



City of Westminster

MAJOR WORKS SERVICE CHARGES EXPLAINED



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GENERAL INFORMATION & IMPORTANT UPDATES

We have listened to your feedback and in order to simplify the major works billing process we have now brought in the following changes to the major works bills:

We will issue a section 20 notice for any proposed works before an estimated bill is issued. If there is a scheme planned in the Council's annual major works programme to your block (or estate) an estimated major works invoice will be issued with your estimated service charge account. This estimated major works charge will be based on the service provider's finalised full estimated cost for the works and will therefore be in line with your section 20 consultation notice.

Once the works have been completed on site and after the defects periods has ended, we will issue the final account for the actual expenditure on the whole contract. Defect periods are usually for a period of 12 months.

The above changes will allow us to provide a better time scale of when the works will go on site. These changes will also enable us to provide you with a more detailed and accurate breakdown.

We would like to take this opportunity to thank our 100 leasehold volunteers and councillors for helping us review and improve our correspondence.



MAJOR WORKS SERVICE CHARGES EXPLAINED

What are Major works ?

Major works compromise of large items of work such as repairs or renewal to the exterior and communal elements of the block. This includes the roof, windows, external structure, the communal electrical supply and communal services such as lifts, door entry systems and communal heating. Under the terms of your lease the council is responsible for these works to your property to maintain the common parts and fabric of the building. Sometimes major works contracts are for extensive refurbishments of the whole building.

Who carries out major works ?

At the start of 2018, Westminster City Council entered into a ten-year partnering contract with two major works contractors. Axis Europe will deliver all major works projects in the north and west of the borough, while United Living will deliver all major works projects in the south and central areas of the borough. In total we work with six long term contractors.

How are charges for major works billed ?

Before any major works contract are started, we will issue a section 20 notice (Please see page 3 on details of section 20 consultation).

In April of each year, we will issue you the estimated costs for both service charge and major works. Major works estimates are based upon the contract cost identified in the specification of the works. Under the terms of the lease you are required to pay on estimated invoice, this means payment will be due in April. Payment options are available for major works (please see page 4)

When the contract has completed and the defect liability period has ended, the final account is prepared by the contract manager. The Final account details the works that was agreed on site and the amount that has been paid to the contractor to carry out the work. We will use the final account to revise the estimated cost that was billed to you to reflect what was actually spent on your block and (or) estate.

If we have overestimated the charges, you will receive a credit on your account, but if we have underestimated the charges you will receive an invoice for the additional costs.



SECTION 20 CONSULTATION

What is Section 20 consultation ?

Landlords, including councils, are legally required to consult with leaseholders before carrying out major works. This means that leaseholders 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.

What does the section 20 letter include?

A section 20 notice includes the following:

- 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
- notice period of 35 days to send us back your observations on the proposals.

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

What is an observation ?

The law says you have a right to respond to a Section 20 notice up to 30 calendar days from the date of the notice, however Westminster City Council will give you up to 35 days from date of the section 20 notice. Your reply is known as an ‘observation’.

Westminster City Council must reply to any observations we receive within 21 calendar days. We must consider any comments or concerns you raise before going any further with the proposed works.

How do I make an observation ?

All Section 20 Observations must be made in writing to:

S20observations@westminster.gov.uk

or Leasehold Operations, 137 Lupus Street, London, SW1V 3HE.

Please ensure you are quoting the contract number and S20 observation in the subject line.

We cannot accept observations by telephone.



PAYMENT OPTIONS

Please talk to us

If you think you will find it difficult to pay your major works bill. The team is here to help and we can go through payment plans with you. It's important that you contact us as soon as possible to set up an agreement. Any delays may in some cases result in debt recovery action being taken and this may limit the help we can offer you.

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:

INVOICE AMOUNT	PAYMENT OPTIONS AVAILABLE
£200 – £2000	If the bill is under £2,000 you can spread your payments over a year in 12 equal monthly payments No interest or administration fee will be payable
£2000 AND ABOVE	If you receive a bill for more than £2,000 you can spread payments over two years in 24 equal monthly payments No interest or administration fee will be payable
£5000 AND ABOVE	If you receive a bill for more than £5,000 you may be able to spread payments up to 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 for 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.



IMPORTANT CONTACT DETAILS

IMPORTANT CONTACT DETAILS	
Westminster City Council Housing	In the first instance if you have any queries about your property or lease, contact us on: Telephone: 0800 358 3783 Email: housing.enquiries@westminster.gov.uk Website: westminster.gov.uk/yourhousing
Leasehold Operations team	The Leasehold Operations team can be contacted using the above-mentioned contact details. Alternatively, you can write to the team at the following address: Leasehold Operations South Area Service Centre 137 Lupus Street, London, SW1V 3HE
Compliments, comments or complaints	If you have any comments or complaints about our service, please contact Westminster City Council's Complaints Team W: www.westminster.gov.uk/complaints
OTHER USEFUL CONTACTS	
The Leasehold Advisory Service	W: https://www.lease-advice.org/
Gas leaks	Phone: 0800 111 999
Thames Water	Customer services: 0844 448 8694 24 hour emergency phone: 0845 9200 800
Pest control	Phone: 0800 358 0514
London Fire Brigade	Non-Emergency Switchboard: 020 8555 1200
Citizens Advice Westminster	T: 0300 330 1191 W: www.westminstercab.org.uk
National Debtline	T: 0808 808 4000 W: www.nationaldebtline.org