



# A guide to major works

## Information for leaseholders

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### Introduction

Sharing the cost of repairs, maintenance and improvements to the common areas of your building and estate is one of the extra expenses that come with owning your own home, or a lease.

If CityWest Homes estimates that any one leaseholder's share will be more than £250, *all* the leaseholders in that block will be formally consulted - regardless of how much they each have to pay (for example, some may be paying less than £250). We call these works that require consultation 'major works.'

This leaflet will give you all the information you need to help you understand how we will be telling you about major works schemes and the costs involved, what you need to do, and how you can pay.

### How we tell you about major works

About a year before the work is due to start, we will start planning it all in detail. A consultation plan will be agreed with your residents' association or tenant management organisation, explaining the ways we will be communicating with you about the project, including public meetings, one-to-one discussions and open evenings.

Landlords, including councils, are legally required to consult with leaseholders before carrying out major works. This means that as a leaseholder, you are entitled to further consultation, often called a "Section 20" consultation because it was introduced by Section 20 of the Landlord and Tenant Act 1985.

Please note, a Section 20 is not a bill, it is an opportunity for you to provide feedback on the work we are proposing.

## **Two ways we consult you**

Because we work with contractors in different ways, we have two approaches to consulting you on works to your home and estate, depending on how we have selected the company doing the work.

## **Inviting companies to tender for work**

If we are inviting tenders, we will send you a Section 20 notice giving you:

- a description of the proposed works
- reasons for carrying out the proposed works
- a notice period of 30 days to send us your feedback on the proposals
- the opportunity to nominate a contractor you would like us to approach for an estimate.

Once we have the tenders in, we will send you a Section 20 notice which includes:

- at least two sets of quotes we have received, including one which must be from a contractor unconnected with us or the council
- an estimate of your contribution to the proposed works
- a summary of any feedback we received from leaseholders together with our response
- details of when and where you can view the quotes
- a notice period of 30 days to send us your feedback on the proposals.

If the contract is awarded to a company which did not give the lowest price and was not the one nominated by leaseholders, we will write to you explaining why.

## **Using framework contracts**

Sometimes we set up long-term 'framework' agreements with contractors in order to get the best possible savings which we then pass on to you. In cases where the contractor has already been selected we will send you a Section 20 notice giving you:

- a description of the works
- the name of the contractor
- an estimate of the proposed works
- an estimate of your contribution to the proposed works
- a notice period of 30 days to send us back your feedback on the proposals.

We will respond to all written feedback within 21 days of receiving it.

## **How we bill you for major works**

You will be billed for major works in the following ways.

- We will send out your **estimated bills** six to eight weeks after the works have started. This will give you a more accurate estimate of the amount you need to pay plus any individual deductions you are entitled to. At this stage you need to let us know how you intend to pay for your bill and there are a number of options available. See 'your payment options' below.
- We will send your **final bill** once we have paid the contractor. You will have 21 days to pay the bill. For contracts where you have previously been sent an estimated bill, you will not be given the option to pay by instalments. If you need advice on how to pay your bill, please contact Lessee Services.

In some cases where we are not able to provide the estimated bill (for instance, if we need to move quickly with works) we will send you the final bill after the Section 20 and you will be given the option to pay in instalments then.

**Please talk to us** if you think you will find it difficult to pay your major works bill. We are here to help and we can go through payment plans with you. It's important that you contact us as soon as possible. Any delays may in some cases result in debt recovery action being taken and this may limit the help we can offer you.

For the larger major works schemes, we run one-to-one evening surgeries and we will send you information about these surgeries when we write to you. We can also arrange meetings at our office and we offer home visits for lessees who have difficulties in travelling.

## Your payment options

We offer lots of different ways to help you pay for work:

### Paying in instalments

If we send you an estimated bill for more than £200 you can choose to pay in instalments. There are a number of instalment options, depending on how much you need to pay:

#### **£200 - £2,000**

- If the bill is under £2,000 you can spread your payments over a year in equal monthly payments
- No interest or administration fee will be payable

#### **£2,000 and above**

- If you receive a bill for more than £2,000 you can spread payments over two years in equal monthly payments
- No interest or administration fee will be payable

#### **£5,000 and above**

- If you receive a bill for more than £5,000 you may be able to spread payments over five years
- To be eligible you must live in your property as your main home and not own any other property

- Years one and two no interest will be charged
- Years three, four and five interest will be charged at one per cent above the Bank of England base rate
- An administration fee will be payable at the beginning of the scheme.

## **Borrowing money to pay your bill**

If you need to borrow money to pay your bill, there are a number of options available:

### **Applying for a private loan**

- A loan from your mortgage lender will probably be the cheapest way to borrow money to pay your bill. You will usually be able to borrow money from your existing mortgage lender as a further mortgage or home loan. Any money that you borrow in this way will be secured against the value of your property
- To apply you should contact your mortgage lender and let them have a copy of your outstanding bill.

### **Getting a secured loan**

- If you have a large bill (for example more than £2,000) and you do not have a mortgage, you may wish to contact a lender to arrange a secured home loan
- The interest rate on secured home loans is lower than it is for unsecured loans. Please note your home is at risk if you fail to keep up repayments on a secured home loan
- We can provide you with details of banks and building societies that have granted mortgages recently on properties close to your home.

### **Getting an unsecured loan**

- A loan which is not secured against your property will charge a higher rate of interest than a secured home loan
- However, this type of loan may be more appropriate to pay for bills under £2,000 as you are not normally charged the legal and administration costs.

### **Getting a loan from the council**

- If you bought from the council and are in the first 10 years of your lease, have a low income and are unable to obtain a mortgage or loan privately, you may be entitled to a loan from the council
- However, the Government requires us to charge a relatively high interest rate, so this should *not* be your first choice. You will also need to pay the administration costs involved.

## **Deferring your payment**

Through the deferred payment scheme, you can pay back the charges in the future when you sell or transfer your home. You will be charged approximately £300 in legal fees and £52.50 for the cost of searches and land registry fees. These can be added to your loan.

There are some conditions you must meet to be eligible for this scheme. These include the following:

- You must be living in the property
- You must not own any other property at home or abroad
- You will need to be receiving means-tested benefits or be on a low income
- You should not have any savings which would allow you to pay off the loan
- You will need to demonstrate that you would suffer financial hardship without the deferment.

In some circumstances interest may be payable on the loan.

## How you pay

There are now a number of ways you can pay for your bills:

**Direct Debit** – please ask us for a form, fill in your bank details and return it to the lessee services team at either address below. We will notify your bank.

**Standing Order** – please ask us for a form, add your account details and take it to your bank.

**Cheques** – please make payable to the ‘City of Westminster’ and post to City Of Westminster, C/O Serco Global Services, Phoenix House, Moorgate Road, Knowsley Industrial Park, Kirkby L33 7RX.

**Bank transfer** – call us for the relevant account numbers and references.

**Card payments** – by telephone on 020 7823 2601 or online at [www.cwh.org.uk](http://www.cwh.org.uk). We accept Switch, Solo, Mastercard, and Visa Delta. Please have your account reference ready.

## Getting more advice and assistance

Call our lessee services team on 020 7245 2097 or 020 7245 2099 for any advice on paying your bill.

We’ll talk you through the various payment options and refer you to other organisations where appropriate.

The following organisations can also offer help and advice:

- **The Citizens Advice Bureau** and the **National Debtline** offer general advice on all kinds of debt related issues.

Call the Citizens Advice Bureau on 08444 111 444 or visit their website [www.citizensadvice.org.uk](http://www.citizensadvice.org.uk). Call the National Debtline on 0808 808 4000 or go to [www.nationaldebtline.co.uk](http://www.nationaldebtline.co.uk)

- **The Department of Work and Pensions** may be able to offer financial assistance if you are a pensioner or receiving some kind of benefit. It is made

up of different agencies and the agency you apply to depends upon which benefits you receive. Call 0800 055 6688 to be directed to the most appropriate agency for you

- For Pension Service call 0845 606 0265 or visit their website [www.thepensionservice.gov.uk](http://www.thepensionservice.gov.uk)

## **Contacting us**

For any information regarding major works charges or ways to pay, contact the lessee services team on

Telephone: 020 7245 2097 or 020 7245 2099

Minicom: 020 7245 2063 (for those who are deaf or hard of hearing)

Email: [lesseefrontline@cwh.org.uk](mailto:lesseefrontline@cwh.org.uk)

Website: [www.cwh.org.uk/lessee](http://www.cwh.org.uk/lessee)

Address: West area service centre, 155 Westbourne Terrace, London, W2 6JX

Address: South area service centre, 137 Lupus Street, London, SW1V 3HE