

Major works payment options

Option	Eligibility criteria	How it works
Prompt payment		
5% prompt payment discount	Pay 95% of your invoice within 12 weeks from the date of your invoice.	We will give you a 5% prompt payment discount if you pay 95% of your invoice within 12 weeks of receiving your invoice.
Monthly instalments		
Up to 2 years interest-free	Available to all leaseholders. This is the maximum payment period available to non-resident leaseholders.	Payment by up to 24 monthly instalments.
Up to 3 years interest-free	Must be your only home.	Payment by up to 36 monthly instalments.
Up to 5 years interest-free	Must be your only home. Charge must be at least £10,000.	Payment by up to 60 monthly instalments. You will have to pay an admin fee for us to place a legal “charge” on your property. In some cases you will also have to pay a fee to your lender. At a later date you will need to pay another admin fee to remove the council’s charge.
Up to 5 years, interest bearing	Must be your only home. Minimum monthly payment must be at least £50. Maximum payment period for resident leaseholders with invoices below £10,000 (except for communal heating works).	Payment by up to 60 monthly instalments. No interest will be charged for the first three years. Interest will be charged in years four and five at a discounted rate which will vary in line with the Bank of England base rate . You will have to pay an admin fee for us to place a legal “charge” on your property. In some cases you will also have to pay a fee to your lender. At a later date you will need to pay another admin fee to remove the council’s charge.
Up to 10 years, interest bearing	Must be your only home. Charge must be at least £10,000 or works related to communal heating systems.	Payment by up to 120 monthly instalments. No interest will be charged for the first five years. Interest will be charged in years six to ten at a discounted rate which will vary in line with the Bank of England base rate . You will have to pay an admin fee for us to place a legal “charge” on your property. In some cases you will also have to pay a fee to your lender. At a later date you will need to pay another admin fee to remove the council’s charge.
Statutory right to a loan	Must apply within six weeks of receipt of your invoice. The lease must have been granted within the last 10 years.	The payment period depends on the amount borrowed. Details are set out in the legislation. These include interest rates, which are relatively high.

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Other options		
Bank or building society loan/mortgage	You could ask a bank or building society for a loan/mortgage or ask your current lender to increase your mortgage.	
DWP assistance	If you are receiving universal credit, income support, jobseeker's allowance or pension credit you may be eligible for assistance with the cost of certain works or with the interest on amounts borrowed.	This is determined by the Department of Work and Pensions (DWP). You must apply to the DWP <u>within one month</u> of receiving your major works invoice. See www.gov.uk/support-for-mortgage-interest and www.gov.uk/government/organisations/department-for-work-pensions
Placing a "voluntary" charge on your property	Must be your only home. Charge must be at least £3,000. Must have sufficient equity in your home to cover the amount of the charge. Must be over 60, on disability benefits, or unable to pay through the other payment options.	You will have to pay an admin fee for us to place a legal "charge" on your property. In some cases you will also have to pay a fee to your lender. At a later date you will need to pay another admin fee to remove the council's charge. The interest rate will be 1% greater than the Bank of England base rate . You can either: 1) Make no payments until the property is sold. The interest will be 'rolled up' and recovered with the major works charge when the property is sold. 2) Pay the interest every month until the property is sold and pay the major works charge when the property is sold.
Buy-back	Must be your only home. Unable to fund through a mortgage, right to a loan, DWP, charge on the property, or pay through the other payment options.	Cases will be assessed individually. This option is subject to funds being available from Islington Council.
Hardship capping	Experiencing exceptional hardship, have no alternative access to funding the full amount and other unforeseen circumstances have contributed to your inability to pay.	Cases will be assessed individually.

Do you need this information in another language or reading format such as Braille, large print, audio or Easy Read? Please contact 020 7527 7715.

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www.islington.gov.uk/leaseholders

Published April 2020