

Paying for major works invoices



Homes for Haringey

www.homesforharingey.org



Contents

Section 1	
Introduction	2
Section 2	
Our service standards for major works	3
Section 3	
What are major works?	7
Section 4	
How do we consult you?	13
Section 5	
Invoicing and payment options	20
Payment options table	31
Section 6	
Queries and complaints	34
Section 7	
Useful contacts	37



Section 1 – Introduction

This booklet tells you all about your major works invoice. It explains the following things:

- the main ways in which we carry out major work
- how we consult you
- our customer promise
- what information we provide with our bills
- your options to pay your major works bill
- information about useful contacts.

Leaseholders were consulted about the policies and the contents of this booklet through the Leasehold Panel.



If the work is being carried out under the decent homes programme you will also receive a booklet called 'Decent homes – a guide for residents'. This is sent to all tenants and leaseholders where work is planned. It provides essential information for all residents, including some of particular interest to leaseholders. For information about your rights and responsibilities, please see the 'Leaseholders' Charter'.

The Home Ownership team issues all the leasehold notices, calculates the costs, issues the invoices and statements of accounts and collects payments. The Asset Management team is responsible for letting the contracts and managing the actual work. Please see page 37 for contact details.

Section 2 – Our service standards for major works

1	Keeping you informed	4
2	Consultation	4
3	Getting the work done	5
4	Billing	5
5	Payment	5
6	Final account	5
7	Queries and disputes	6
8	Windows	6
9	Other services	6
10	Getting involved	6

The Home Ownership team will generally be your first point of contact. It is responsible for issuing all the Section 20 Notices, invoices and so on. Staff will be glad to help on all questions relating to your invoice – please see page 37 for contact details.

1. Keeping you informed

- At the beginning of the financial year, we will write to leaseholders whose properties are in the decent homes programme for that year to:
 - give a description of the work that has been planned
 - invite them to an advice day, which will include information on payment options.
- We will also publish information on our website about the work planned for each address.
- We will let all residents living in the building know what is happening through newsletters and a local meeting.
- After the work is finished we will write to you to:
 - confirm that the work has been completed
 - tell you who you should contact to report any faults during the 12-month defects liability period
 - find out whether any problems remain to be dealt with.

2. Consultation

- We always consult our leaseholders more than we have to (by law) about any major work likely to cost them over £250. Please see Section 4, 'How do we consult you?', page 13.
- We send all leaseholders (in the building) a 'Section 20 Notice' to provide details of the works and an estimate of the cost. You will receive this at least 30 days before the work is due to start.



- You have the right to send us your comments in writing and we will reply within 21 days.
- Home Ownership officers will be ready to attend resident meetings during the consultation period or arrange home visits if you have a long term illness or you are severely disabled.
- If the cost of work increases by more than 10% above the original estimate, we will inform you of the increase and the reason for it while the work is being carried out.

3. Getting the work done

- We are very committed to good customer care at all stages of the work.
- We expect our staff and contractors to meet high standards throughout – please see the booklet, 'Decent homes – A guide for residents' for more details.

4. Billing

- We will send you the invoice (for your estimated cost of the work) soon after our contractor starts on site. At the same time we will:
 - let you know about ways to pay the invoice
 - enclose a summary of your legal rights regarding your invoice.

5. Payment

- We provide a wide range of payment options: please see page 31.
- If you need a loan from a bank or building society, we will offer you up to six weeks to arrange payment
- If you would like more information we will be glad to discuss the payment options with you on a one to one basis.

- If you are on a low income and have problems paying your invoice, we can refer you to the Citizens' Advice Bureau. We have an arrangement with them to fast-track referrals: please see page 30.

6. Final account

- When the work is finished we will send you the final account within six months. If we are unable to do this, we will write to you to say why.
- We will send you a breakdown of the costs with the final account which will show how the costs relate to the original estimate.
- If you wish, we will give you the opportunity to inspect our accounts and the supporting documents when the final statement of account is issued.
- We will provide you with a copy of the FENSA Certificate for your new windows and doors upon request. We will also provide you with copies of any guarantees that apply to the works if you request these.
- We will not issue a separate invoice for any work less than £250. It will be included in the annual actual service charge. This is to avoid leaseholders having to pay an additional charge for administration (management fee).

7. Queries and disputes

- We will deal promptly with all queries and complaints – please see Section 6, 'Queries and complaints' on page 34.
- We may agree to mediation where a dispute cannot be resolved through our complaints procedure – please see Section 6, 'Queries and complaints' on page 34 for more details.

8. Windows and doors

- If you wish to install your own windows and doors you can apply to us to do so. We will usually be able to allow this, provided it can be done before our contractors start work on site. Please phone **020 8489 3357** or email **right2buy@homesforharingey.org** for more details and a copy of our booklet 'Install your own windows and doors – a guide for leaseholders'.

9. Other services

- We will provide leaseholders with the necessary information if they wish to buy kitchen and bathroom fittings as supplied by our contractors under the decent homes programme – the contact details are the same as for windows and doors (above).

10. Getting involved

- We consult with the Leasehold Panel on service delivery issues, new policies and any new long-term agreements.
- The Leasehold Panel is open to any leaseholder who would like to attend. Please phone **020 8489 3487** or email **leasehold.panel@homesforharingey.org** for more details.



Section 3 – What are major works?

1	Major works	8
2	Why do I have to pay?	8
3	How do we decide which work to do?	8
4	What works are included?	9
5	How are major works funded?	9
6	Who are the main players?	10
7	How do we carry out major works?	11
8	What is partnering?	11
9	How are partnering agreements used?	11
10	One-off contracts	12



1. Major works

A major work is any large piece of building or engineering work which we plan to carry out to your building or your estate which will result in a cost of more than £250 per flat. It can be any type of maintenance, redecoration, replacement or improvement work.

2. Why do I have to pay?

Under the terms of your lease you have to pay towards any work which is concerned with the outside of the building (including the windows and doors), the structure of the building or the communal areas. You also have to pay towards the work required on your estate. For more details please refer to the 'Leaseholders' Charter', Chapter 4 on 'Service charges', or the 'Plain English guide to your lease'.

Leaseholders only have to pay towards those costs which are directly concerned with work on their building or estate. These include the following:

- Planning, design and management of the work
- Site set-up costs and overheads (such as running a local office)
- Hiring of scaffolding
- Labour and material costs

- Consultancy fees, which relate to drawing up and monitoring building and technical specifications, health and safety requirements and so on
- Billing and the collection of payments.

Of course you do not have to pay towards the cost of work required inside tenants' flats, such as to kitchens, bathrooms, internal plumbing, wiring and so on. On the other hand, leaseholders are themselves responsible for the carrying out of all this sort of work in their own homes.

3. How do we decide what work to do?

When we plan major work, we take into account the following factors:

- Stock condition
- Whether day to day repairs have to be undertaken very often
- Requests made by residents, for example works to improve the grounds on the estate, lighting or other facilities.

Haringey Council is expected to bring its housing stock up to the Government's 'Decent Homes Standard', so Homes for Haringey often needs to target the type of work necessary to meet this standard.

4. What works are included?

Major works include any type of work for the general good of the building or for use by everyone. Examples are:

Building	Estate
Windows and doors	Estate lighting
Roofs, down pipes and guttering	Landscaping
External redecoration	Roofs, down-pipes and guttering to outbuildings
Digital TV	External redecoration to outbuildings
Controlled-entry systems	Play equipment
Rewiring	Estate roads and parking areas
Lifts	Vehicle barrier gates and bollards
Dry risers and fire equipment	
Cavity wall insulation	

5. How are major works funded?

The money comes from a number of different sources:

- Decent homes programme – funding agreed by the government.
- Capital works – in addition there is Haringey Council's annual programme of capital works.
- Estate Improvement Programme.
- New Deal for Communities – government-funded programme to help socially deprived communities and improve their environments.



6. Who are the main players?

These are often called stakeholders:

The UK Government provides most of the funding for the maintenance of Haringey Council's housing stock.

Haringey Council approves the funding of all capital works programmes.

Homes for Haringey is a non-profit-making company owned by Haringey Council. It provides housing management, repairs and maintenance services to over 20,000 council properties in Haringey. It is responsible for carrying out major works. It consists of a number of departments, some of which are referred to below.

Asset Management is responsible for planning and managing large scale schemes and projects which are concerned with repairing, maintaining or improving Haringey Council's housing stock. It oversees the work of the contractors and consultants employed by Homes for Haringey on all building and construction work.

Design and Engineering comes under the Repairs Service. It is responsible for the design of mechanical and electrical works and lets and manages the necessary contracts.

Contractors carry out major works projects to maintain Haringey Council's housing stock. Under the decent homes programme, the contractors are called constructor partners – please see page 12.

Consultants provide consultancy services and are asked to assist in the day to day planning and management of all aspects of major works projects. Under the decent homes programme they are called compliance teams – please see page 12.

The Resident Involvement team is a part of Housing Management. Its function is to encourage the involvement of tenants and leaseholders through residents' associations, Haringey Leaseholders' Association, panel meetings, the Residents' Consultative Forum and so on.

The Home Ownership team is part of Housing Management. It is responsible for the statutory consultation with leaseholders on major works, the calculation and issue of service charges bills, the collection of payments and dealing with queries. This team acts as the central point if leaseholders wish to query items on their bills.

Residents (tenants and leaseholders) – you, our customers.

7. How do we carry out major works?

We always employ contractors. We do this through:

- Partnering/long-term agreements
- One-off contracts – for a specific piece of work

Before we enter into any contracts, we must consult you – please see Section 4, ‘How do we consult you?’ on page 13.

8. What is partnering?

Partnering takes place under a long-term agreement. A long-term agreement is a contract which is longer than 12 months and usually lasts up to five years. Leaseholders have to be consulted before the landlord enters into such a contract, if they are going to be charged more than £250 under it.

The partner under a long-term agreement will be a large construction company, which is awarded the contract after submitting the best bid to Haringey Council. The company provides schedules of rates and prices, which are used for pricing the projects it carries out under the agreement.

Under partnering, each project is not required to be tendered separately. This helps to keep the costs down because tendering is very expensive. In addition, since the materials used can be ordered in very large quantities, a lot of savings can be achieved in administrative costs, discounts for buying in bulk, and so on.



9. How are partnering agreements used?

Partnering or long term agreements are used for various types of work, such as the decent homes programme, planned preventative maintenance, the installation and servicing of controlled entry systems – and the provision of consultancy services to assist in major works. These contracts are managed by the Asset Management team, apart from lifts and controlled entry systems which are managed by Design and Engineering.

Decent homes programme

A lot of work is taking place at the moment under this programme which is necessary to bring all Haringey Council's housing up to the Government's Decent Homes Standard. The work has been organised under four areas in the borough with a team of consultants (called a compliance team) and a contractor (called a constructor partner) to cover each one. The details are as follows:

- **Compliance teams:**
cover the following areas:
 - North Tottenham and Wood Green:
John Rowan and Partners
 - South Tottenham:
Potter Raper Partnership
 - Hornsey: Ridge and Partners.

Each will provide consultancy services and will assist in the design and day to day planning and management of all aspects of our major works projects.

- **Constructor partners:**
cover the following areas:
 - North Tottenham: Lovell Homes
 - South Tottenham: Apollo Housing
 - Wood Green: Mulalley & Co
 - Hornsey: Wates Living Space.



They have been appointed to carry out major work throughout the borough. They will be mainly concerned with carrying out the large scale building and refurbishment projects needed to bring Haringey Council's housing up to the Decent Homes Standard.

10. One-off contracts

Sometimes it is necessary to enter into an individual contract for a specific piece of work. This generally applies to smaller projects, such as the replacement of a roof.

Section 4 – How do we consult you?

1	General consultation	14
2	Consultation required by the law	14
3	Decent homes work	18
4	What are your rights?	18
5	What happens if we are unable to consult you as required?	19

The law states that we must consult you before we carry out any major work which you have to pay towards. However, we always carry out more consultation than the law requires and this usually starts through our panels.



1. General consultation

Consultation through our panels, etc.

There are two panels which play major roles in consultation. Anyone can go along:

- **Asset Management Panel:** this discusses all the main issues about the placing of large contracts. Where they are very large, such as for decent homes, a subcommittee is usually set up to go into things in more detail.
- **Leasehold Panel:** this covers the aspects of contracts that are of particular interest to leaseholders, such as the ways in which information will be provided about the costs.

Other sources of information are:

- **Homes Zone:** the magazine for all our residents often contains articles about large major works schemes. Information is also provided on our website.
- **Haringey Leaseholders' Association:** the independent organisation for all our leaseholders holds regular meetings which are open to all leaseholders. It plays an important part in the panels and has separate meetings with Homes for Haringey from time to time.

Consultation in planning a project

Where we propose to undertake a large scheme of work we make sure that all residents who will be affected know what we intend to do.

- You will receive a letter advising you that works are proposed, and inviting you to a site meeting to discuss this.
- After the site meeting, you will receive a newsletter covering what was discussed at the meeting.

We will usually hold the meeting before we send you the legal notice. Thus, a Section 20 Notice will be sent to all leaseholders who will be affected.

2. Consultation required by the law

We must consult leaseholders on behalf of Haringey Council before we can enter into any agreement to carry out work. This is required under section 20 of the Landlord and Tenant Act 1985 (as amended).

We must send you a notice before we sign the agreement and also before we carry out a particular piece of work. We will send you the notice at least 30 days before the work starts.

If we do not follow the section 20 regulations, we can only charge you £250.

The tables below summarise the main requirements in the regulations issued by the government under section 20 of the Act.

How we consult you – long-term agreements (partnering)

Stage	Notice and what it contains
When the agreement is being proposed (sent to all leaseholders)	Notice of intention <ul style="list-style-type: none">• describes the agreement• gives the reasons for it• states the type of work proposed• says you can make comments on the proposal• invites you to recommend a contractor or explains why EU law prevents this• says you must send your observations on the proposed work by letter within 30 days, if you wish to do so.
Before we appoint the contractor (sent to all leaseholders)	Notice of proposal <ul style="list-style-type: none">• provides a copy of the proposal or says where you can inspect it• invites you to comment on the proposal and• says that you have 30 days to do so by letter, if you wish to. We must respond within 21 days if you do so. The proposal <ul style="list-style-type: none">• describes the planned work or agreement• states the name of the contractor• says if there is any connection between Haringey Council and the contractor• provides cost information where possible• says how long the agreement is for• gives a summary of any comments received and our responses to them

How we consult you about work under a long-term agreement

Stage	Notice and what it contains
Before we start work (only sent to leaseholders who will have to pay)	Notice of intention (to carry out work) <ul style="list-style-type: none">• describes the planned work• gives reasons why it is needed• provides an estimate of its cost• says you can make comments on it• says you must reply by letter within 30 days, if you wish to do so. <p>We must carefully consider any comments and reply in 21 days.</p>

As we explained in the previous section, work occasionally has to be carried out under a one-off contract.



How we consult you about work under a one-off contract

Stage	Notice and what it contains
When the work is being proposed (only sent to leaseholders who will have to pay)	Notice of intention <ul style="list-style-type: none">• describes the planned work• states why it is needed• says you can make comments on it• invites you to recommend a contractor• says you must reply by letter within 30 days, if you wish to do so.
Before we appoint the contractor	Notice of estimates <ul style="list-style-type: none">• provides copies of two estimates or says where you can inspect them• invites you to comment on them• says that you have 30 days to comment by letter, if you wish to The estimate <ul style="list-style-type: none">• describes the planned work• states the name of the contractor• says if there is any connection between Haringey Council and the contractor• provides the estimated cost of the work• gives a summary of any comments received.
Award of contract	Notice of award of contract <p>If we do not choose the lowest tender, we must send you this notice to:</p> <ul style="list-style-type: none">• give reasons why we did not choose the lowest contractor• provide a summary of the comments received and our responses to them.

3. Decent homes work

This is always carried out under a long-term agreement. At least a month before works start, you will receive a Notice of intention. As shown in the table above it will include:

- a list of the works proposed for your building and/or estate
- how much the works will cost you
- a breakdown of the cost for the building
- why the works are being carried out

When work is about to start, the Constructor Partner (the contractor) will write to you to let you know and say how long work is expected to last.



4. What are your rights?

Under section 20 of the Landlord and Tenant Act (1985) you have a number of rights:

- Where we are planning to invite tenders regarding major work we must inform you in advance by sending you a notice
- You have the right to suggest an appropriate contractor or we must explain if European law does not allow this
- You have the right to make written observations (within 30 days) on any proposal to appoint a contractor to carry out major work and we must send you a reply by letter
- If we intend to do any work which will cost you more than £250, we must send you a notice at least 30 days in advance
- You can make observations in writing and we must respond within 21 days

These rights are also shown in the tables above.

5. What happens if we are unable to consult you as required?

Occasionally we may have to apply to the Leasehold Valuation Tribunal (LVT) because we know that we are unable to follow the legal requirements for consultation. Possible examples are as follows:

- We are unable to give information about costs or the date on which an estimate can be made available during the consultation about a long-term agreement.
- We may need to carry out urgent work such as repairing a leaking roof so we have no time to fully consult about it. If necessary we can apply to the LVT for them to decide whether we acted reasonably in terms of the legal requirements.



A recent example was in 2007 when the LVT granted dispensation to Haringey Council in relation to the long-term agreements regarding the decent homes programme. The LVT fully accepted that we could not provide leaseholders with any cost information until we started arranging for individual projects.



Section 5 – Invoicing and payment options

1	When will I receive my bill?	21
2	How we work out your invoice	21
3	Will I receive a breakdown of the work?	23
4	How long do I get to pay?	23
5	What happens if I miss a payment?	29
6	Where else can I get help to pay my bill?	29
7	A list of the main payment options	31
8	How to pay	33



1. When will I receive my bill?

You will receive your invoice at the start of the work and a final statement at the end of the work:

- **Start of work.** Your invoice will be based on the estimate at the start of the work. Under the terms of your lease you have to pay it quarterly in advance over 12 months. However, this could be difficult for large bills, so we will let you pay in monthly instalments. Please see page 31 for the instalment options.
- **End of work.** Following completion, we will send you a statement of the final cost of the work. Generally this will be quite close to the original estimate. However if the cost of the work is more than the estimate, you will receive an invoice for the amount outstanding. If the cost is less than the estimate then a credit allowance will be made to your account.

Generally, you will receive your final invoice soon after the end of the work. However, if there is a delay you will receive an explanation and a notice to confirm that the costs have been incurred (a Section 20 B2 Notice). We will allow you to pay any extra amount on the same basis as the original estimate.

2. How we work out your invoice

We must work out your share of the cost in line with the method set out in the lease. The lease also contains plans of your building and the estate it is in, which means you cannot be charged for work outside these boundaries. The lease says we must divide the cost of any work in your building by the number of flats in it to work out your share. If it is work to the estate, we must divide the cost by the number of flats on the entire estate.

However, the lease also allows for the size of your property. It does this through the rateable values for flats sold before 1 April 1990 and by the number of bedrooms for those sold after this date. We work out your share of the cost by taking the rateable value of your flat and dividing it by the total of the rateable values of all the flats in the building.

For flats sold after 1 April 1990, the lease says we must use the number of bedrooms (plus one). If your property was sold after this date, we will use its number of bedrooms plus one and the total number of bedrooms of all the flats in the building plus one for each flat. The addition of one bedroom is because otherwise bedsits would have no bedrooms and so would not be charged anything.

We work out the costs you must pay from the contractor's itemised list of the cost of the work. The preliminary costs (setting up the site, maintaining the site office, storage of materials and so on) are generally allocated to the project on a percentage basis of the costs of the work done. Thus if half of the work involves installing new kitchens and bathrooms (for tenants), and half the cost involves replacing the roof, leaseholders will only have to pay towards the cost of the roof and half of the preliminary costs.

You should also note the following points relating to the ways in which we work out your share of the cost of different types of work:

- **Work to the building.** You must pay towards the cost of any work we do to the outside of the building and the communal areas inside it. Examples of these are given on page 9.
- **Windows and external doors.** Windows and doors are part of the outside of the building. This means you will have to pay towards the total cost of replacing them unless you have installed your own windows with our permission. If you installed your windows and doors before 31 August 2008 you can still apply to obtain our permission, where they meet the necessary standard. Please see page 6 for contact details.

- **Work inside tenants' flats.** None of this is charged to leaseholders. This means you will not have to pay towards any work required to modernise our tenants' kitchens and bathrooms, plumbing, rewiring and so on.
- **Work in estate areas.** Paths, communal gardens, play areas and so on. Please see page 9 for some more examples.
- **First five years of the lease.** If you bought your property from Haringey Council during the last five years, the amount you will pay for the work will be limited to the estimate contained in the offer notice (increased in line with inflation). However, you will have to pay the full amount after that.
- **Structural faults.** You do not have to pay for this type of work if it comes to light during the first 10 years of your lease. This is unless it was listed in the offer notice issued by Haringey Council before the sale of your property.

Once the work is finished, the contractor will submit a final account for all the costs incurred. If the costs are more than 10% over the original estimate, we will send you a letter while the work is being carried out to explain why this has happened.

3. Will I receive a breakdown of the work?

We are committed to providing you with good quality information to show you how your money has been spent. The estimate we will send you before the start of work will include a statement showing the cost of each of the main types of work involved in the project.

When the final invoice is sent after the completion of the work it will show any significant variations from the original breakdown. Hence it will show any important additional work or where work was decided not to be necessary. If a lot of additional work has to be carried out (more than 10% of the original cost) then a letter of explanation will be sent to you beforehand.

Requests for detailed breakdowns of costs will not be regarded as giving a valid reason for withholding payment and will not be allowed to delay recovery action. It should be noted that the cost of providing a lot of detail is very high and we reserve the right to make a charge for such information, if it is available. In any such case we will advise you in advance.

4. How long do I get to pay?

We provide a number of different options because people's financial circumstances vary a lot. Some of these options will only apply to people on low incomes or those on benefits.

Only people over 60 and those in a flat where there is someone who is disabled can apply for a Houseproud loan. The option of a deferred loan is generally only suitable for someone who is retired. The table on page 31 gives a summary of the different options and who can apply for them. Everyone who wishes to apply for a loan should be up to date with their service charges.

Discount for payment in full within 21 days

- If you do this, you will get a discount of 5% which you can deduct from your invoice
- This is also a good option if you have to take out a bank loan: you can then pay us in full and use the discount to reduce your borrowing costs
- If you are going to obtain a bank loan you must confirm this to us within 21 days and we will give up to 6 weeks to set up your loan. We will still let you have the discount if you then pay your invoice in full.

Interest-free loans

You can pay in monthly instalments for a number of years but you must do so by direct debit. Each instalment must not be less than £50. The length of time for your loan depends on the amount of your invoice and whether the property is your only home (you are the owner-occupier). However if you are subletting your property you can only have up to 36 months to pay your invoice.

Interest-free loan

Amount of invoice	Monthly instalments	Who is entitled
Under £600	12	All
£600 - £1,799	24	All
£1,800 - £4,999	36	All
£5,000 - £9,999	48	Owner-occupiers only
£10,000 - £14,999	60	Owner-occupiers only
£15,000 and above	72	Owner-occupiers only

If you are subletting your property, then the maximum amount of time that you can repay your loan is 36 months.

No interest is charged under these options. However, you must sign an agreement to say that if you sell your property then you will pay any amount outstanding on completion of the sale. An amount of more than £10,000 will have to be secured by a charge on your property. There are a number of conditions for this:

- You will have to pay an administrative fee for this.
- If your mortgage company have a restriction on the property, then they must give us permission to place an additional charge. You must pay any fees that they charge for this.

- You must come in to our office so that we can certify your identity. This is a requirement of the Land Registry. If you have any queries about this requirement, we will be happy to advise you.

Combination loan

If you are an owner-occupier (and you are not subletting your property), you can pay over a longer period if your invoice is £5,000 or above, but you must pay interest for the last year or the last two years (for amounts over £10,000) of your loan.



Combination loan – interest-free plus interest

Amount of invoice	Monthly interest-free instalments	Additional monthly instalments with interest	Total monthly instalments period
Under £600	12	n/a	12
£600 - £1,799	24	n/a	24
£1,800 - £4,999	36	n/a	36
£5,000 - £9,999	48	12	60
£10,000 - £14,999	60	24	84
£15,000 - £19,999	72	24	96
Above £20,000	72	24	96

The rate of interest you must pay will be set at the council's borrowing rate. An amount of £10,000 or above will have to be secured by a charge on your property. The conditions for this are outlined in the section on Interest-free loans above.

A loan from an existing or new lender

If you need longer than the periods shown in the table above, your mortgage lender may be prepared to add the cost of the work to your mortgage. Your monthly repayments will then be increased to cover the increase in your mortgage. If you do not have a mortgage or your mortgage company is not willing to give you an additional loan, you may be able to find a new lender.

We know that it takes time to apply for a loan so you will be allowed at least six weeks to make the necessary arrangements. However, we must receive a letter from your lender within two weeks of the date of your bill to confirm that they are processing your loan application. Otherwise, you must contact the Home Ownership team to arrange another way to pay.

Right to a loan from Haringey Council (mandatory loan)

If your lease is less than 10 years old you will have the right to a loan from Haringey Council under the Housing (Service Charge Loans) Regulations 1992 (this is called a 'mandatory loan'). There are the following conditions:

- You must apply within six weeks of the date of the invoice
- You can only have a loan after you have deducted the first £2,330 of your annual service charges from the total and the remaining amount is more than £780
- You must agree to the loan being secured by a charge on your property (in the same way as for a mortgage). The conditions for having a charge on your property are outlined above, in the section on Interest-free loans
- An administration charge of £100 is made.
- The loan cannot be for more than £30,950. The maximum loan repayment periods are as follows:

Period for mandatory loan

Amount borrowed	Period over which the loan must be repaid
Less than £1,500	3 years
£1,500 to £4,999	5 years
£5,000 or more	10 years

The rate of interest you must pay will be set at the council's borrowing rate.

Discretionary loan from the council

We will only give you this type of loan if you can meet the following conditions:

- Your leasehold property is your only home
- You have no other way of paying – you must undergo a means test
- You can show proof that you have been turned down by two High Street lenders
- You agree to pay the necessary monthly instalments by Direct Debit through your bank account
- You are up to date with your mortgage repayments (if you have a mortgage)
- The value of your property is enough to cover the amount of your bill after deducting your mortgage and any other loans you have
- You must agree to the loan being secured by a charge on your property (in the same way as for a mortgage). The conditions for having a charge on your property are outlined above, in the section on Interest-free loans
- You must apply within two weeks of the date of your invoice

We will also generally refer you to the Citizens Advice Bureau for them to fully assess your position and for you to obtain advice as to whether you may be entitled to receive any benefits from the DWP.

The rate of interest which Haringey Council charges is 2% above base rate. There is a set-up charge and a small annual charge for administration. The payment period will probably be similar to that shown for a mandatory loan, but will also take into account your financial circumstances.

Late payment letters and legal action will cost you money. Please pay on time to avoid extra costs.

Houseproud loan scheme

If you are aged over 60, or you have a disabled person living in your home, you may be able to get a loan through the Houseproud scheme which is supported by the Government, local authorities and the Home Improvement Trust. The scheme gives advice on how you can obtain a secured loan to meet the cost of major work. It also provides access to a number of loans which are tailored to meet the needs of elderly people and disabled people.

The property must be your main home. Loans under the scheme are provided by reputable banks and



building societies. They carry a guarantee that your home will not be repossessed, no matter what happens. You can get more information on the scheme from the Home Ownership team and in the booklet 'Houseproud: loans for leaseholders'. It is free to apply for a loan, but if you decide to go ahead with it you will have to pay set-up costs, including a charge for the valuation of your property.

Income support for interest-only loan

If you are or could be entitled to benefits from the Department of Work and Pensions (DWP) they may agree to pay the interest on an interest-only loan. The following conditions apply:

- You must apply to the DWP for help in paying the interest of the loan within one month of receiving your invoice
- We will give you an appointment with the Citizens' Advice Bureau (CAB), who will help you to do this

- You must agree to the loan being secured by a charge on your property (in the same way as for a mortgage).

The loan will be means tested and will be available to those who are unable to pay but who have sufficient equity (value) in the property to cover the bill.

Please note: if you are on a low income and you receive a very large bill this may mean you become entitled to help from the DWP. We can make an appointment for you to obtain advice from the CAB, if this is likely to be the case.

Deferred payments loan (a charge on your property)

This is a type of loan which Haringey Council can only offer if there is no other alternative. You must agree to pay us the amount we have lent you plus the interest at some point in the future or before you sell the property.

- It is an option for some people on low incomes, with no other savings or capital who are not eligible for benefit
- It must be means tested and will be available to those (such as some elderly people) who are unable to pay but who have sufficient equity (value) in their property to cover the bill

- If you would like to apply for this type of loan, we will first give you an appointment with the Citizens' Advice Bureau. They will then be able to advise you if you are entitled to any financial help from the Department of Work and Pensions or other organisations

- You must agree to the loan being secured by a charge on your property (in the same way as for a mortgage).

This type of loan is similar to a mortgage, but all payments are postponed until the final payment date. The interest is 'rolled up' until the whole amount outstanding has to be paid, for instance when the property is sold or transferred to someone else.



Hardship capping

Under government regulations, Haringey Council can limit major works charges above £10,000, so that they do not go beyond this amount. However it only has the power to do this in cases where there would be considerable hardship. This means that a careful means test has to be applied. The limit of £10,000 applies to charges for major works over a five-year period. If you feel you may qualify, you must send your completed application form within six weeks of receiving the invoice.

Buy-back

Haringey Council has no policy in relation to buying back leasehold properties, since the funding and administrative costs would be too great. Only one council operates this policy, because of the high costs involved.

5. What happens if I miss a payment?

If you are in genuine difficulties, you must contact the Home Ownership team right away. There are a number of options to help people who have major problems.

Recovery action will be taken against anyone who gets into arrears. After we have sent reminder letters, we will make a charge of £50 for a letter before court action.

If the matter goes to court, the leaseholder will have to pay court costs and interest on top of their debts. They will then find it very difficult to get bank loans and hire purchase arrangements.

If you incur significant arrears, you will be at risk of losing your home. (please refer to our booklet 'Recovery of service charges through legal action').

Late payment increases everyone's service charges.

6. Where else can I get help to pay my bill?

Citizens' Advice Bureau (CAB)

Your local CAB advice centre will be able to provide you with financial counselling and confidential debt advice. The CAB may also be able to help find a reputable lender for people on benefit and pensioners on low incomes facing large bills. We can make a special referral to the CAB for leaseholders who need advice on the following:

- (1) obtaining all the state benefits you are entitled to**
- (2) how to decide what to do if you have large amounts of debt.**

Benefits and Income Support

If you are a pensioner or are in receipt of state benefits such as Income Support or Job Seeker's Allowance, you may be able to get help with your bill for major works. You should contact the Department of Works and Pensions (DWP) if you wish to claim.

You must do so as soon as possible and certainly within one month, or you will not be entitled to benefit. If your claim is refused, you have the right to appeal. The Citizens' Advice Bureau is also able to provide help and advice on these matters. You must act quickly to avoid losing your appeal rights.

National Debtline

This is an independent charity working with the government. It has a helpline which provides free and confidential advice on how to deal with debt problems:

- **Freephone:** 0808 808 4000
Monday to Friday 9am to 9pm,
Saturday 9.30am to 1pm.
Fax 0121 410 6230
- **24-hour voicemail.** You can leave a message to request an information pack

Postal address: National Debtline,
Tricorn House, 51-53 Hagley Road,
Edgbaston, Birmingham, B16 8TP



7. A list of the main payment options

Option	Who can apply	See page
Discount of 5% for payment in full	Anyone	23
Interest-free loan up to 72 months (by direct debit) (If you are subletting your property, then the longest you have to repay your loan is 36 months.)	Anyone	23
Combination loan	An owner-occupier	24
Right to a secured loan from the council (mandatory loan)	Anyone with a lease less than 10 years old	25
Discretionary loan from the council (secured on the property)	An owner-occupier	26
Income support for interest-only loan (you must apply to the Department for Work and Pensions – DWP)	An owner-occupier	27
Debt and loans advice	Anyone	30
Houseproud	An owner-occupier	27
Deferred payments loan (secured by a charge on your property)	An owner-occupier	28
Hardship capping – major works charges limited to £10,000 over five years (Secured loan)	An owner-occupier	29

Main conditions

You must pay or inform us within 21 days if you are setting up a loan – you will then have up to six weeks.

You must start payment within six weeks of the date of the invoice.

The repayment periods are:

- £250 to £4,999 – Up to 36 months (depending on the invoice amount)
- £5,000 - £9,999 – Up to 48 months
- £10,000 - £14,999 – Up to 60 months
- Over £15,000 – Up to 72 months
- An amount of over £10,000 must be secured by a charge on your property

- You must start payment within six weeks of the date of the invoice
- The repayment periods are as above, plus an additional one/two years. Interest is charged for the last one/two years
- An amount of over £10,000 must be secured by a charge on your property

- You must apply within six weeks of the invoice date
- The lease must not be more than 10 years old
- The loan must not include the first £2,330 of your service charges for the year
- The loan must be for more than £780 and less than £31,000

- You must apply within two weeks – means test required
- You must have been turned down by at least two lenders
- You must be able to prove you can pay back the loan

- You must apply to the DWP within four weeks
- You must already be in receipt of benefits
- The DWP will usually pay invoices for exterior decorations for people receiving benefit
- They will consider paying the interest on interest only loans for major works

For people with financial problems -
Citizens' Advice Bureau - see page 38 for their phone number and website
You must contact them as soon as possible if you want help
National Debtline – Freephone: 0808 808 4000

- You must be over 60 or have a disabled family member
- Your property must be your main home

- You must apply to us within two weeks
- You must be unable to pay by any other way and no other property or savings
- There must be enough value in your property to cover the loan and compound interest

- You must apply to us within two weeks
- You must be unable to pay or raise a loan by any other way and no other property or savings
- You would face serious financial hardship if you had to pay the full amount

8. How to pay

There are a number of different ways you can pay your invoice. However, if you want to pay by instalments you must do so by direct debit.

- **Direct debit**

Please complete a direct debit form and return it in the prepaid envelope provided.

- **Pay online by debit or credit card**

Go to our website at www.homesforharingey.org and follow the instructions for online payments. Please choose 'LBH invoice' and put your invoice number (this is the 10 digit number which begins with 1800 on your invoice) as the reference.

- **Pay over the phone by debit or credit card**

Please phone **0845 070 1414** and choose option 7 for paying a Haringey invoice. Please quote your invoice number (this is the 10 digit number on your invoice which begins with 1800) as the reference. If you prefer to speak to someone you can call **0845 055 0923** or **0800 195 3404** between 8am and 8pm Monday to Friday, and between 8am and 1pm on Saturday.

- **Pay by bank transfer**

Please quote the following details:

- Council's bank account number: **90663047**
- Council's bank sort-code number: **60-24-23**
- Invoice number: this is the 10 digit number on your invoice which begins with 1800

- **Pay by cheque, cash, postal order, debit or credit card at Haringey Payment Services (cashiers)**

Haringey Payment Services is at 247 High Road, Wood Green, N22 8HF and is open at the following times:

- Monday, Tuesday, Wednesday and Friday 8.45am to 5pm
- Thursday 8.45am to 7pm
- Saturday 9.30am to 12.30pm

- **By cheque**

Please send your cheque in the envelope provided. Please write your name, address and invoice number (this is the 10 digit number on your invoice which begins with 1800) on the back of your cheque. Cheques must be made payable to '**London Borough of Haringey**'.

Section 6 – Queries and complaints

1	Queries	35
2	What if I do not agree with my invoice?	35
3	Can I withhold payment?	35
4	Making a complaint	35
5	Mediation	36
6	The Leasehold Valuation Tribunal	36



1. Queries

In addition to producing booklets such as this one, we make every effort to answer people's queries about their service charges. If we cannot answer right away we will send you a reply within 10 working days. If we cannot provide the information within this time we will write and explain why, and say when we expect to send it to you.

Many questions are answered in our booklets, so please read them carefully; and please remember that the more questions you ask, the greater the costs of administration and the higher your service charges!

2. What if I do not agree with my invoice?

If you think the work has not been done properly, you should write to us as soon as possible to explain what the faults are. If you tell us while the contractors are still on site, they can put them right before their workers leave.

If you believe that Haringey Council shouldn't charge you for a particular item on your bill, you should write to us immediately to explain why not. We will then ask the project manager to investigate and sort the matter out.

Report faults straight away so that the contractor can fix them while they are on site.

3. Can I withhold payment?

If you wish to dispute payment of your bill, you should not withhold payment, since any issues you raise will only affect a small part of your overall bill. If you have reasonable grounds for complaint, a refund will be made once the situation has been investigated. You have a legal right to receive a refund if it is found that an error has been made or some work has been omitted.

We will commence recovery action against anyone who withholds payment for whatever reason.

Late payment increases everyone's service charges.

4. Making a complaint

If you are not satisfied with the way we have dealt with a query or matter you have reported, and you feel there has been a failure on our part, then you can make a formal complaint through our complaints procedure. You can phone, email or write a letter to us if you want to do this.

Information about our complaints procedure is given in a booklet we have produced, called 'Complaints, compliments and suggestions'. You can ask for a copy of this or download it from our website. It contains a form which you can use to make a complaint if you wish.

Following receipt of your complaint an investigation will be carried out of the issues you have raised, and a letter will be sent to you giving a full response. It will explain whether we agree that you have drawn attention to valid problems, and if so how we intend to rectify them. If you are still dissatisfied you can ask for a review to be carried out.

5. Mediation

If you are disputing your bill for major work and have been through at least the first two stages of our complaints process, we may agree for the Leasehold Advisory Service (LEASE) to mediate and find a solution. LEASE provides a mediation service, which anyone can use. LEASE is an independent organisation funded by the Government. In addition to this service, LEASE will provide free legal advice on general leasehold matters to anyone who phones them.

There are considerable administrative costs involved for us in preparing a case for mediation, but we do not charge for this. The total fee which LEASE charges for the service is £100 for each applicant. Where we accept that there are issues which have not been resolved, we will pay the fee for both parties but only if the value of the items you wish to dispute is more than £1,000.



6. The Leasehold Valuation Tribunal

In a case where a leaseholder feels we have failed to deal with a major issue they can take the matter to the Leasehold Valuation Tribunal. It is designed to be accessible by people without legal qualifications – anyone can represent themselves. However, the LVT is still part of the legal and judicial system so it is very important to have a very good legal case before making an application. Many people are represented by solicitors. Even those who represent themselves generally obtain professional advice beforehand on the legal, technical or construction issues in cases regarding works.

Section 7 – Useful contacts

Haringey Council

Phone: 020 8489 0000

Web: www.haringey.gov.uk

Homes for Haringey

Phone: 0800 195 3404

or 020 8489 5611

Minicom: 020 8489 2088

Web:

www.homesforharingey.org

Home Ownership team

13-27 Station Road,

London N22 6UW

E-mail: home.ownershipteam@homesforharingey.org

homesforharingey.org

Fax: 020 8489 1998

If you have a question about how we work out your charges, you should contact the appropriate team for your area.

Team 1 Hornsey, North Tottenham and Broadwater Farm:

Phone: 020 8489 3485

E-mail: home.ownershipteam1@homesforharingey.org

homesforharingey.org

Team 2 South Tottenham and Wood Green:

Phone: 020 8489 3313

E-mail: home.ownershipteam2@homesforharingey.org

homesforharingey.org

Asset Management

Strategic Client Representatives

Homes for Haringey

Asset Management Team

6th Floor, River Park House

225 High Road

London N22 8HQ

Phone: 020 8489 1778

or 020 8489 1046

Email:

decenthomes@homesforharingey.org

Resident Involvement team

For information about how to become involved in the panels and other ways of consulting residents and leaseholders.

6th Floor

River Park House

225 High Road

Wood Green

London N22 8HQ

Phone: 020 8489 4463

E-mail: resident.involvement@homesforharingey.org

homesforharingey.org

Feedback team

For comments, compliments and complaints.

6th Floor

River Park House

225 High Road

Wood Green

London N22 8HQ

Phone: 020 8489 4462

E-mail: feedback@homesforharingey.org

Other organisations

The Pension Service

If you are receiving pension credit call 0845 6060265 for assistance with paying service charges.

Department of Works and Pensions

If you are out of work, or disabled call 0800 882200 for advice on assistance for paying service charges.

Citizens' Advice Bureau

Please call to make an appointment: 0844 826 9715 or visit their website at www.adviceguide.org.uk

National Debtline

This is an independent charity working with the government. It has a helpline that provides free and confidential advice on how to deal with debt problems:

- Freephone: 0808 808 4000
Monday to Friday 9am to 9pm,
Saturday 9.30am to 1pm. Fax
0121 410 6230
- 24-hour voicemail. You can leave a message to request an information pack

Postal address: National Debtline,
Tricorn House, 51-53 Hagley Road,
Edgbaston, Birmingham, B16 8TP

Haringey Leaseholders' Association

The independent organisation representing leaseholders throughout the borough.

PO Box 55222
London N22 9BQ

Email:

help@haringeyleaseholders.org.uk

Phone: 0845 020 4252

Leasehold Advisory Service (LEASE)

Gives free legal advice on leasehold issues.

31 Worship Street,
London EC2A 2DX
Phone: 020 7374 5380

Web: www.lease-advice.org

Leasehold Valuation Tribunal

Deals with disputes between leaseholders and landlords, and other leasehold issues.

10 Alfred Place, London WC1E 7LR
Phone: 0845 600 3178

Web:

www.rpts.gov.uk/about_us/lvt.html

Translation and interpreting services

This booklet explains what major works are, how we work out your bills and how you can pay them. For a free copy in your own language, tick the box, fill in and return the form to the freepost address below.

Albanian

Kjo sqaron se çfarë janë punime madhore, si i llogarisim faturat tuaja dhe si mund t'i paguani ato. Për një kopje falas në gjuhën tuaj, shënjeni ✓ kutinë, plotësoni formularin dhe kthejeni tek ne.

Bengali

বড় ধরনের কাজ বলতে কি বোঝায়, আপনার উপরে ধার্য খরচের হিসাব আমরা কিভাবে করে থাকি এবং কিভাবে আপনি এইসব খরচ পরিশোধ করতে পারেন এই বিষয়গুলি এখানে ব্যাখ্যা করা হয়েছে। এর বিনা মূল্যের কপি আপনার নিজের ভাষায় পাওয়ার জন্য, ব্যাল্ডে টিক চিহ্ন দিন, ফর্ম পূরণ করুন এবং সেটা আমাদের কাছে ফেরত পাঠান।

French

Ceci vous explique ce que sont les principaux travaux, la manière dont nous établissons vos factures et comment les payer. Pour obtenir un exemplaire gratuit dans votre langue, veuillez cocher la case, compléter le coupon et nous le renvoyer.

Kurdish

Ev liîlet îzah dike ka karên mezin û girîng çî ne, ka em fatûreyên we çawa hesab dikin û ka hun çawa dikarin perên van fatûran bidin. Ji bo qopyeke bêpere ya bi zimanê xwe, qutiyê îşaret bikin, vê formê tijî bikin û vegefinin me.

Somali

Warqadani waxay sharaxaad ka bixinaysaa nooca ay yihiin shaqooyin balaaran oo la samaynaayo, iyo sida aan u xisaabinay bilasha iyo sidii aad bixin kartaan. Si aad u hesho nuqul ku qoran luuqadaada, sax mari sanduukha, soo buuxi foomkana noo soo dir.

Turkish

Burada büyük işlerin ne olduğu, faturanızı nasıl hesapladığımız ve ödemeyi nasıl yapabileceğiniz açıklanmaktadır. Kendi dilinizde ücretsiz bir kopya edinmek için, kutuyu işaretleyip, formu doldurarak bize geri gönderin.

Please tell us if you would like a copy of this leaflet in another language that is not listed above or in any of the following formats, and send the form to the Freepost address below.

In large print

On audio tape

In Braille

In another language, please state:



Name:

Tel:

Address:

Email:

Please return to: Freepost RLXS-XZGT-UGRJ, Haringey Council, Translation and Interpretation Services, 8th Floor, River Park House, 225 High Road, London N22 8HQ

Haringey Council offers this translating and interpreting service to Haringey residents. We can translate this document into one language per resident ONLY.



One tonne of recycled paper saves 17 trees, 32,000 litres of water, and enough electricity to heat an average house for 6 months

Paying for major works invoices 03/2010

published by Haringey Council's Communications Unit 344.3 • 03/2010

