bill per month).</li> </ul>
6	Up to five year payment period	<p>Must be your only home.</p> <p>Minimum monthly payment must be at least £50.</p>	<p>Conditions</p> <ul style="list-style-type: none"> <li>• a legal charge will be placed on the property, for which an administration fee of £200 will be payable. This must be paid in advance.</li> <li>• in some cases you will also have to pay a fee to your lender.</li> <li>• no interest will be charged for first 36 months.</li> <li>• years four and five, interest charged at discounted rate (Bank of England base rate) provided the agreement is adhered to. This rate of interest will vary in accordance with the base rate.</li> </ul>
7	Up to ten year payment period	<p>Must be your only home.</p> <p>Charge must be at least £10,000.</p>	<p>You can choose a payment period of up to ten years in length.</p> <p>Conditions</p> <ul style="list-style-type: none"> <li>• a legal charge will be placed on the property, for which an administration fee of £200 will be payable. This must be paid in advance.</li> <li>• in some cases you will also have to pay a fee to your lender.</li> <li>• no interest will be charged for first 60 months.</li> <li>• years six to ten, interest charged at discounted rate (Bank of England base rate) provided the agreement is adhered to. This rate of interest will vary in accordance with the base rate.</li> </ul>

8	Houseproud	<p>Must be your only home.</p> <p>One or more parties must be aged 60+ or be in receipt of disability benefits.</p> <p>Charge must be at least £3,000.</p>	<ul style="list-style-type: none"> <li>• administered by Houseproud.</li> <li>• a legal charge to be placed on the property.</li> <li>• guarantee of no repossession .</li> <li>• options to repay capital and interest, interest only or no repayments until property is sold.</li> </ul>
9	Bank or building society loans	Available to all.	You can approach a bank or building society for a loan/mortgage or ask your current lender to increase your mortgage.
10	Independent advice service	Available to all, via Broadway.	Broadway can provide independent financial advice for leaseholders wishing to know which financing option best suits their circumstances.
11	Statutory right to a loan	Lease must have been granted within the last ten years.	<ul style="list-style-type: none"> <li>• Loan periods depend on the amount borrowed. Details are set out in the legislation. These include interest rates, which are relatively high.</li> <li>• Must apply within six weeks of receipt of your invoice.</li> </ul>
12	Income support	Determined by the Department of Work and Pensions (DWP).	Leaseholders receiving income support, job seekers allowance or pension credit may be eligible for assistance with the cost of certain works or with the interest on amounts borrowed.

13	Placing a charge on your property	<p>Must be your only home.</p> <p>Charge must be at least £3,000.</p> <p>Must have sufficient equity in your home to cover the amount of the charge.</p> <p>Cannot access a bank or building society loan.</p> <p>Unable to pay through the other payment options.</p>	<p>A charge will be placed on the property for which an administration fee of £200 will be payable. This can be paid in advance or included in the charge.</p> <p>In some cases you will also have to pay a fee to your lender.</p> <p>The interest rate will be 1% greater than the Bank of England base rate. This rate of interest will vary in accordance with the base rate. There are two alternatives.</p> <p>1) No payments until property is sold. Instead the interest will be 'rolled up' and recovered, with the amount the charge is for, when the property is sold.</p> <p>2) The interest is paid on a monthly basis until the property is sold, but the amount the charge is for remains the same and is paid when the property is sold.</p>
14	Buy-backs	<p>Must be your only home.</p> <p>Unable to fund through mortgage, Houseproud, right to a loan, DWP, or charge on the property.</p> <p>Unable to pay through the other payment options.</p>	<p>Cases will be assessed individually.</p> <p>This option is subject to funds being available from Islington Council.</p>
15	Hardship capping	<p>Must be your only home.</p> <p>Over 60 or on disability benefits. Unable to fund through the other payment options.</p>	<p>A charge will be placed on the property.</p>

## 9. Methods of payment

The following methods of payment are available:

**By standing order** Please contact Home Ownership Services (your service charge invoice tells you which team in Home Ownership looks after your account), to request a standing order mandate. This should be completed and sent directly to your bank.

**On line (iPay)** You can make an online payment by visiting [Islington Council's website](#) and selecting “pay service charge payments”.

**By credit/debit card** You can call your major works collection officer at Home Ownership Services.

Your area housing office	Telephone number
Upper Street	020 7527 7731/ 020 7527 4342
Lyon Street	020 7527 7750
Central Street	020 7527 4358
Holland Walk	020 7527 4213

Alternatively you can contact HFI Direct, our call centre on freephone 0800 694 3344.

**By cheque** We prefer for payments not to be made by cheque, as they are slower to process than all the other methods of payment. If paying by cheque is your only option, they are to be made payable to ‘London Borough of Islington, and sent to Home Ownership Services. Always remember to write your service charge account number and the address of the property the payment is for on the back of your cheque. We will not send you a receipt for your payment unless you ask us to.

In all cases please ensure that you quote your correct service charge number when making payments. This will be a 9 digit number beginning with 6.

## 10. Complaints and mediation

If you are not satisfied with the way in which we have responded to your problem or complaint and wish to take it further or make a formal complaint, you can use HFI’s complaints procedure. Please contact the Home Ownership Services for a complaints booklet or fill out our online form at [www.homesforislington.org.uk](http://www.homesforislington.org.uk).

A manager will investigate your complaint and reply to you within ten working days of receiving your complaint. If you are still unhappy with our response we will let you know how to appeal.

### **Mediation**

If you do not agree that we have charged you the correct amount, despite our attempts to explain the legal position and the calculation of the charge, you may wish to use the mediation service provided by the independent leasehold advisory service, known as LEASE. LEASE provides independent advice on the law and other matters relating to leasehold property.

Mediation provides an opportunity for the two parties to discuss the problem and work out a solution in an informal setting. Both parties meet with a LEASE mediator who helps them to clarify the issues, to communicate with each other and to reach an agreement. The service can provide a way for disputes to be settled without the need to go to court or a Leasehold Valuation Tribunal (LVT). There is a charge for their service.

### **The Leasehold Valuation Tribunal**

If you have a complaint about the valuation of works and you are not satisfied with HFI's response, you may want to have your case heard by the Leasehold Valuation Tribunal (LVT). There is an application fee and a hearing fee.

The LVT acts as an independent arbitrator to decide whether service charges, including major works, are reasonable. Leaseholders in a building can also join together and bring a joint case to the LVT.

If you employ professionals such as surveyors, solicitors and barristers, you will have to cover the costs yourself. LVT proceedings are less formal than a court. A panel of three people, usually a lawyer, someone with surveying knowledge and a lay person, hear the case. Sometimes the panel will visit the property to do a site inspection. A hearing usually lasts one or two days. Sometimes they can consider a case just by written representations from all the parties, rather than by a hearing in person.

Following the hearing, the LVT will send out its written decision to HFI and the leaseholders. The LVT may increase or decrease the amount the leaseholder has to pay or may agree with HFI's valuation of the works.

## 11. Useful contacts

### LEASE

Maple House,  
149 Tottenham Court Road,  
London W1T 7BN  
Telephone 020 7383 9800  
Web: [www.lease-advice.org.uk](http://www.lease-advice.org.uk)  
Email: [info@lease-advice.org](mailto:info@lease-advice.org)

Leasehold Valuation Tribunal  
Residential Property Tribunal Service,  
10 Alfred Place  
London  
WC1E 7LR  
Telephone: 020 7446 7700  
Fax: 020 7637 1250  
Web: [www.rpts.gov.uk](http://www.rpts.gov.uk)

The Home Improvement Trust  
7 Mansfield Road  
Nottingham  
NG1 3FB  
Telephone: 0115 934 9511  
Email: [info@hitrust.org](mailto:info@hitrust.org)

Financial Services Authority (FSA)  
25 The North Colonnade  
Canary Wharf  
London  
E14 5HS  
Telephone: 020 7066 1000  
Web: [www.fsa.gov.uk](http://www.fsa.gov.uk)