



**Documents for the Leasehold Panel meeting,  
9 May 2011**

	Page No.
Minutes of the meeting of the 16 March	2
Appendix 1, the Resident Scrutiny Panel	10
Appendix 2, Leasehold Services Recovery Procedures	14



## Leasehold Panel

### Minutes of the meeting, 9 May 2011

**1. Attendance:** Mrs A Goodhew (Vice Chair of the Leasehold Panel), Ms Sue Brown, Ms Rita Batzias, Mr Peter Gilbert, Mrs Shirley Perlman, Ms Mary Rawitzer, Mr Doug Evans, Mrs M Shaw, Mr Ron Dalliday, Ms Belinda Batten, Mr Paresh Patel, Mr B Hines, Ms P Riley, Mr Martin Laheen, and Mr Piers Johnson (15)

**Apologies:** Mr Ian Lush, Ms Annette Joslyn, Miss M Merrick, Ms Alena Breckova (Leasehold Board Member)

**Chair:** Mrs Anne Goodhew

**Officers:** Mr Nesan Thevanesan, Head of Home Ownership, Ms Sheryl Hendrickson, Senior Resident Involvement Officer, Mr Martin Hctor, Head of Client Services and Annual Maintenance, Mrs Bernadette Gediking, Team Leader, Team 1, Home Ownership Team, Mr Bruce Nicholas, Leasehold Project Officer who took the minutes.

**2. Setting up the Scrutiny Panel – a short update** – Sheryl Hendrickson, Senior Resident Involvement Officer.

A short paper on the Scrutiny Panel (SP) was circulated with the minutes (see Appendix 1). Ms Hendrickson began her talk by explaining that there were already approximately nine panels, and a variety of other ways of getting involved. So the SP would carry out a different role, in order to independently scrutinise issues of concern to residents. She said that setting it up had been the product of 9 months of working with a group of involved residents (the Steering Group), some of whom had previously applied to join the Board. Residents were now being recruited to sit on the SP.

The Tenants Participation Advisory Service (TPAS) had recently provided Homes for Haringey with an independent adviser and mentor to the Steering Group, to assist this group in finalising the arrangements for setting up the SP. Some members of the group had decided to apply to join the SP, so they had then ceased to attend group meetings.

The Steering Group she said would from now on (that is from the beginning of June) be involved in the interviewing and the selection of the members of the SP. Candidates had to be tested for a series of skills and competencies to carry out their responsibilities. Ms Hendrickson explained that officers will not generally attend the SP, but she herself will continue to act in a liaison role as the Scrutiny Link Officer.

The SP will commence its work with a pilot project looking at recent value for money reviews on estate management and income collection to consider aspects of importance to residents. The SP will make recommendations to the Board, which will not be bound by them but will explain if it cannot accept any of them. The most important aspect of the SP's work will be to improve services to residents.

A short discussion followed. Ms Rawitzer said she felt the operation of the SP could result in significant additional costs and it might not be cost effective. She asked how it would link up with the Survey of Tenants and Residents (STAR). Mr Thevanesan said that now the Audit Commission was being wound up, it was important for service providers to have arrangements for the independent assessment of their services. Ms Hendrickson said that peer reviews would also play a part. Mr Thevanesan agreed and mentioned that the Council's Scrutiny Committee would also have a role.

With regard to the costs, Ms Hendrickson said these had been fairly small so far. There was of course the cost of the independent consultant (from TPAS) who would continue her work a bit longer, but that was very moderate. It was generally agreed that some panels such as the Residents Consultative Forum meet too often she said, so it was anticipated that some cost savings could be made elsewhere.

Ms Brown commented that she felt the SP would give residents an opportunity to make in-depth examinations of the services provided by Homes for Haringey and to carry out some independent monitoring. If an issue is identified, for instance as a result of residents' comments made in response to the STAR, then the SP can take an in-depth look into it. Mr Laheen said he believed that the SP will give residents an important say in resolving any matters that arise.

**3. Reorganisation of Property Services, improved efficiency and the impact on residents** – Martin Hoctor, Head of Client Services and Annual Maintenance.

Mr Hoctor said that his department was part of Property Management in the Property Services Division. He explained that as the Head of Client Services and Annual Maintenance, most of Homes for Haringey's

engineers and surveyors reported to him. He then referred to the reorganisation which had taken place in the Property Services. Formerly it had consisted of 5 groups:

- the trades staff at Ashley Lane Depot, the old Direct Labour Organisation, now renamed Haringey Repairs Service
- the building surveyors
- Asset Management
- Design and Engineering
- Health and Safety (3 people)

Property Services had now been rationalised into 3 main groups to work more collectively and cohesively:

- Property Management- project management, surveyors and engineers
- Repairs (Haringey Repairs Service)
- Health and Safety – enlarged, now including a separate team for asbestos and fire risk management

Mr Hoctor said the professionals were now all grouped on work activity areas. There had been a reduction in staff of about ten per cent (350 reduced by 37, mostly in the Depot). It had been covered mainly through natural wastage and there had only been a small number of redundancies.

The disciplines had been re-aligned to reduce duplication and improve communication. The surveyors and engineers had been merged. Some new policies had been introduced recently to drive down costs. Homes for Haringey was working with Hackney and Newham to take advantage of the economies of scale in supply chain management, and it was considered this had great potential.

Major changes had taken place in Haringey Repairs Service to bring together the disciplines within each team to facilitate closer team work. In future there would be a much more direct relationship between the team managers and the operatives under them. Furthermore previously the management of the teams with the operatives had been separate from the planning team (who schedule the works orders) and administration teams. These have now been consolidated within each team.

Operatives will have greater autonomy so they will not have to report back to their manager about how to do a particular job. However they must still keep within the original scope of the job. Mobile working has now been rolled out, so that operatives take a greater range of tools and spare parts with them. They also use an electronic device to record when each job has been completed, which enables their activities to be monitored more effectively.

A new pay structure has been introduced for the operatives which will take into account other aspects of performance apart from the volume of work carried out (such as the number of recalls). Feedback on levels of satisfaction will also be recorded to ensure that the targets are met. Vehicle trackers will be used to provide an independent record of visits, etc. As part of the back office function, the finance team will monitor efficiency.

The Call Centre, which takes repairs calls from residents is also part of Property Services. A single manager has been appointed over it and over the repairs teams to ensure close working between the two functions. Mr Hoctor concluded by saying that the reorganisation had taken place at the beginning of April and that it was bedding in very well.

Ms Rawitzer asked about the role of the surveyors under the new structure. Mr Hoctor responded that in accordance with common practice across the sector the number of surveyors had now been significantly reduced. In most cases it will not be necessary for a surveyor to do a preliminary inspection in advance, as previously.

Fewer pre-inspections will have the advantage that each job will take a shorter time to carry out. It will generally only be necessary for a tradesperson to assess what is required, for instance in the case of plumbing, carpentry repairs, etc. The number of pre-inspections has been reduced from 15% to 3% of all the jobs carried out.

This has been achieved Mr Hoctor said by improving the information provided to the operative prior to the start of work. In respect of communal repairs, which are sometimes difficult to locate, it is proposed that estate services officers can have a greater role in ensuring that the tradesperson has the right information about where to go and what is required. Mr Hoctor concluded his talk by stating that in future there will be more monitoring of the progress of all communal repairs on a weekly basis.

#### **4. Leasehold services recovery procedures** – Bernadette Gediking, Team Leader, Home Ownership Team One.

Mrs Gediking referred to the notes (see Appendix 2) which had been circulated with the agenda. She explained that service charge collection was the responsibility of two teams: Team 1 (which she leads) covers Broadwater Farm, North Tottenham and Hornsey. Team 2 (Team Leader, Malcolm Lawrence) covers South Tottenham and Wood Green.

The Home Ownership Team (HOT) has the responsibility for collecting the service charges due in a timely manner. It is accepted that leaseholders may have difficulties paying large bills, so the Council has agreed to provide leaseholders with advantageous payment terms. The Home Ownership Team has produced booklets for the estimated, for the actual and major works. These contain a lot of information about the payment options. She said that a booklet was being prepared to provide information on benefits as well.

A fast track procedure has been arranged with the Citizens Advice Bureau, which is able to provide leaseholders with a lot of very good debt advice and can also help with benefit maximisation. It is important for leaseholders to obtain their full entitlement and this will help them with the payment of their service charges.

Mrs Gediking said that HOT had been the first to introduce payment incentive allowances for paying invoices in full and for leaseholders who agree to pay by direct debit (DD). Payments by DD are much easier to monitor than other types of payment (cash, cheques and so on), so administrative costs are lower and leaseholders also benefit from the saving in cost.

If a problem occurs with a DD plan it is fairly easy to set it up again. However if any leaseholder has a problem ensuring their payments by DD, they are asked to contact HOT as soon as possible in advance, so that alternative arrangements can be agreed. HOT collects two types of service charges Mrs Gediking said:

- Day to day service charges and
- Major works invoices

For day to day service charges these are payable quarterly, but HOT encourages people to pay monthly. Payment in full and by DD both earn discounts. The actual accounts are issued six months after the end of the financial year – HOT issues them as soon as possible to give leaseholders the maximum time to pay. HOT issues at least 2 reminders for an invoice, before threatening legal action. When the first reminder is issued HOT advises people a further opportunity to make a DD arrangement. Legal action is only taken when two quarters have not been paid.

Mrs Gediking explained that when a claim is agreed by the County Court, the matter is generally referred to the mortgage lender, who will usually pay the bill and add it to the mortgage. With respect to the major works estimates, these are usually issued at the end of March and the end of September. There is a wide variety of payment methods:

- Full payment –Taking advantage of 5% discount.
- Interest-free Loan – up to 2 years for everyone; up to 5 years for owner occupiers (depending on the size of invoice)
- Combination Loan – up to 5 years interest free with up to an additional two years (depending on the size of invoice). The interest is charged at the Council's borrowing rate, currently 7½ per cent
- Mandatory Loan – during the first 10 years of the lease – the interest is the same as above
- Discretionary Loan – for people who cannot get a bank loan
- DWP payment (to those on benefits)

Debt & Loans advice is available from the CAB. A separate leaflet is sent with each invoice to explain the payment options. Mrs Gediking said that HOT is prepared to allow up to 6 weeks for someone to arrange a bank loan, etc. As with the day to day service charges at least two reminders are sent before threatening legal action. The final accounts for major works are generally issued throughout the year. These usually result in credits to leaseholders' accounts.

Ms Brown commented that she felt that the reminders for major works did not give sufficient time to people with problems to consider the alternatives. This applied especially she believed to the final reminder and the Letter before Legal Action (LBA). Mr Thevanesan replied that the LBA is usually sent to a leaseholder about 6 months after the issue of the original invoice, which gives leaseholders quite a lot of time to arrange payment. Mrs Gediking said that anyone who has a problem generally lets HOT know in advance so as to avoid reminders etc.

The question was raised why leaseholders have to pay their invoices in advance. Mr Thevanesan explained that by doing this the Council could offer much better terms of payment, interest free loans, etc. He said that HOT used only to offer 12 months to pay a major works invoice. Now for large invoices leaseholders can have up to 6 years to pay interest free and an additional 2 years with interest.

#### **5. Nomination of a Leasehold Panel representative to a group to consider the best format, content and so on for the Annual Report to residents.**

No one was nominated for this position.

#### **6. Election of the Chair of the Leasehold Panel and the representative to the Core Group.**

Mr Johnson was the only nomination for the chair. In accepting the nomination he said that he had worked for a number of years as Head of Faculty in a London secondary school, so he was used to running meetings on a regular basis. He also referred to his general commitment to leaseholder issues – he was a founder member of the Haringey Leaseholders Campaign Group.

With respect to the Core Group, Sylvia Morgan and Alena Breckova were both nominated, though it was noted that Ms Morgan had not agreed to her name going forward and she was not present at the meeting. With regard to Ms Breckova it was felt that her position as a Board Member would probably disqualify her from sitting on this group

- ❖ **Action point** – Mr Thevanesan agreed to clarify the position as to whether a Board Member could sit on the Core Group.

## **7. Consideration of topics for the June issue of Leaseholder News**

Mr Patel suggested that there should be an article on the advantages of installing solar panels on the Council's blocks of flats. Mr Thevanesan replied that at the moment this type of installation was still fairly untried. It could be susceptible to damage, for instance by storms or from vandalism which could result in high repairs charges to leaseholders. At the moment in view of the funding situation the priority had to be on ensuring the roof was properly maintained. He said that when this subject had been discussed previously by the Panel, there had been no support for the idea.

Ms Rawitzer suggested that it might be a good to have a section for correspondence in the magazine. Mr Thevanesan said that in view of the limited space it would be best if leaseholders wished to raise any questions, these could be included in the newsletter with the answers. Mr Evans felt it would be a good idea to have an article to describe the resident involvement structure. Mr Thevanesan said that the general purpose of the magazine was to inform leaseholders about new events, but he would circulate an information leaflet on the subject to Panel Members.

## **8. Leasehold services performance indicators – Nesan Thevanesan, Head of Home Ownership.**

Mr Thevanesan provided the following performance figures for dealing with responses, phone calls and complaints for the Home Ownership Team for the last financial year (2010/11):

Queries received and responded to (98% within 10 working days)	9,018
Emails received and responded to (average time: 3.14 working days)	1,265
Total formal complaints at stage 1	17
Formal complaints at stage 2	6
Members' enquiries	43
Phone calls (96% answered within the target time of 30 seconds)	30,689

Ms Brown requested that in future the Panel should receive the performance statistics in writing prior to the start of the meeting. This suggestion was endorsed by Mrs Goodhew from the chair. Mr Thevanesan agreed to do this.

## 9. Minutes of the meeting of the 14 April 2011.

There were no amendments and the minutes were agreed as a true record.

## 10. Matters arising.

Ms Rawitzer raised a question as to what was involved in monitoring residents' perceptions. Mrs Goodhew said that this related to obtaining feedback from residents about the services provided by Veolia. She noted that Mr Purdie, Head of Estate Services had indicated that he would report back to the Panel on this matter in 6 months. In answer to a question Mr Thevanesan said that Veolia had taken over the service for weed control from the Council's Parks Department.

## 11. Any other business

Ms Rawitzer queried the charge made in respect of applications from leaseholders in order to obtain permission to install their own windows and doors. Mr Thevanesan said he would provide some information on this subject to the next meeting of the Panel.

❖ **Action point: Charge for landlord's permission to install windows and doors.** It was agreed that this item should be reported on at the next meeting.

Mrs Goodhew then closed the meeting and thanked the speakers for the interesting and informative talks they had given to the Panel.

# APPENDIX 1

## Resident Scrutiny Panel:

### The facts

Scrutiny is:

- a searching examination
- a detailed and thorough inquiry
- close and continuous watching
- the process used to make sure social landlords are providing excellent services.

### About the Scrutiny Panel Working Group

The Scrutiny Panel Working Group has been responsible for developing the Scrutiny Panel:

The Scrutiny Panel Working Group brings together a group of actively involved tenants and leaseholders who are shaping the development of an independent tenant-led Scrutiny Panel to deliver effective scrutiny of landlord services.

The Working Group develops all the procedures necessary to allow the Scrutiny Panel to operate professionally and effectively.

The Tenant Participation Advisory Service (TPAS) was appointed by the Steering Group on as independent advisor, trainer and mentor.

The Working Group may remain in place for 3 months after the Scrutiny Panel becomes operational to help monitor the effectiveness of the Scrutiny Panel and provide support as required.

### About the Scrutiny Panel members

The Scrutiny Panel is totally independent and run by the Scrutiny Panel members.

The Scrutiny Panel brings together a group of no more than 10 tenants and leaseholders who will have been selected and appointed by the Scrutiny Working Group following a competency based recruitment process.

No Homes for Haringey officers will attend meetings unless they are invited to answer specific questions or provide evidence.

The Homes for Haringey Scrutiny Link Officer will be the link between the Scrutiny Panel and Homes for Haringey but without an influencing

role. The Scrutiny Link Officer is there to provide access to information and to support the Chair of the Scrutiny Panel.

There will be a Chair and vice Chair of the Scrutiny Panel appointed through a secret ballot process managed by the Scrutiny Working Group and supported by the Scrutiny Link Officer.

### **Recruitment and training of Scrutiny Panel members**

Scrutiny Panel members are appointed following participation with the recruitment process established by the Scrutiny Working Group.

The Scrutiny Panel members will collectively meet all the competencies required for the role having completed the required induction training and skills self assessment.

Training is essential to allow those who have demonstrated an ability and commitment to Tenant Led Scrutiny to be given the opportunity to carry out their role with the appropriate knowledge, skills and understanding of the needs of tenants and the business.

It is proposed that the Scrutiny Panel will become accredited to NVQ level 2 in Scrutiny achieved through completion of the required training and will not include extensive additional work on behalf of the individual members.

Annual appraisals of the Scrutiny Panel members will be carried out to identify any additional training needs and to ensure that performance is at the required level.

### **The role of the Scrutiny Panel**

The Scrutiny Panel holds the organisation to account to its residents.

The Scrutiny Panel will act as the driver for continuous improvement in Homes for Haringey performance by checking and challenging how the organisation operates at all levels.

The Scrutiny Panel will operate outside of the Resident Involvement structure so as to be independent and avoid any potential conflict of interest

The Scrutiny Panel has a specific role to play and should be supported by a well established and effective Resident Involvement structure.

### **What will the Scrutiny Panel do?**

The Scrutiny Panel will decide on carrying out detailed strategic reviews based on feedback on performance from looking at performance information, results from other service reviews, results from mystery shopping, or complaints.

The Scrutiny Panel will use evidence to make recommendations that will be included in written reports presented to the Homes for Haringey Board.

## **How will the Scrutiny Panel know what to investigate?**

All Homes for Haringey services have to record and report on their performance.

Feedback on services can also come from mystery shopping, tenant inspectors, customer demand, feedback surveys and benchmarking data.

The Scrutiny Panel will not investigate individual complaints but may look at the results from complaints to determine trends, for example if customers have problems contacting the business.

## **Working arrangements for the Scrutiny Panel**

The Scrutiny Panel will work within the requirements detailed in the Terms of Reference, Code of Conduct and Service Review Procedures.

Scrutiny Panel members will sign a confidentiality agreement as much of the information reviewed will be of a sensitive nature.

The Scrutiny Panel is non-political and at no time should personal political bias be expressed or used as part of the scrutiny process.

The Scrutiny Panel will develop an annual Scrutiny Review work programme and presented it to the Board for information.

The Scrutiny Panel may identify and carry out ad-hoc reviews through the year following notification to the Board.

Once all the Scrutiny Panel members are appointed, a pilot test case will be carried out to test procedures and to ensure that the protocols in place allow the Scrutiny Panel to operate effectively.

The Scrutiny Link Officer will carry out an Annual Impact Assessment to evaluate the outcomes and performance of the Scrutiny Panel as a whole.

Independent mentoring by the Tenant Participation Advisory Service (TPAS) will continue for 12 months to assist the Scrutiny Panel with planning, evaluating and reporting of recommendations. In addition the independent mentor will in a confidential manner support individual Scrutiny Panel members. Contact will be in person, by email and telephone.

## **How do we know if the Scrutiny Panel is working well?**

Individual and group appraisals will help determine if the Scrutiny Panel is meeting the aspirations of tenants and the business.

Scrutiny Panel recommendations will be presented to the Board for approval and the subsequent service delivery improvements are important indicators of success.

There will be a review of procedures after the first year; this will be considered with the Scrutiny Link Officer and the independent mentor.

The Scrutiny Panel will have an open and transparent relationship with the Board.

The Board will be looking to the Scrutiny Panel to provide a close monitoring role on performance, to investigate areas of concern,

determine reasons and recommend solutions that will improve service delivery.

An Annual Scrutiny report will be produced by and be reported to all tenants and leaseholders through the corporate Annual Report.

Outcomes from individual reviews will be reported in the Homes for Haringey's quarterly resident magazine, Homes Zone, and on the website. Outcomes will also be shared with the other Resident Involvement groups whom the Scrutiny Panel will rely on for information, advice and support.

The Scrutiny Panel should be independent of Homes for Haringey but have an effective and open team working relationship with Homes for Haringey officers and other Resident Involvement groups.

## APPENDIX 2

### Recovery Procedure

**Introduction** – 2 teams deal with the calculation & collection of service charges based on the area – Team 1 Hornsey, North Tottenham and Broad Water Farm, Team 2 South Tottenham and Wood Green.

We have a financial responsibility to collect the amounts due in a timely manner so that the Council has the funds available to fulfil its statutory duties as a social landlord. We appreciate that leaseholders can find it difficult to pay for large invoices, for work that they might not have chosen to have done and so we have agreed with the council the most favourable payment terms possible. Using these terms of payment we have to ensure that we take effective recovery action for any non-payment.

With the current financial climate it is even more important that we issue our invoices as early as possible to give leaseholders the maximum time possible to set up payment arrangements. We also ensure that we send reminders as soon as the debt is overdue, so that we can try to avoid court action which causes additional costs for leaseholders.

#### **Booklets**

We produce booklets which we send with our invoices, which detail, how the accounts have been calculated, the payment options available and any other useful applicable information. The most recent booklets are:

- Your Estimated Service Charge 2011/12
- Actual Service Charge 2009/10
- Paying for Major Works Invoices

#### **Benefit Booklet**

We have drafted a benefit information booklet, which once it has been agreed, we will provide to leaseholders giving them advice on the benefits they may be entitled to and how to go about claiming them.

#### **Citizens advice Bureau**

We have a fast-track arrangement with the CAB and can refer leaseholders for advice on debt management and benefit maximisation, if they wish to take advantage of this service. It is possible that after checking the leaseholders finance and expenditure the CAB might find they are entitled to a benefit unrelated to their

service charges. Any increased income that the leaseholder receives will help them pay their service charges. If the Department of Work and Pensions awards any help towards service charge payments it will be included in the leaseholders' benefit, so the leaseholder must continue to pay the service charges to us in full. The CAB referral is not available for leaseholders who are sub-letting their properties or for whom their leasehold property is not their main address.

### **Payment Incentive Allowances**

We were the 1<sup>st</sup> local authority to offer payment incentive allowances for leaseholders who paid their account in full within the required timescale. We offer these for all types of debt.

### **Direct Debit**

We encourage payment by direct debit instalments as it is monitored automatically and therefore costs less to administer. Leaseholders who pay by Direct Debit receive a payment incentive allowance of £10, which is used to reduce the final instalment.

If a leaseholder sets up a direct debit plan and it fails because they have cancelled it without advising us, or they do not have enough money in their account to pay it, we will write to advise them of the situation and allow them another chance to use this payment option. However, if a direct debit fails a second time, we will not allow it to be set up again and we will make an administration charge of £25 in relation to the work involved in its cancellation. At this stage the plan will be cancelled and the full balance outstanding will be referred for recovery action, such action will result in additional legal and interest costs for the leaseholder.

There is no charge made if the leaseholder contacts us in advance to advise that they do not want to make the payment that month, by direct debit.

We collect two types of service charge invoices: Day to Day Service Charge and Major Works/Decent Homes. The payment arrangements and collection processes are different for each type of invoice as the amounts to be collected are so varied.

## **The Annual Day to Day Service Charge**

The Annual Estimated accounts are prepared and issued in February. We take great care to ensure that the estimated figures are realistic and base them on the previous actual account figures, with uplifts for inflation.

The Annual Estimated Account covers the period 1st April to 31<sup>st</sup> March in the following year. Under the terms of the lease the estimated account is due quarterly in advance, in full on the quarter days, being 25<sup>th</sup> March, 24<sup>th</sup> June, 29<sup>th</sup> September and 25<sup>th</sup> December.

The actual account must be issued six months after the estimated period has ended e.g. the actual accounts for the period 01/04/2010 to 31/03/2011 should be issued by the 30/09/2011. However, we try to calculate and prepare the final accounts as soon as possible after the end of the financial year. We generally issue the actual accounts in August.

### **Estimated Accounts**

Although the estimated account is due quarterly, we accept a ten monthly direct debit payment arrangement to clear the annual sum, by monthly instalments 1<sup>st</sup> January to 1<sup>st</sup> December of the following year.

### **Payment Incentives**

If the annual estimated invoice is paid **in full** within 14 days of the due date, the leaseholder can deduct either a £15 or a £25 payment incentive allowance, depending on the number of services provided.

### **Actual Account**

If the actual account results in a credit this can be offset against a direct debit payment arrangement, if there is one, reducing the amount taken. If there is no direct debit arrangement it will be processed to the account, to be offset against the next payable invoice, or refunded, on request, if the account has been paid in full.

If the actual account results in a supplementary invoice, this is due for immediate payment, as per the terms of the lease. However, if the amount due is more than £100 we are prepared to accept a payment arrangement whereby it can be cleared in 5 monthly instalments, payable by direct debit, commencing September 2011 and continuing until January 2012.

If the actual account invoice is paid in full within 14 days of the due date and it is more than £100, a payment incentive allowance of £10 can be deducted.

## **Recovery Procedures for the Annual Service Charge**

### **1<sup>st</sup> Quarter Reminder Cycle –For Overdue Payments**

**1<sup>st</sup> Reminder Notice** - A 1<sup>st</sup> reminder will be sent in Mid April to all leaseholders who have not paid at least the 1<sup>st</sup> instalment of their annual estimated account, or set up a payment arrangement. The reminder will be sent for the total outstanding in relation to the 1<sup>st</sup> quarterly sum. The leaseholders will be given the option either to pay the amount due in full or to pay the annual account by monthly instalments by direct debit. If the leaseholder chooses to pay by monthly payments, the balance must be paid by the following January and the payment plan set up for eight instalments, June to January.

**Second Reminder Notice** - If leaseholders do not respond to the 1<sup>st</sup> reminder notice, a second reminder will be issued at the beginning of May, which will offer the same payment options as the 1<sup>st</sup> reminder notice.

## **2nd Quarter Reminder Cycle**

**1<sup>st</sup> Reminder Notice** - A 1<sup>st</sup> reminder will be issued in the middle of July for all leaseholders who have not set up a payment arrangement and who have not paid the 2<sup>nd</sup> quarterly invoice. The leaseholders must pay any outstanding balance in relation to the 1<sup>st</sup> and 2<sup>nd</sup> quarters in full. They can still set up a monthly direct debit payment arrangement for the remaining 2 quarters. If the leaseholder chooses this payment option, it results in five instalments, September to January.

**Second Reminder Notice** - If leaseholders do not respond to the 1<sup>st</sup> reminder notice, a second reminder will be issued at the end of July, which will offer the same payment options as the 1<sup>st</sup> reminder notice.

**Letter Before Legal Action** - If leaseholders have not responded to the reminders for either or both the 1<sup>st</sup> & 2<sup>nd</sup> service charge quarters a "Letter before Legal Action" will be issued at the beginning of August. A legal claim will be issued if payment is not received within 14 days of the "Letter before Legal Action".

## **Actual Account Reminder Cycle**

**1<sup>st</sup> Reminder Notice** - A 1<sup>st</sup> reminder will be issued at the end of August for all leaseholders who have not set up a payment arrangement and who have not paid the actual account invoice. The leaseholders will be given the option either to pay the account in full or to pay the balance by 4 monthly direct debit instalments, October – January, if the monthly instalment is £50 or more, if it is less we would expect full payment.

**Second Reminder Notice** - If leaseholders do not respond to the 1<sup>st</sup> reminder notice, a second reminder will be issued at the beginning of October, which will offer the same payment options as the 1<sup>st</sup> reminder notice.

### **3rd Quarter Reminder Cycle**

**1<sup>st</sup> Reminder Letter** - A 1<sup>st</sup> reminder will be issued in the middle of October for all leaseholders who have not paid the 3<sup>rd</sup> quarterly invoice and have not made an acceptable payment arrangement. The leaseholders will be given the option either to pay the 3<sup>rd</sup> quarterly account in full, followed by the full payment of the December quarter on 25 December, or to pay the September and December quarters by 3 direct debit payments, November to January.

**2<sup>nd</sup> Reminder Letter** - If leaseholders do not respond to the 1<sup>st</sup> reminder notice, a second reminder will be issued at the end of October, which will offer the same payment options as the 1<sup>st</sup> reminder notice.

### **4th Quarter Reminder Cycle.**

**1<sup>st</sup> Reminder Letter** - A 1<sup>st</sup> reminder will be issued in the middle of January for all leaseholders who have not paid the 4<sup>th</sup> quarterly invoice and who have not made a payment arrangement. The leaseholders will be requested to pay the outstanding balance on the account in full. No payment arrangements will be made at this stage.

**2<sup>nd</sup> Reminder Letter** - If leaseholders do not respond to the 1<sup>st</sup> reminder notice, a second reminder will be issued at the end of January. No payment arrangements will be accepted at this stage.

**Letter before Legal Action** - If leaseholders have not responded to the reminders in relation to the 3<sup>rd</sup> and 4<sup>th</sup> service charge quarters and the actual account a "Letter before Legal Action", will be issued at the beginning of February, including these three invoices, followed by a legal claim being issued if payment is not received within 14 days of the "Letter before Legal Action". No payment arrangements will be accepted at this stage.

## **Major Works and Decent Homes Recovery Procedures**

Estimated Accounts are issued bi-annually at the end of March and the end of September. As per the terms of the lease, they are payable in full within 7 days, however the Council has agreed to a variety of payment options, for leaseholders. Actual accounts are issued when they are received, throughout the year.

## Payment Options

- Full payment –Taking advantage of 5% discount.
- Interest –Free Loan
- Combination Loan
- Mandatory Loan
- Discretionary Loan
- Debt & Loans advice from CAB
- DWP payment (to those on benefits)

There is a separate leaflet explaining all the payment options available, and the applicable criteria.

### **1st Cycle of Estimated Major Works/Decent Homes Invoices Issued at the end of March.**

**1st Reminder Notice** –A 1<sup>st</sup> reminder notice will be sent mid May to all leaseholders who have not paid the account in full or who have not set up an acceptable payment arrangement. The leaseholders will be given the option to either pay the account in full, taking advantage of a 5% discount, or to set up an acceptable payment arrangement.

**2<sup>nd</sup> Reminder Notice** – A 2<sup>nd</sup> reminder notice will be sent at the beginning of June, to all leaseholders who have not paid the account, or set up an acceptable payment arrangement, this notice will offer the same payment arrangements as the 1<sup>st</sup> reminder notice.

**Letter before Legal Action** –If the leaseholders have not responded to the reminder letters a “Letter before Legal Action” will be issued in mid June. A payment arrangement will still be accepted at this stage. If no payment or payment arrangement is made within fourteen days of the “Letter before Legal Action” a legal claim will be issued.

### **2nd Cycle of Estimated Major Works/Decent Homes Invoices Issued end September.**

**1st Reminder Notice** –A 1<sup>st</sup> reminder notice will be sent mid November to all leaseholders who have not paid the account in full or who have not set up an acceptable payment arrangement. The leaseholders will be given the option either to pay the account in full, taking advantage of a 5% discount, or to set up an acceptable payment arrangement.

**2<sup>nd</sup> Reminder Notice** – A 2<sup>nd</sup> reminder notice will be sent at the end of November, to all leaseholders who have not paid the account, or set up an acceptable payment arrangement. This notice will offer the same payment arrangements as the 1<sup>st</sup> reminder notice.

**Letter Before Legal Action**\_If the leaseholders have not responded to the reminder letters a "Letter before Legal Action" will be issued in mid December. A payment arrangement will still be accepted at this stage. If no payment or payment arrangement is made within fourteen days of the "Letter before Legal Action", a legal claim will be issued.

**Final Major Works/Decent Homes Accounts are invoiced on receipt throughout the year**

These are generally credits, but if small invoices are necessary as a result of the final accounts. The recovery action for these, if they remain unpaid, is included within the recovery programmes for the estimated major works/decent homes invoices.