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Major works – payment arrangements for homeowners policy

Title	Major works – payment arrangements for homeowners policy
Date Created	
Next Review Date	
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Approver	Board of Management
Applies to	CDS Homeowners, including leaseholders and shared owners

1 Introduction

- 1.1 This policy sets out our approach to the recovery of major works costs payable by homeowners, including the provision of payment arrangements.
- 1.2 A lease is a contract which details covenants made by each party and includes the provision of any payment for services. We will seek to recover debt from homeowners in accordance with their leases.
- 1.3 Whilst we will assist a homeowner as much as possible to sustain their lease, our relationship with homeowners is a commercial one and it is ultimately the responsibility of homeowners to pay amounts due on time in accordance with the conditions of their lease.
- 1.4 CDS is committed to ensuring that its leasehold activities are self financing and are not subsidised by its social housing activities whilst recognising that the size and timing of payments relating to major works can cause genuine hardship to homeowners and can also make it more difficult for CDS to recover the debt.

2 Scope of the policy

- 2.1 This policy applies to homeowners only. For the purpose of this policy, the term homeowner covers:
 - Leaseholders
 - Shared owners (residents who have purchased a percentage share of the lease of their property)
- 2.2 The term Major Works can include major or cyclical works undertaken from time to time and which result in a cost to homeowners which is significantly higher than their usual service charge costs.

3 Aims and Objectives

We aim to:

- Ensure homeowners pay all costs that they are responsible for under their leases without incurring significant additional collection costs.
- Recognise that payment arrangements can relieve hardship to homeowners whilst improving collection rates.
- Ensure that our social housing activities are not subsidising our leasehold activities and that any assistance is proper and within our charitable purpose.
- Ensure that homeowners are aware of any arrangements they can use and that these are applied fairly.
- Use accumulated sinking funds to pay for major works where possible to reduce the burden on homeowners.

4 Payment Arrangements

- 4.1 CDS will consider offering payment arrangements to homeowners where the total bill per home, after using the available sinking fund exceeds £5,000
- 4.2 Shared owners will be included in any general payment arrangement offered by CDS.
- 4.3 Leaseholders will only be included in a payment arrangement if they use their CDS property as their primary residence.
- 4.4 Any general payment arrangement will be offered to all qualifying homeowners (as defined in 4.2 and 4.3 above) but will be optional.
- 4.5 Where the payment per home is less than £5,000 CDS may in exceptional circumstances offer an individual payment arrangement where the homeowner is able to demonstrate their inability to afford a single payment, evidenced by carrying out an income and expenditure exercise with the Income Collection Team.
- 4.6 The terms of the payment arrangement will be determined by CDS, with a minimum payment of £1,000 per year for a maximum of five years.
- 4.7 Payment arrangements that fall within this policy can be approved by the Finance Director
- 4.8 No interest will be charged but every homeowner opting to pay by payment plan will have to pay a £500 administration fee upfront to set it up
- 4.9 Payments will be collected by monthly direct debit. If there is default on the plan, then the whole amount will become payable, and the debt will be managed in line with the CDS Policy *Income Collection and recovery procedure for homeowners.*

5 Complaints

CDS welcomes complaints and positive feedback, both of which provide information which helps us to improve our services. If a homeowner is dissatisfied with our service, they can complain to us.

6 Equality and Diversity

CDS will ensure that this policy is applied fairly and consistently and will not directly or indirectly discriminate against any person in line with equality laws and principles.

7 Monitoring and Continuous Improvement

- 9.1 This policy will be reviewed every three years, unless legislation, business or sector developments require otherwise, ensuring that it continues to meet its objectives and take account of good practice developments.
- 9.2 The CDS Board of Management receives information about outstanding debtor balances, including homeowner payment plans with the management accounts at each meeting.
- 9.3 The Finance & Audit Committee of the Board of Management receives information about major works progress and new payment plans as part of regular monitoring as well as information about outstanding debtor balances, including homeowner payment plans with the management accounts at each meeting.

8 Confidentiality

- 10.1 CDS will collect and process data in line with our current Data Protection Policy.
- 10.2 All information provided will be treated with confidence and will only be passed to external agencies where we have prior consent or are otherwise allowed to share information.

9 Legislation and Regulation

The recovery of homeowners' debt is undertaken in accordance with relevant legislation including the Landlord and Tenant Act 1985, Housing Act 1988 (as amended by HA 1996) the Commonhold and Leasehold Reform Act 2002 and GDPR & Data Protection 2018.

10 Associated policies and procedures

The following procedures are associated with this policy:

- Major works – payment arrangements for homeowners

The policy is supported by:

- Income collection and recovery policy for homeowners.
- Data protection policy
- Complaints policy
- Service charge policy

Version control

Date	Amendment	Version control
16.10.2023	<i>As agreed by SMT for wider consultation</i>	