

Gloucester City Homes



Leaseholders Arrears Policy



Gloucester City Homes Contact Information

How to contact us

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Email: customer.services@gloscityhomes.co.uk

Website: www.gloscityhomes.co.uk

GCHTV on the Looking Local service on Sky, Virgin
Media mobile phone and Nintendo Wii

You can also
contact us using
our online
reporting forms.

Please note our
website is
speech enabled
and you can
adjust the size of
the text and
translate it to
other languages.

Gloucester City Homes Document Format Information

If you would like any part of this document explained, translated or provided in another format such as large print, audio or Braille, please contact our Customer Services Team on 0800 408 2000.

Bengali

যদি আপনি এই ডকুমেন্ট অন্য ভাষায় বা ফরমেটে চান অথবা যদি আপনার একজন ইন্টারপ্রেটারের প্রয়োজন হয়, তাহলে দয়া করে আমাদের সাথে যোগাযোগ করুন।

Chinese

本文件可以翻译为另一语文版本，或制作成另一格式，如有此需要，或需要传译员的协助，请与我们联系。

Gujarati

જો તમને આ દસ્તાવેજ બીજી ભાષા અથવા રચનામાં જોઈતો હોય, અથવા જો તમને ઈન્ટરપ્રિટરની સેવાઓ જોઈતી હોય તો, કૃપા કરી અમારી સંપર્ક સાધો.

Polish

Aby uzyskać ten dokument w innym języku lub formacie, albo jeżeli potrzebujesz usług tłumacza, skontaktuj się z nami.

Urdu

یہ دستاویز اگر آپ کو کسی دیگر زبان یا دیگر شکل میں درکار ہو، یا اگر آپ کو ترجمان کی خدمات چاہئیں تو برائے مہربانی ہم سے رابطہ کیجئے۔

[Translation reads: If you would like this document in another language or format or require the services of a translator, please contact us.]

| STATUS (Draft / Approved / Updated / Archived) | REFERENCE |
|---|-----------|
| APPROVED | |
| <p>Important Notice: Printed paper copies of this procedure are uncontrolled. The current version of this procedure is available on the Intranet</p> | |

Documentation Master Sheet
Amendments to this Document are Detailed Below

| Version Number | Date Amended | Comments | Date Approved | Author | Approved By |
|----------------|--------------|---|---------------|--------|--------------------|
| 1 | 12/09/2007 | | 10/03/2008 | JDE | Leaseholders Forum |
| 2 | 13/08/2008 | Updated Procedure to reflect Arc House Module | 13/08/2010 | JDE | JDE |
| 3 | 30/10/2010 | Review | 30/10/2010 | SAH | SAH |
| 4 | 13/04/2012 | General update | 13/04/2012 | PDM | SMT |

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GLOUCESTER CITY HOMES LEASEHOLDERS ARREARS POLICY

1. OVERALL AIM

GLOUCESTER CITY HOMES AIMS TO:

- Minimise the amount of arrears owed by leaseholders, and
- Ensure leaseholders have the information and support they need to maximise their income and prevent or minimise their debt.

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2. RELEVANT LEGISLATION

Housing Act 1985

Landlord and Tenant Acts 1985 and 1987

Housing and Planning Act 1986

Leasehold Reform, Housing and Urban Development Act 1993

Housing Act 1996

Commonhold and Leasehold Reform Act 2002.

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3. POLICY OBJECTIVES AND STANDARDS

Gloucester City Homes:

- Will keep the level of arrears to a minimum in order to maximise income in the interest of both the Council and its tenants and leaseholders.
- Will ensure that all service charges are calculated correctly in accordance with the law and all leaseholders are provided with the Certificate of outgoings and expenses.
- Will make it easy for leaseholders to pay their charges by having a wide variety of payment methods.
- Will offer leaseholders affordable payment plans to enable them to pay arrears (in addition to their service charge payable) in stages over a period of time.
- Will offer leaseholders the facility for a loan when eligible.
- Will prevent arrears by giving good advice on debt management and by promoting the take up of available benefits.
- Will treat all leaseholders fairly, and to act lawfully.

- Will expect leaseholders to meet their obligation to pay the current service charge and to work with others to assist them to pay their charges or obtain welfare benefits.
- Will make early personal contact with every leaseholder in arrears and make regular personal contact if arrears persist.
- Will work in partnership with organisations that can assist with financial advice where genuine difficulties exist.
- Will ensure that leaseholders disputes are resolved speedily and that the leaseholder agrees the charges due.
- Will start legal action, or action in the Leasehold Valuation Tribunal, promptly when appropriate to protect the landlord against further debt and seek to minimise individual debt.
- Will approach mortgage lenders as appropriate when arrears persist.

PAYMENT TERMS

We want to make it as easy as possible for leaseholders to pay service charges, and to avoid getting into debt, and if they get into arrears, to help them pay them off these debts as soon as possible.

There are two options for paying your bill:

- To pay the full amount within 28 days.
- To apply to pay by monthly instalments.

METHODS OF PAYMENT

- direct debit through a bank or building society.
- our website's [online payment](#) facility
- our automated telephone payment service on 0845 155 600, 24 hours a day
- by telephoning our Customer Services Team on 0800 408 2000 during Monday to Friday 9am to 5pm
- over the counter at the City Council's cashier's office at the Herbert Warehouse, Gloucester Docks, between 10am and 4pm on Monday, Tuesday, Thursday and Friday or between 10am and 3pm on Wednesdays

SERVICE CHARGE LOANS

Leaseholders may have the right to a loan in respect of service charges for repairs carried out by GCH.

It does not matter whether they are the original purchaser of the flat under the right to buy, but the landlord must be Gloucester City Council or another housing authority. ('Housing authority' includes registered housing associations other than co-operative housing associations, and unregistered co-operative housing associations.)

The Leaseholder exercises the right to a loan against the landlord: the loan takes the

form of a right to leave the service charge outstanding for a certain period while paying interest on it.

WHAT SERVICE CHARGES MAY QUALIFY FOR A LOAN?

There is only a right to a the loan in respect of charges for repairs carried out by Gloucester City Council to the flat, the building of which it forms part or any other building or land, where: the charges are payable in the ten years beginning on the day the lease was granted (or, if the lease provides for charges to be payable by reference to a specified annual period, before the end of the tenth complete annual period beginning after the grant of the lease).

HOW MUCH ARE LEASEHOLDERS ENTITLED TO BORROW?

There is only a right to a loan when service charges payable for any purpose, not just repairs, in one accounting period total £1,500 or more. (Service charges in separate demands may be added together for this purpose.)

The accounting period is the annual period by reference to which charges are payable under the lease. If no period is specified, it will be the period of twelve months beginning with the grant of the lease and the subsequent twelve month periods beginning after that.

Leaseholders may borrow the amount by which the service charges for the accounting period exceed £1,500, but leaseholders may only borrow in respect of charges for repairs.

The loan must be for more than £500. Leaseholders cannot borrow more than £20,000 (taking earlier outstanding loans into account).

All the figures mentioned above will be adjusted for inflation by reference to the retail prices index for January 1993 and each subsequent January.

TERMS OF THE LOAN?

The loan will be repaid by equal instalments of principal and interest over three years for loans under £1,500, five years for loans which are for £1,500 or more but less than £5,000, and ten years where the loan is for £5,000 or more. Leaseholders can choose to pay over a shorter period if they wish.

Interest will be charged at the local authority mortgage interest rate. There is also an administration fee of £100

The loan will be secured by a mortgage of the flat.

HOW DO LEASEHOLDERS APPLY?

GCH must tell leaseholders whether they are eligible for a loan when the demand for service charges is sent out. The leaseholder must then respond in writing within six weeks.

FORFEITURE

Forfeiture is where the Council applies to the court to end the lease because the covenants of the lease have been breached. This could happen if:

- service charges are unpaid and all other forms of recovery have been ineffective.
- nuisance and or harassment of neighbours
- neglect or damage of the leasehold property.

If the court decides that the terms of the lease have been breached, it may end the lease and give GCC possession of the leasehold flat.

Forfeiture is drastic. As a responsible landlord, we only use it when we have to protect the interest of the Council, its tenants or other leaseholders. With overdue service charges, we will always try to help people who have genuine money problems.

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4. PERFORMANCE TARGETS

GCH PI No: 60

Leaseholder service charges collected as % of charge due, including arrears brought forward.

GCH PI No: 61

Leaseholder service charge arrears as % of charges due.

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