

## Summary Sheet

### Council Report

Cabinet – 11<sup>th</sup> April 2016

### Title

Measures to improve leaseholder income collection

### Is this a Key Decision and has it been included on the Forward Plan?

Yes

### Strategic Director Approving Submission of the Report

Graeme Betts, Interim Strategic Director of Adult Care and Housing

### Report Author(s)

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### Ward(s) Affected

All

### Executive Summary

Over the past 18 months, a wide range of improvements have been made to the services the Council provides to its 499 leaseholders, and it is now important to focus on improving income collection. There are three key ways in which income collection can be improved:

1. Bring the administration and management fee in line with similar authorities
2. Revise the major works repayment options to improve cash flow and overall income collection rates
3. Implement interim arrears recovery measures

This report sets out how it is proposed to implement these changes.

## **Recommendations**

That Cabinet:

1. Notes the increase to the administration and management fee and adopts the principle that the Council should move towards full cost recovery
2. Approves the proposed amendments to current major works repayment options
3. Notes that a temporary resource will be recruited to work on arrears recovery

## **List of Appendices Included**

1. Comparison of service charges levied by other organisations
2. Comparison between the current and proposed major works repayment options
3. Comparison of major works repayment options offered by other organisations

## **Background Papers**

None

## **Consideration by any other Council Committee, Scrutiny or Advisory Panel**

None

## **Council Approval Required**

No

## **Exempt from the Press and Public**

No

## **Measures to improve leaseholder income collection**

### **1. Recommendations**

That Cabinet:

- 1.1 Notes the increase to the administration and management fee and adopts the principle that the Council should move towards full cost recovery
- 1.2 Approves the proposed amendments to current major works repayment options
- 1.3 Notes that a temporary resource will be recruited to work on arrears recovery

### **2. Background**

- 2.1 Over the past 18 months, a wide range of improvements have been made to the services the Council provides to its 499 leaseholders. These include:
  - A successful outcome at the Leasehold Valuation Tribunal in December 2014, which demonstrated that the service charges are reasonable and chargeable
  - Improved service charge processes, and introduction of an annual statement
  - Planning and notification in advance for major works
  - Introduction of charge notification letters immediately following completion of major works
  - Improved communication and engagement with leaseholders including regular focus groups, newsletters, surveys and a new website
  - Evidence of success through customer satisfaction levels and positive feedback
- 2.2 Now these key improvements have been embedded it is important to focus on improving income collection. The reasons for this are that:
  - The Council does not currently pass on the full costs of service delivery to leaseholders. This means that housing rent payers are effectively subsidising leasehold service provision.
  - The existing major works repayment options do not incentivise payment over a shorter period, thereby affecting Housing Revenue Account (HRA) cash flow and potentially accruing additional administrative costs.
  - Leasehold service charge arrears amounted to £367,725 as at 24th February 2016 and this constitutes a direct loss to the HRA. Almost 65% of leasehold accounts are currently in arrears.
- 2.3 There are three key ways in which income collection can be improved; these are interlinked but explained separately throughout this report.

#### **2.3 Administration and management fee increase**

- 2.3.1 Leaseholders are required to contribute towards the cost of services provided by

the Council which they benefit from, for example block maintenance and repairs, buildings insurance and the cleaning of communal areas. These are known as service charges and also include administration and management costs.

- 2.3.2 Service charges should accurately reflect the true cost of services provided, but this is not the case at present as some charges are lower than the actual cost whilst other services are currently provided at no cost at all. This means that an inequality exists whereby council rent payers are effectively subsidising the costs of services provided to leaseholders. To address this, a thorough review of service charges is underway involving key stakeholders.
- 2.3.3 This review will not be completed before the 2016/17 service charge process commences and as an interim measure the administration and management fee will be increase from £25 per annum to £60 p.a. The fee has been fixed at £25 since 1989 and the revised £60 charge reflects the equivalent value had indexation been applied each year since 1989. This interim increase is part of the longer term aim to move towards full cost recovery.
- 2.3.4 It is recognised that whilst this will more than double the existing charge and some customers may consider this to be a significant increase, in reality it is a relatively small monetary value which only equates to around 67p per week.
- 2.3.5 Benchmarking shows that the administration and management fee is over 70% lower than the average charged by other authorities and the overall service charges are over 51% lower than the average. A comparison of management charges levied by other local authorities is provided under appendix 1.

## **2.4 Major works repayment options**

- 2.4.1 Major works generally relate to any high cost schemes which are carried out to blocks of flats, such as re-roofing. Leaseholders are required to contribute towards the costs of such works and this is included within the annual service charges.
- 2.4.2 Major works charges can be significant and because of this, the Council currently offers a number of repayment options to help customers repay the costs (launched 2013). However some amendments are proposed for the following reasons:
- Current arrangements potentially de-incentivise full payment and do not encourage saving for bills in advance – this is because they provide a ‘safety net’ for those who have made no effort to prepare for major works charges, even though the lease states that full payment must be made within 30 days
  - Customers have fed back that they seem overly complex
  - Around 30% of our leasehold properties are rented out. As such, the Council could be subsidising the personal business interests of customers who do not live in the property as their home
  - As leasehold services are funded from the HRA, the management costs associated with longer term repayment options need to be taken into account to prevent council rent payers from covering the costs

- 2.4.3 It is therefore proposed to revise the existing major works repayment options in order to reach a better compromise between supporting those who may experience financial hardship, whilst minimising any detrimental effect on the HRA resulting from the delayed collection of costs which have already been incurred; the implications of which affect council rent payers as well as leaseholders.
- 2.4.4 The key changes are outlined below and a summary of the proposed amendments can be found in appendix 2. Appendix 3 also summarises how Rotherham's proposed options compare with those offered by other local authorities.
- 2.4.5 Payment in full – enhanced by introduction of a modest discount:  
Offering a modest discount of 5% will incentivise leaseholders to save in advance and make full payment more attractive than paying over a longer period. The discount can be offered on the basis that the associated administrative costs are reduced as a result of payments being made promptly, whilst the full costs of the work carried out will still be passed on.
- 2.4.6 Spreading payments over the year by Direct Debit – enhanced by extending the number of instalments available to pay:  
Because the Council has committed to issuing annual bills in early April each year, any leaseholder paying by Direct Debit will automatically benefit from being able to pay over 12 monthly instalments, rather than the 9 or 10 months which are currently catered for. No add on costs or interest charges will apply to the leaseholder.
- 2.4.7 12 months 'interest free' by Direct Debit – no longer required:  
There is no need to continue this as a stand-alone repayment option given that 12 months will now be provided by default to leaseholders paying by Direct Debit for all service charges, including major works.
- 2.4.8 24 months 'interest free' by Direct Debit – minimum debt value now applies:  
It is proposed that this option will now be subject to a minimum debt value of £1000, as given the improvements in the advance notice the Council now provides, it is reasonable to expect customers to have made some savings provision. Plans are also in place to be able to provide up to 3 years advance notice of major works and this will hopefully be embedded in the coming financial year, after which it is then proposed to introduce a minimum 10% up-front payment contribution for this payment option.
- 2.4.9 3-5 year repayment via a Credit Union – to be discontinued:  
This is due to there having been nil take-up. Feedback has also been received from customers stating that the repayment option seems overly complex.
- 2.4.10 Voluntary property charge – eligibility criteria and interest will now apply:
- Means tested eligibility criteria will now apply

- An annual interest charge of 5% will also be applied to cover the costs in respect of the long term management of the debt
- As with the existing repayment option, the debt would still be secured with a legal charge against their property
- A cap will apply, meaning the total amount owed, including interest, will never exceed twice the original charge, irrespective of the time it takes for the debt to be repaid.

## **2.5 Arrears recovery process**

- 2.5.1 Unpaid service charges constitute a direct loss to the HRA and there are cumulative service charge arrears of £367,725 outstanding as at 24<sup>th</sup> February 2016. Almost 65% of leasehold accounts currently have some level of arrears and over 40% have been in arrears continuously since 2010.
- 2.5.2 The service charge arrears policy, procedures and staff resources are currently under review, but as an interim measure the Council will employ a temporary agency resource for a period of 3 to 6 months to address the existing debts. It is expected that the debt recovered as a result of this additional resource will exceed the cost of implementation.

## **3. Key Issues**

- 3.1 The three main drivers for implementing these changes to improve leaseholder income collection are:
- a. The Council significantly under-collects the true costs of leasehold service provision, meaning that Council tenants are subsidising services to leaseholders through the rent they pay. It is therefore important to move towards full cost recovery.
  - b. The HRA business plan will be significantly affected by Government proposals introduced via the Housing and Planning Bill, and the Council needs to ensure that all rechargeable costs are recovered and income is maximised.
  - c. Leaseholders have been informed that both the service charges and major works repayment options were under review, and in order to sustain the continuous improvement to services and reputation, the Council should follow through with the proposals, ideally before this year's annual services go out.

## **4. Options considered and recommended proposal**

- 4.1 Await completion of service charge review before implementing any incremental increase:
- It is already the case that the true costs of service provision are not recovered, so an interim increase will help address this issue
  - An interim increase may also help leaseholders prepare for future charge increases stemming from the wider review of service charges
  - The increase will immediately reduce the effect of council rent payers subsidising leasehold service provision

- 4.2 Leave major works repayment options as they are:
- Changes are needed to incentivise shorter term repayment and thereby improve cash flow to the HRA
  - Leaving the options as is will mean more customers may enter into longer term repayment options following the April 2016 billing cycle, even where there is potentially no need to do so
  - The revised options will still support those home owners who are particularly vulnerable
- 4.3 Delay implementation of arrears recovery strategy and wait for formal restructure of income service:
- The sooner proactive recovery of the existing debts begins and long term non-payment is addressed, the greater the long term benefit to the HRA
  - Some debts may soon become unenforceable owing to the length of time they have been outstanding
- 4.4 The recommended proposal is therefore to implement all three elements before service charge demands are prepared and sent out in early April 2016.

## **5. Consultation**

### **5.1 Service charge increase:**

- The Council has been transparent about the need to review the service charges
- It has been explained that rent payers should not subsidise leaseholder services and also that the Council charges less than other authorities
- Customers were initially notified of the need to review service charges as part of last year's service charge billing process which took place in early June 2015
- These messages have then been reiterated through a number of avenues, including; the information provided on the Council website, associated discussions in two customer focus groups; held in September and December respectively, a subsequent newsletter issued January 2016, the information provided to prospective leaseholders as part of the Right to Buy process

### **5.2 Major works repayment options:**

- This was similarly announced in the June 2015 newsletter
- It was also the main topic of discussion during the customer focus group held in December 2015

### **5.3 Arrears recovery process:**

- This was again covered in the June 2015 newsletter, through which customers were encouraged to make arrangements to clear any debt owed and were also provided with a statement of account for the first time so that they knew how much was outstanding.
- The subject of service charge debts was then covered in a further newsletter which was sent to all leaseholders in January 2016.

### **5.4 Benchmarking:**

- The Council is part of the Core Cities Home Ownership Group and the current service charges have been benchmarked against others within the group. See

appendix 1.

- The major works repayment options have been benchmarked against various organisations via online research. See appendix 3.

## **6. Timetable and Accountability for Implementing this Decision**

### **6.1 Service charge increase and major works repayment options:**

- Following Cabinet approval on 11<sup>th</sup> April 2016, the increase to the administration and management fee and changes to the major works repayment options would be applied in the April 2016 billing cycle.

### **6.2 Arrears recovery:**

- Similarly, following Cabinet approval on 11<sup>th</sup> April 2016, the additional resource for arrears recovery would be recruited before the end of April 2016.

## **7. Financial and Procurement Implications**

### **7.1 Service charge increase:**

- Increasing the management fee from £25 per annum to £60 per annum will potentially generate an additional £17,500 of income to the HRA.

### **7.2 Major works repayment options:**

- The impact of revising our major works repayment options is difficult to quantify
- The proposals will derive benefits from an accounting perspective as it will be possible to better distinguish between revenue and capital repayment arrangements, along with short and long term debts.

### **7.3 Arrears recovery:**

- It is estimated that recruiting an agency resource over the proposed 3 to 6 month timescale could cost up to £20k.
- A key target of the interim arrears recovery arrangements will be to recover more debt than the proposal has cost to implement and it is anticipated that the actual collection will exceed £50k.
- The proposal will also contribute toward improved longer term HRA income collection.

## **8. Legal Implications**

### **8.1 Service charge increase:**

- No expected implications: The leases make provision for the true cost of service provision to be passed on to leaseholders.

### **8.2 Major works repayment options:**

- There is no legal obligation to offer major works repayment options
- When buying a leasehold property, the purchaser's solicitor should explain the requirement to pay service charges as part of the purchase process

### **8.3 Arrears recovery:**

- Some of the oldest service charge debts may soon become 'stature barred' under the Limitation Act 1980. Prompt action could therefore enable recovery of some of this historic debt before statutory limitations take effect.



8.4 An Equality Impact Analysis (EIA) has been completed in line with Council policy.

## **9. Human Resources Implications**

### **9.1 Arrears recovery:**

- Internal recruitment for debt recovery work was considered, however given the short term nature of this proposal it will be necessary to bring someone in with the necessary skill set and experience of recovering such debts.
- The resource implications in respect of recruiting a suitable agency worker and subsequent management needs will be absorbed by the Strategic Housing and Investment Service.

## **10. Implications for Children and Young People and Vulnerable Adults**

10.1 None specific to this report.

## **11. Equalities and Human Rights Implications**

11.1 It is not envisaged that any specific groups will be adversely affected by the proposals in this report, however the Council will ensure that any customers experiencing difficulty paying their service charge are sign-posted to free and impartial advisory services.

11.2 The revised major works repayment options will also be reviewed 6 months after implementation, taking into consideration customer feedback, and if any groups are found to have been adversely affected by the changes, this will be reported back accordingly and further amendments will be considered.

## **12. Implications for Partners and Other Directorates**

12.1 There is potential for the arrears recovering work to generate additional workload for Legal Services as a result of the need to commence legal proceedings. Although this isn't unique to this proposal and would apply equally to any longer term arrears recovery provision.

## **13. Risks and Mitigation**

### **13.1 Increase to administration and management element of service charge**

Risk: Customer perception and potential for complaints

Mitigation: The intention to review and increase the service charges has been communicated to customers and benchmarking shows that the existing charges are significantly lower than average.

### **13.2 Major works repayment options**

Risk: Customer perception and potential for complaints

Mitigation: The intention to revise the major works repayment options has been communicated to customers, who have also been invited to discuss the proposals through a customer focus group. The proposals also benchmark

favourably against those offered by other local authorities.

Risk: None of the options may suit an individual customer's circumstances

Mitigation: Major works repayment options are not obligatory and customers are entitled to make their own financing arrangements which may be on preferable terms to those offered by the Council. It is also the case that the Council now provides greater advance notice of future major works, thereby encouraging customers to make adequate savings provision.

### **13.3 Arrears recovery proposal**

Risk: Potential for customer disputes and complaints

Mitigation: This will be an issue for any arrears recovery measures due to the sensitive nature of debt. The service will ensure a sensitive and respectful approach is applied and for consistency would also adapt the recovery principles employed by the Housing Income team.

Risk: Unenforceable debts

Mitigation: All existing leases were varied in 2013 to change the way that service charges were managed and this means that some debts which accrued prior to the variation could be unenforceable. In a worst case scenario any debts accrued up to the date of variation may need to be written off. The proportion of the current debt applicable to this period is in the region of £80,000.

## **14. Accountable Officers**

Graeme Betts, Interim Strategic Director of Adult Care and Housing.

Dave Richmond, Assistant Director Housing, Asset Management and Neighbourhoods

This report is published on the Council's website or can be found at:-

<http://moderngov.rotherham.gov.uk/ieDocHome.aspx?Categories=>

## Appendix 1 – Comparison of management fees levied by other organisations

Table A: Comparison of average local authority service charges (per property)

Organisation	Average 'regular' service charges	Annual management charges	Management as a proportion of the average service charge	Reported Staff costs
Birmingham	£319	£40	12.54%	£89
Brighton & Hove	£544	£128	23.53%	£50
Bristol	£456	£111	24.34%	£93
Leeds	£349	£107	30.66%	£83
Newcastle	£297	£97	32.66%	£77
Reading	£464	£89	19.18%	Not reported
Rotherham	£174	£25	14.37%	£95
Sheffield	£259	£74	28.57%	£140

Note 1. The above data is derived from Core Cities Home Ownership Group Benchmarking Analysis 2013/14 (2014/15 data not yet available)

Note 2. The average 'regular' service charge is defined as the total of all service charges excluding major work costs, averaged across the organisation's leasehold stock

Note 3. The annual management charges are defined as representing the landlord's own in-house staff costs and other overheads which may apply in the provision of services to leaseholders

Note 4. Reported staff costs are also included in this table owing to the fact that administration and management fees are sometimes passed on in different ways

Note 5. Up-lifting the administration & management fee to £60 will increase its relative proportion of the overall service charge from 14% to around 28%. This takes into account the fact that the average service charge would also see a comparative increase to around £209. This proportion is higher than the average of other local authorities provided in the above table, but this is because our overall service charges will still be much lower than the average.

## Appendix 2 – Comparison of current major works repayment options provision against proposed

Before major works commence		
Current provision	Proposed	Reasons for change
<ul style="list-style-type: none"> <li>Approx 6 months advance notice of works starting through S20 consultation process, sometimes less</li> </ul>	<ul style="list-style-type: none"> <li>Up to 2 years advance notice, and potentially more, through schedule of planned works (published in quarterly newsletter and online)</li> <li>Potential to include 'ball park' costs in the schedule based on target delivery cost – there is a clear risk to adopting this approach which must be taken into account</li> <li>Formal S20 consultation to commence up to 12 months before work starts (wherever possible) – can only occur where the leasehold service has been given sufficient notice of the works</li> </ul>	<ul style="list-style-type: none"> <li>Customers need to be given more notice of planned works so that they can better prepare and save in advance</li> <li>The changes will significantly extend the amount of advance notice we provide</li> </ul>

Immediately after major works have completed		
Current provision	Proposed	Reasons for change
<ul style="list-style-type: none"> <li>No action</li> </ul>	<ul style="list-style-type: none"> <li>Quality assurance (QA) check on all completed major works involving member of leasehold service</li> <li>In Q1, Q2 &amp; Q3, notice of completed works to be issued to all affected leaseholders confirming that the work has been completed and quality checked. Will also provide the costs (but these will not be due for payment until formal billing)</li> <li>Potential to include a breakdown of the works at this stage (so this does not need to be included in the service charge demand)</li> </ul>	<ul style="list-style-type: none"> <li>Involvement with the QA check will help identify any issues with the work well before billing takes place</li> <li>Issuing notices of completed works will enable customers to see the final charges before payment is formally requested, again helping customers to prepare for the bill. Dialogue about repayment can also commence before formal billing.</li> <li>Potential to include a breakdown of the works would allow customers to see greater detail about what they will be asked to pay for and raise any queries prior to formal billing</li> </ul>

At formal billing (service charge demand)		
Current provision	Proposed	Reasons for change
<ul style="list-style-type: none"> <li>Generally issued 1 to 11 months after work is completed - service charge demands are due at the start of each financial year so the timescale is entirely dependent on when the costs are charged to RMBC</li> </ul>	<ul style="list-style-type: none"> <li>Same</li> </ul>	<ul style="list-style-type: none"> <li>No change as the timescale is dependent on when the costs are charged to RMBC</li> </ul>

Available repayment options		
Current provision	Proposed	Reasons for change
<ul style="list-style-type: none"> <li>• Pay in full <ul style="list-style-type: none"> <li>○ No incentive</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Pay in full <ul style="list-style-type: none"> <li>○ Incentive applied by way of a 5% reduction to the applicable major works charge (including any associated management element)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Incentivising full payment would help encourage customers to save in advance.</li> <li>• Later increases to management fees would be automatically taken into account.</li> </ul>
<ul style="list-style-type: none"> <li>• Payments automatically spread through to end of financial year if on Debit Debit <ul style="list-style-type: none"> <li>○ Only 9/10 monthly instalments available</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Payment option is maintained and enhanced. <ul style="list-style-type: none"> <li>○ Changes to R&amp;M administration period means customers will have full 12 months to pay.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• This can be supported at no additional cost to the customer because the DD payment facility is efficient and requires little manual intervention.</li> </ul>
<ul style="list-style-type: none"> <li>• 12 months 'interest free' by DD <ul style="list-style-type: none"> <li>○ Major works only, can't include non-major works service charges</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• This option will be discontinued.</li> </ul>	<ul style="list-style-type: none"> <li>• The change to the R&amp;M charge administration period means that customers paying by Direct Debit will effectively have 12 months to pay by default, and at no extra cost to them.</li> </ul>
<ul style="list-style-type: none"> <li>• 24 months 'interest free' by DD <ul style="list-style-type: none"> <li>○ No requirement for an initial contribution or minimum debt value</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Payment option is maintained subject to the following criteria <ul style="list-style-type: none"> <li>○ Immediate lump-sum required equivalent to 10% of the applicable charge (from 2017/18)</li> <li>○ Minimum debt value of £1000</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Introducing an initial contribution means that customers are still incentivised to save in advance of works, even if they will be unable to pay in full.</li> <li>• Similarly, applying a minimum debt value ensures that saving in advance is further incentivised, particularly for lower charges.</li> </ul>
<ul style="list-style-type: none"> <li>• 3 - 5 year repayment via Credit Union at 10% APR <ul style="list-style-type: none"> <li>○ Significant administrative burden</li> <li>○ RMBC only keep half the interest applied</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• This option will be discontinued</li> </ul>	<ul style="list-style-type: none"> <li>• This option has been removed because customers find it confusing and expensive. No formal applications have been received for this option.</li> </ul>
<ul style="list-style-type: none"> <li>• Voluntary property charge <ul style="list-style-type: none"> <li>○ Two proposals have issued previously – the first based on property value when taken out and property value when debt settled so debt could increase significantly, the second based on a 10% annual flat rate APR</li> <li>○ No clear cap in either case</li> <li>○ Setup costs of £350 payable up front by leaseholder (£100 land registry, £150 desktop valuation, £50 legal administration)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Payment option is maintained subject to the following criteria: <ul style="list-style-type: none"> <li>○ Means tested</li> <li>○ 5% annual interest on outstanding balance</li> <li>○ Customer can pay as much as they want, as frequently as they wish – the potential for variable payments is catered for within the admin fee</li> <li>○ Setup costs £25 for land registry, £50 legal admin + first year's interest at 5% which must be paid up-front</li> <li>○ Cap set at twice the original debt (excludes LR &amp; legal admin)</li> <li>○ Not available if property is mortgaged</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• This revised payment option replaces both the 3-5 year via a Credit Union and existing voluntary property charge options.</li> <li>• The revised option makes it much easier for customers to work out how much it will cost to take this option, both in up-front costs and over a period of time, and the costs are also lower.</li> <li>• The option to base repayment on property value could lead to a significant increase, incur additional costs in relation to valuations and potential for disputes.</li> <li>• Also adds greater flexibility by allowing the customer to reduce the debt as and when they wish, which in turn can reduce the total amount they will repay.</li> <li>• A clear cap is set.</li> </ul>

### Appendix 3: Comparison between RMBC major works repayment options and other local authority packages

Payment term/option	RMBC (proposed)	Sheffield	St Leger Homes	South Kesteven Homes	East Durham Homes	Ealing Council	Camden Council
<b>Payment in full</b>	5% discount for payment within 14 days	No information	No information	No information	Should be paid 'on demand' but will allow up to 28 days	2.5% discount for payment within 30 days	No information
<b>12 months interest free</b>	Automatic for anyone on DD Can include non-major works No max/min value	On request Major works only Max value £5000	On request Can include non-major works No max/min value quoted	On request Unclear whether non-major works can be included No max/min value quoted	Unclear, see Long Term Repayments below	Written application required Unclear whether non-major works can be included No max/min value quoted	Offers 10 months Written agreement required Min monthly payment of £50 Max value £5000 Must live in the property
<b>24 months interest free</b>	On request No means test Min value £2000 Up-front 20% contribution Must live in the property	On request No means test Min value £5000	Not provided	Not provided	Unclear, see Long Term Repayments below	Offers "extended interest free" over 18, 24, 30 and 36 months 18 mth min value = £4201 24 mth min value = £6301 30 mth min value = £8401 36 mth min value = £10501 Arrangement fee of £290 Secured by property charge Must live in the property	Offers 24 and 36 months Written agreement required 24 mth value = £5001 to £10000 36 mth value = £10000+ Must live in the property
<b>Long term repayments</b>	5% annual management fee Flexibility to pay 'as and when' Must live in the property Means test applicable Secured by property charge First year management fee up-front £75 legal fees Fees must be paid up-front Can pay in full at any time	Variable interest 4.86% as at 01/04/15 Repayment period to be agreed Must live in the property Must prove eligibility* Secured by property charge £150 admin fee £200 legal fees Fees must be paid up-front Can pay in full at any time	Not provided: Information is provided in respect of a 'mandatory loan' but the leaseholder is otherwise signposted to alternative sources of finance, such as extending an existing mortgage or taking our a person loan. They explain that interest would apply in each case.	Not provided: The leaseholder is signposted to alternative sources of finance, such as extending an existing mortgage or taking our a person loan. They explain that interest would apply in each case.	Provided, but full terms unclear. States: Will "consider" extending the repayment period This is "subject to strict hardship criteria" May extend the repayment to 12, 24 or 36 months	Only where invoice value is greater than £12601 36 months are interest free Remaining 24 months are at a variable rate (assume local authority interest rate) Arrangement fee of £290 Secured by property charge Must live in the property	Variable interest Must be repaid in equal monthly instalments over an "agreed period" Secured by property charge £169 admin fee up-front £169 legal fee May make additional payments over £100 which would reduce interest Redemption fee of £185 applies to early settlement
<b>Long term deferment</b>	See above - this option is to be merged with long term repayments	Variable interest 4.86% as at 01/04/15 Must live in the property Must prove eligibility** Secured by property charge £150 admin fee £200 legal fees Fees must be paid up-front Can pay in full at any time	Not provided	Not provided	Offered, but details limited. States: Incurs interest at the local authority rate "which is normally higher than rates offered by high street lenders" Subject to "specific criteria so is not available to every leaseholder"	Only available to "vulnerable leaseholders" and "in exceptional circumstances"**** Variable interest applies Must live in the property Arrangement fee of £290 Option to repay the interest element only is offered	May be eligible if "you can demonstrate that you are unable to sustain loan repayments or obtain alternative finance" Up-front arrangement fee (amount not quoted) Will be charged interest (amount not quoted) Must live in the property
<b>Other notes</b>		Also promote extending personal loans / mortgages to cover costs and possibility of a 'mandatory loan'.			East Durham state "Please make every effort to pay on time. By then you will have had plenty of notice that a contribution would be due and how much this would be". Also promote extending personal loans / mortgages to cover costs and possibility of a 'mandatory loan'.	Also promote extending personal loans / mortgages to cover costs and possibility of a 'mandatory loan'. Also have an "equity share" option where the Council uses the debt to effectively buy a stake in the property. Only applies in "extreme hardship" and min value of £10k applies. Further states that all administrative costs would be added to the equitable purchase.	Also promote extending personal loans / mortgages to cover costs and possibility of a 'mandatory loan'.